GUFIC
BIOSCIENCES LIMITED

Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.
Tel. (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

79/LG/SE/AUG/2021/GBSL

Date: August 28, 2021

To The Manager (CRD) **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 **Scrip Code : 509079**	To The Manager **National Stock Exchange Of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Symbol : GUFICBIO**

Sub: Submission of Annual Report of the Company for the financial Year 2020-2021 along with the Notice of 37th Annual General Meeting of the Company

Dear Sir/Madam,

We hereby inform that the 37th Annual General Meeting ('AGM') of the Company is scheduled to be held on Monday, September 20, 2021 at 3.30 P.M. (IST) through Video Conference / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2020-21 along with Notice of the AGM.

The Annual Report and the Notice of AGM are being sent to the members through electronic mode and the same are also uploaded on the Company's website **www.gufic.com**.

Kindly acknowledge the receipt

Thanking you,

Yours faithfully,
For Gufic Biosciences Limited

M/S. GUFIC BIOSCIENCES LTD. MUMBAI

Ami Shah

Ami Shah
Company Secretary & Compliance Officer
Mem no.A39579

GUFIC
BIOSCIENCES LIMITED

The Silent Covid Warrior

The contributor of Covid & life saving drugs to the world

37th Annual Report 2020-2021

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS

BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	Chairman & Managing Director
Mr. Pranav J. Choksi	Chief Executive Officer & Whole-time Director
Mr. Pankaj J. Gandhi	Whole-time Director
Mr. Dilip B. Ghosh	Additional Whole-time Director
Mr. Gopal M. Daptari	Independent Director
Dr. Anu S. Aurora	Independent Director
Mr. Shreyas K. Patel	Independent Director
Mr. Shrirang V. Vaidya	Independent Director
Dr. Balram H. Singh	Non-Executive Non-Independent Director
Dr. Rabi N. Sahoo	Independent Director

CHIEF FINANCIAL OFFICER
Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER
Ms. Ami N. Shah

STATUTORY AUDITOR
Mittal Agarwal & Co

COST AUDITOR
Kale & Associates

SECRETARIAL AUDITOR
Manish Ghia & Associates

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

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

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

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

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

37th Annual General Meeting

DAY & DATE
Monday, 20th September, 2021

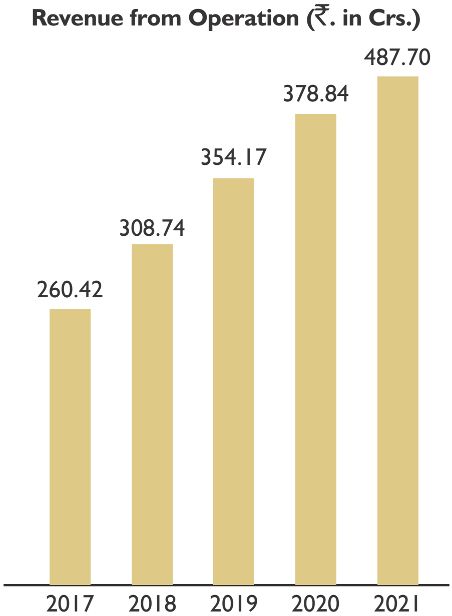
TIME
03.30 P.M.

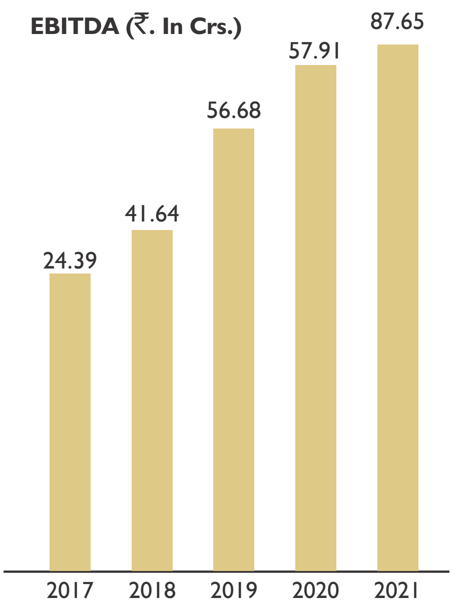
MODE
Video Conferencing/Other Audio
Video Means

Contents

Page No.

FINANCIAL HIGHLIGHTS





The above graph shows the performance of the Company in the last five years through its sales and Earnings before Interest, Depreciation and Amortization. The financial information for financial year 2018-19, 2019-20 and 2020-21 provided above, is including the financial information of Gufic Lifesciences Private Limited which is amalgamated with the Company pursuant to the Scheme of Amalgamation from the Appointed date i.e., January 01, 2019. The graph reflects the growth of the Company which is going upwards year over year and thus shows that the Company is moving in the right direction.

Chairman's Message

Dear Shareholders,

These are unprecedented times. The far reaching grip of the COVID-19 took the past year into an unforgettable quagmire from which we are yet recovering.

Amidst all the adversities of the gone year, several heart-warming stories of courage and relentless dedication continue to shine the ray of hope even brighter. The year will always be remembered for the immense sacrifice and selfless dedication along with incredible perseverance demonstrated by Guficians towards not only the well-being of their own but also towards the well-being of the entire healthcare ecosystem. I am awed by the steadfast dedication, unity and valiant sacrifice demonstrated by the members of the Gufic family. I am bolstered by their outstanding professionalism, physical and mental toughness and selfless service when the healthcare system and the country needed it the most.

Quality is the foundation on which Gufic has built its market standing. Our products meet relevant Indian and international pharmacopeial standards and statutory requirements. Moreover, your company ensures that all the steps involved in design, development and manufacturing of a product leads to the intended level of quality performance in the market. This commitment to quality requires us to ensure that our facility is equipped to provide the right environment, our personnel are trained and quality conscious, our packaging provides the requisite security and cosmetic appeal and our products provide complete patient satisfaction. Gufic's emphasis on quality not only gave an edge to our own branded products but also resulted in your company emerging as a leading partner of choice for several innovators, MNC and large pharmaceutical companies that have entrusted Gufic to be a frontline partner to collaborate, develop and manufacture commercially critical and technologically complex drugs.

Gufic's project team toiled relentlessly to convert the headwinds posed by the COVID-19 lockdown into tailwinds and completed the planned capacity augmentation in record time of under 6 months. Gufic's total manufacturing strength has now reached about 50 million lyophilised vials annually. It is with this augmented capacity that your company was able to serve the nation with the majority of the requirement for critical Covid-19 drugs such as Remdesivir and other life-saving COVID-19 drugs. The large manufacturing base provides us with class leading economies of scale that will not only aid Gufic to catalyse growth in domestic and international markets but also contribute to our mission of making medicines affordable and accessible to all.

On the Domestic front, Gufic has 8 well defined business divisions spread across Critical Care, Infertility, Aesthetic Dermatology and Mass Speciality Divisions with 1000+ talented and driven healthcare professionals in the field, we have excellent supply chain across the nation with 23 C&F partners catering to the remotest cities. Over the years we have built a robust and efficient marketing and distribution structure all around India that has helped us establish ourselves as a national niche player and by leveraging our product pipeline and reach we aspire to become a national multi-specialty player, within the next 2-3 years by developing affordable and effective medicines with the use of cutting edge innovation.

Inspite of the challenges posed by COVID-19, we have cemented our ranking within the top 100 Pharmaceutical companies per the ORG IMS. This is a testimony to our ability to swiftly re-orient the existing product portfolio and introduce new products in the rapidly changing market scenarios during the pandemic. I am grateful to our scientists in R&D, doctors in Medical Research, business leaders of the various business units, my fellow colleagues at the shop floor and my brave fellow Guficians in the field who share the same vision and drive as me to serve the healthcare system and scale Gufic to new heights.

As a leading company in the Critical Care segment we laid emphasis to make available lifesaving drugs in these unforeseen times and promoted an array of drugs such as Immunocin Alpha (Immuno-modulator), Doxific (Antibacterial/Antiviral), Ulinafic (Sepsis Management), Guficap (Antifungal) and Gufisome (Antifungal – Black fungus). Some of these drugs have now become the primary drug of choice by the healthcare fraternity to combat COVID-19 and its after affects.

In FY 21, we have launched 13 new products in various therapy areas during the year. Our portfolio is well diversified in Critical care, Infertility, Aesthetic Dermatology and Mass Specialty products. We cater to about 90 % of the tertiary care hospitals covering more than 1 lakh doctors and approximately 2 lakh retail counters. Our strategic focus continues to increase the number of prescribers and prescriptions and eventually build high value brands. We now have 18 brands with an annual turnover of more than ₹ 5 crores and our strategy is to nurture these brands further to earn leadership position in the respective segments. We have several brands (>20) ranked among the top 5 brands in the relevant competing market- which gives us confidence to build brands, apart from our plans to consolidate the strong segments like Criticare care and Infertility, Gufic has already chalked out plans to create separate teams to cater to Orthopaedics and Gynaecologists in the metro cities.

As you are aware, your company is one of the 5 companies in the world that can safely manufacture high quality Botulinum Toxin - generally considered the most potent of all biological toxins. In FY21, we not only ventured into the high growth Aesthetic Dermatology segment but also immediately carved a niche with Stunnox - India's first indigenous Botulinum Toxin. We successfully concluded post launch trials on 100 patients. This substantiates the safety and efficacy of the drug. We intend to broaden our product portfolio by launching Stunnox Type E Injection and Topical formulations in the near future, which will be game changers in this segment. Commercialisation of Botulinum Toxin is a manifestation of our mission to make available world class molecules first time in India with no compromise in quality. Our R&D launch pipeline has several such niche molecules and new drug delivery systems that we intent to introduce for first time in India within the near future.

The financial highlights of the FY 2020-21 are mentioned below:

- Consolidated revenues were ₹ 48,770 lakhs - 29% growth over the previous year.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased around ₹ 8,765 lakhs - an increase of about 51% versus the previous year.
- Profit after taxes (PAT) was around ₹ 4,423.16 lakhs, 95% rise in comparison to FY2020.

In-line with our long-term strategy, we have made strategic and decisive forays to strengthen our backward integration process. Today, we possess the technical know-how and have the requisite infrastructure to produce key APIs used in our products. We continue to expand our API facilities to de-risk from external procurement and insulate us from price volatility. The resultant upgradation to self-sustenance will complement the economies of scale and aid your company to profitably increase market share in domestic and global markets. Moreover, we intent to launch at least 6 products in FY21-22. These products will further our journey to become a preferred partner for niche APIs.

As we begin the journey into the 50th year of Gufic, it is our endeavour to sustainably grow the various divisions and product lines staying true to our underlying principle of leveraging our sizeable manufacturing base and applying the art and science of lyophilisation into new drug delivery systems to make world class medicines affordable and accessible to all.

I am deeply grateful to every member of the Gufic family, our shareholders, and all our stakeholders for the unparalleled support, trust and encouragement during these trying times. Here's to choosing hope over fear !

Warm Regards,

Yours faithfully,
For Gufic Biosciences Limited

Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 37th Annual Report of the Company along with the Standalone Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS:

The Financial Statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

The financial performance of the Company for the financial year ended March 31, 2021 is summarized as below :

₹ in Lakhs

Particulars	2020-21	2019-20
Total Revenue from Operations	48,769.87	37,883.74
Other Income	373.29	579.02
Total Income	**49,143.16**	**38,462.76**
Profit / (Loss) before Interest, Depreciation, & Amortization, Exceptional item & tax	8,765.25	5,790.57
(Less): Depreciation and Amortization expense	1630.76	1386.48
(Less): Finance Costs	1363.33	1391.47
Profit / (Loss) before Exceptional items & Tax	5771.15	3012.62
Add /(Less) Exceptional items	-	-
Profit / (Loss) before tax	5771.15	3012.62
(Less): Tax Expense (Current)	1719.82	831.00
Deferred Tax	201.14	88.47
(Excess)/ Short Tax Provision of Earlier Years	(572.97)	(175.64)
Profit / Loss for the year (1)	4423.16	2268.79
Other Comprehensive Income / (Loss) (2)	27.10	(238.90)
Total (1+2)	4450.26	2029.89

The financial information for the financial year 2019-20 and 2020-21 provided above, is including the financial information of M/s. Gufic Lifesciences Private Limited ("GLPL") which has been amalgamated with the Company pursuant to the Scheme of Amalgamation of GLPL with the Company and their respective shareholders and creditors ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad and Mumbai bench and the Appointed date of the Scheme being January 01, 2019.

PERFORMANCE REVIEW:

The Company has achieved total revenue of ₹ 49,143.16 lakhs for the financial year under review as compared to ₹ 38,462.76 lakhs in the previous year thus making an increase of about 27.77 %. The turnover of the Company for the financial year 2020-21 from the domestic market was around 88% around and from exports around 12%.

During the year under review, the Net Profit after tax of the Company also increased to ₹ 4423.16 lakhs as against ₹ 2268.79 lakhs in the previous year, thus registering a growth of about 94.96 %.

There is no change in the nature of business of the company and it continues to operate only in one segment i.e. Pharmaceutical.

A detailed analysis of performance for the year including the major developments, if any has been included in the Management Discussion and Analysis Report, which forms a part of the Annual Report.

TRANSFER TO RESERVES:

No amount was transferred to the Reserves for the year under review.

DIVIDEND:

The Board of Directors at their meeting held on June 04, 2021 has recommended a final dividend of Re. 0.10 /- (10 %) on every equity share having face value of Re. 1/- each for the financial year ended March 31, 2021 as against the final dividend of Re. 0.05/- (5%) per equity share for the financial year 2019-2020. The dividend if approved by the Members at the 37th Annual General Meeting (AGM), will be paid to those shareholders whose name appear on the Register of Members of the Company as on the Book Closure date as specified in the Notice to the AGM. In respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited, as beneficial owners.

The total dividend pay-out would amount to ₹ 96,94,450.60/-. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Accordingly, your Company shall make the payment of the Final Dividend after deduction of tax at source.

The dividend payout for the year under review has been formulated in accordance with the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY:

Your Company has formulated Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto (hereinafter referred to as “SEBI Listing Regulations”) for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy is available on the website of the Company at the link:

http://gufic.com/wp-content/uploads/2021/08/Dividend%20Distribution%20Policy.pdf

UNCLAIMED DIVIDEND:

Pursuant to the applicable provisions of the Companies Act, 2013 (“the Act”) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”), during the year under review, unpaid or unclaimed dividend amounting to ₹ 50,988/- (Rupees Fifty Thousand Nine Hundred & Eighty Eight Only) was transferred by the Company to the Investor Education & Protection Fund (“IEPF”), established by the Government of India. Further, 4,295 (Four Thousand Two Hundred And Ninety Five) shares were transferred to the demat account of the IEPF Authority during the year, in accordance with IEPF Rules, as the dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more.

SCHEME OF AMALGAMATION:

The Hon'ble National Company Law Tribunal (“NCLT”) Ahmedabad bench and Mumbai bench sanctioned the Scheme of Amalgamation of Gufic Lifesciences Private Limited (“Transferor Company”) with the Company and their respective shareholders and creditors (“Scheme”) vide orders dated December 31, 2020 and March 11, 2021 respectively.

Further, the Scheme became effective from May 21, 2021, being the last of dates on which the certified copies of order of the above referred NCLT orders were filed and accordingly the captioned Scheme has become operational and pursuant to which, the Transferor Company stands amalgamated with the Company with effect from the Appointed date being January 01, 2019.

CHANGES IN CAPITAL STRUCTURE:

During the year under review, there were no changes in the capital structure of the Company. However, the Board of Directors at its Board Meeting held on June 04, 2021 have allotted 1,91,14, 506 fully paid-up Equity Shares of face value of Re. 1/- each to the Shareholders of the Transferor Company, as per the share exchange ratio specified in the Scheme and sanctioned by the all the concerned regulatory authorities.

Upon allotment of the above equity shares, the Issued, Subscribed and Paid up share capital of the Company stands increased from ₹ 7,78,30,000/- divided into 7,78,30,000 Equity Shares of face value of Re. 1/- each to ₹ 9,69,44,506/- divided into 9,69,44,506 Equity Shares of face value Re. 1/- each. The Appointed date of the Scheme is January 01, 2019.

Apart from the above, the Company have neither issued any shares with differential voting rights nor granted any stock options nor sweat equity shares nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees, in the financial year ending March 31, 2021.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

Your Company does not have any Subsidiary, Associate Company or Joint Venture. Therefore, statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014 in Form AOC-1 is not applicable to the Company.

As the Company does not have any subsidiary, no disclosure is required to be given pertaining to receipt of remuneration or commission by the Managing Director from the subsidiary of the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

1. KEY MANAGERIAL PERSONNEL:

Mr. Jayesh P. Choksi, Chairman & Managing Director; Mr. Pranav J. Choksi, Chief Executive Officer and Whole Time Director; Mr. Pankaj J. Gandhi, Whole Time Director; Mr. Dilip B. Ghosh, Whole Time Director; Mr. Devkinandan B. Roonghta, Chief Financial Officer and Ms. Ami N. Shah, Company Secretary are Key Managerial Personnel of the Company as on the date of this Report.

2. CESSATION/ EXPIRY OF DIRECTORSHIP TENURE:

During the year under review, the term of Mrs. Hemal M. Desai as a Whole Time Director expired on October 01, 2020 and thereby she ceased to be the Director of the Company from that date.

3. RETIREMENT BY ROTATION:

In accordance with the provisions of the Section 152(6) of the Act read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Pranav J. Choksi and Mr. Pankaj J. Gandhi, Whole Time Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment.

4. **APPOINTMENT:**

Considering the knowledge, experience and expertise in the respective field, the Board of Directors on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Dilip B. Ghosh (DIN :00412406) as an Additional Director designated as Whole Time Director of the Company for a term of five (5) years effective from November 12, 2020, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Board recommends to the shareholders, regularization of his appointment as a Whole Time Director of the Company.

The first term of two years of Dr. Anu S. Aurora (DIN :05120192) as an Independent Director with the Company will come to an end on December 22, 2021. Based on the outcome of the performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 11, 2021 have recommended the re-appointment of Dr. Anu Aurora as an Independent Director for a second term of five consecutive years commencing from December 23, 2021 in accordance with Section 149, 152, Schedule IV and other applicable provisions, if any, of the Act and the SEBI Listing Regulations.

In terms of Section 160 (1) of the Act, the Company has received notice in writing from member signifying his intention to propose the candidature for the appointment of Mr. Dilip B. Ghosh as a Whole Time Director and re appointment of Dr. Anu S. Aurora as an Independent Director at the ensuing Annual General Meeting. Relevant details including profiles of Directors seeking re-appointment are included separately in the Notice of AGM.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company have received declaration/confirmation from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(b) of the SEBI Listing Regulations and that there is no change in the circumstances which may affect their status as Independent Director during the year under review.

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

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Further, as per the declarations received, only Mr. Shrirang Vaidya, Dr. Anu Aurora and Dr. Rabi Sahoo were required to pass the online proficiency test as per the first proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Out of the aforementioned Directors, Mr. Shrirang Vaidya and Dr. Anu Aurora appeared and cleared the said test and Dr. Rabi Sahoo will appear for the test within the stipulated timeframe.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Act, SEBI Listing Regulations and all other applicable laws in force.

In compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has laid down a policy for selection, appointment and remuneration of Directors & Senior Management. The details of the Policy are disclosed in the Corporate Governance Report, which forms a part of this Report.

The policy sets out the guiding principles for selection of persons who are qualified to become Directors, Key Managerial Personnel or Senior Management of the Company. It also lays down the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission, if any), Key Managerial Personnel, Senior Management and other employees.

The policy can be accessed on the following link:

http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

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

Familiarisation program for Independent Directors is key to getting best contribution from them in every aspect of Board management. The Directors are regularly briefed on the Company's policies and procedures, distribution channels, corporate strategy, business model, new regulatory requirement, and internal control cash and treasury management, accounting systems and internal financial controls, etc. The induction process for Non-Executive, Independent Directors includes interactive sessions with the Senior Management and Functional heads, visits to Plant, etc.

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company.

The link can be accessed at:

http://gufic.com/wp-content/uploads/2021/08/Familiarisation%20of%20Independent%20Director.pdf

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at http://gufic.com/investor/Appointment.pdf

BOARD EVALUATION:

The Company has in place the manner for carrying out an annual evaluation of the Board of Directors and its various Committees pursuant to the provisions of the Act read with the Rules framed there under and Regulation 17(10) of theSEBI Listing Regulations.

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by SEBI Listing Regulations.

Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent Directors, Board as a whole and of the Chairman of the Board.

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

NUMBER OF MEETINGS OF THE BOARD:

During the year under review, Nine Board Meetings were convened and held. The details of which are given in the Corporate Governance Report, which forms part of this Report. The intervening gaps between the Meetings were within the period prescribed under the Act and the SEBI Listing Regulations.

COMMITTEES OF THE BOARD:

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

AUDIT COMMITTEE:

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

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 including the senior management of the Company in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The Code can be accessed from the website of the Company i.e., www.gufic.com.

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

The Directors & Senior Management of your Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large. A declaration to that effect signed by the Chief Executive Officer and Whole Time Director Mr. Pranav J. Choksi is annexed to this report.

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

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report, except the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme") being operational from May 21, 2021 being the last of date on which the certified true copies of orders were filed with the jurisdictional Registrar of Companies intimating about the sanction of the Scheme by the Hon'ble National Company Law Tribunal, Ahmedabad bench and Mumbai bench vide its order dated December 31, 2020 and March 11, 2021, respectively.

There has been no change in nature of business of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby confirm: -

a. In the preparation of the annual accounts/financial statements for the year ended March 31, 2021, the applicable Indian Accounting Standards have been followed along with proper explanations relating to material departures, if any;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2021 and of the profit of your Company for that year;

c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. That the annual accounts/ financial statements have been prepared on a going concern basis;

e. That proper internal financial controls were in place and that the said financial controls were adequate and were operating effectively; and

f. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Gufic has an adequate system of internal controls in line with the nature of its Business and size and complexity of its operations. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Internal Auditor review the effectiveness and efficiency of these systems and procedures to ensure that adopted policies and procedures are followed and implemented properly.

Your Company is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. Effectiveness of internal financial controls is ensured through management reviews, controlled self-assessment and independent testing by the Internal Audit team.

REPORTING OF FRAUDS:

During the year under review, none of the Auditors has reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees, as required under Section 143 (12) of the Act.

DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid or unclaimed deposits as the Company had never accepted deposits within the meaning of the Act and the rules made thereunder.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

INVESTOR EDUCATION PROTECTION FUND (IEPF):

Pursuant to the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after completion of the seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

In pursuance of Regulation 39 read with Schedule VI of the SEBI Listing Regulations, the details of shares lying in unclaimed suspense account and unclaimed shares/dividend transferred to IEPF, are provided in the Corporate Governance Report that forms part of the Annual Report.

RELATED PARTY TRANSACTIONS:

In lines with the requirement of the Act and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at the link:

http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf

All transactions entered by the Company during the financial year 2020-2021 with related parties were in the ordinary course of business and on an arm's length basis. All related party transactions were placed before the Audit Committee for review and approval. There are no materially significant related party transactions made by the Company, which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held for the financial year 2020-21 are mentioned in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company are available on the website of the Company and can be accessed through the web link:

http://gufic.com/wp-content/uploads/2021/08/Corporate%20Social%20Responsibility%20Policy.pdf

The said Policy has been updated to meet with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The Company have spent an amount of ₹ 67.00 lakhs on various CSR programs during the financial year 2020-21. The Annual Report of the CSR activities undertaken by the Company is annexed as "**Annexure A**" and forms part of this Report.

CONSERVATION OF ENERGY:

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

- Energy saving being a prime objective for all new procurement and modification i.e the machines/equipments purchased by the Company are Energy efficient and controlled by Variable Frequency Drive (VFD) so that the power is consumed as per the requirement of each equipment. Automisation leads to less human intervention.
- Have Energy Management System in place
- Uses Online Energy Monitoring System for monitoring day to day energy consumption and an online report is generated in which day to day consumption is being monitored and compared with production so as to analyse and reduce excess/additional uses of power.
- Replaced Conventional CFL lights with LED lights in phased manner. Primarily all new purchases of lights are done of LED lights.
- Installation of Steam Strap on main stream line to improve quality of steam.
- Ensured All Air Handling Unit (AHU) system is with Variable frequency drives (VFD) for getting required consumption of Power.
- Improvisation of power factor
- Treated high salt content in waste water system
- Harmonisation of best energy conservation practices.
- Improvisation of power factor
- Energy audit at the factory premises by external agency and measures taken.

2. Steps taken for utilizing alternate source of energy:

- Conventional fuel like furnace oil /high speed diesel are replaced with biomass briquettes with Eco-friendly fuel for Steam generation
- Used Generator for procuring electric power through open access power
- Reduction in energy consumption and cost
- Use of Express feeder for main RAW power source
- In possession of three DG set

3. Capital investment on energy conservation equipment:

During the year under review, the Company has not made any specific capital investment on energy conservation.

TECHNOLOGY ABSORPTION:

(I) Efforts made towards technology absorption;

a) Updating and improving the processes and systems used for existing products
b) Developing and introducing new technologies for enhancing efficacy, bio-availability and the potency of the existing as well as new products
c) Developing and launching new drug delivery systems with a special focus on Lyophilized products
d) Strategic collaborations with other independent teams for introducing new products and technologies
e) Filing of appropriate patents and function as a link between the management and the IP lawyers
f) Stability testing of the current as well as new products with a focus on quality and bio-availability
g) Development and scale-up of new formulations for existing and newer active drug substances using innovative and advanced processing equipment.

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

a) Launched 8 New products in the market in the financial year 2020-21
b) About 12 products are ready to be commercialized.
c) About 30 New products are in projection & development of many products is already started.
d) Development of new drug delivery systems and devices to improve patient benefit.
e) Development of products for import substitution.

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

Details of technology imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Botulinum Neurotoxin A EP/BP	2018-19	Yes	Product under stability
Botulinum Neurotoxin A for Injection EP/ BP	2018-19	Yes	Product launched
Recombinant FSH	2019-20	No	Under development

(IV) The expenditure incurred on Research and Development :

₹. in lakhs

Particulars	2020-21	2019-20
Capital	104.57	38.36
Recurring	209.89	200.07
Total	**314.46**	**234.43**

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Earnings in foreign currency : ₹ 5,612.95 Lakhs

Out-go in foreign currency : ₹ 10,974.20 Lakhs

RISK MANAGEMENT:

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

Your Company has adopted a risk management policy for identification, evaluation and mitigation of business risk and threats. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Various risk traced by the Company during the financial year 2020-21, were minimized to its best. The risk management policy adopted by the Company can accessed on the Company's website link:

http://gufic.com/wp-content/uploads/2016/08/Risk-Management-Policy-2017-18.pdf

Pursuant to the recent amendments by SEBI notified with effect from May 05, 2021, the constitution of Risk Management Committee has become applicable to the top "1000" listed entities, determined based on market capitalization and the Company being in the list of top "1000" listed entities, the same is applicable to the Company. Accordingly, the Board of Directors have constituted Risk Management Committee which is entrusted with the responsibility of overseeing various organizational risks and assess the adequacy of mitigation plans to address such risks. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as "**Annexure- B**".

Further, a statement showing the names and particulars of the employees falling within the purview of Rule 5(2) of the aforesaid rules are provided in the Annual Report. The Annual Report is being sent to the members of the Company excluding the aforesaid information. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer at the Corporate office address of the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As stipulated by Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, the Company has established a Vigil Mechanism policy i.e. Whistle Blower Policy for their Directors, employees and other stakeholders to report genuine concerns, unethical behavior, irregularities, if any, that would adversely affect the operation of the Company and to provide adequate safeguards against victimization of persons who may use such mechanism.

The Audit Committee of the Company oversees the vigil mechanism, which provides for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism. The Vigil Mechanism provides for direct access to the Chairperson of the Audit Committee. The details of the policy are made available on the website of the Company at the link: http://gufic.com/wp-content/uploads/2016/08/WHISTLE_BLOWER_POLICY.pdf The policy is reviewed by the Audit Committee from time to time.

We affirm that during the financial year 2020-21, no employee or director was denied access to the Audit Committee. Further, no concerns or irregularities have been reported by employees/directors till date.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, no significant or material orders were passed by the regulators or courts or tribunals which could impact the 'going concern' status and the future operations of the Company, except the sanction of the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective Shareholders and Creditors by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and Mumbai bench vide their orders dated December 31, 2020 and March 11, 2021, respectively.

AUDITORS & AUDIT REPORT

a) STATUTORY AUDITOR:

M/s. Mittal Agarwal & Co., Chartered Accountant, (FRN:131025W)were appointed as the Statutory Auditors of the Company by the Shareholders at the 36th Annual General Meeting of the Company to hold office for a period of 5 (five) years commencing from the conclusion of the 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting. The Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI, in pursuance of the SEBI Listing Regulations.

Auditor's Report for the year under review forms part of this annual report. The Notes on financial statements referred to in Auditor's Report are self-explanatory and do not call for any further comments. There has been no qualification, reservation or adverse remark in their report on Financial Statement for FY 2020-21.

b) COST AUDITOR:

The Board on recommendation of Audit Committee, appointed M/s. Kale & Associates, Cost Accountants, Mumbai, (Firm Registration No. 101144) to audit the cost records of the Company for the financial year 2021-22. As required under the said Act and the Rules made there under, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the ensuing Annual General Meeting. Accordingly, a resolution seeking ratification by members for their remuneration, forms part of the Notice convening 37thAnnual General Meeting. The Board recommends the same for approval of Members.

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

In compliance with Section 148(6) of the Act and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report in the Form CRA - 4 (XBRL mode) for the financial year ended March 31, 2020, was filed by the Company with the Central Government on March 31, 2021.

c) SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, the Board of Directors of the Company had appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report in the prescribed Form No. MR – 3 is annexed to this Report as '**Annexure –C**'. The remarks stated in the Secretarial Audit Report are self-explanatory and do not require any further explanation. The Secretarial Audit Report for the year does not contain any other qualification, reservation or adverse remark.

d) INTERNAL AUDITOR :

The Board of Directors of the Company had appointed Ms. Shilpa Bansal, Chartered Accountants as the Internal Auditor of the Company for the financial year 2020-21. On her resignation from the post of Internal Auditor effective from November 30, 2020, the Board appointed M/s. CNK & Associates LLP, Chartered Accountants as the Internal Auditor of the Company for the financial year 2020-21.

Significant audit observations and corrective actions by the Internal Auditor thereon are presented to the Audit Committee of the Board and reviewed on quarterly basis.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

M/s. Manish Ghia & Associates, Practicing Company Secretaries, have issued Annual Secretarial Compliance Report for the financial year ended March 31, 2021, which confirms that the Company has maintained proper records as stipulated under various Acts, Rules and Regulations and that no action has been taken against the Company or promoters/ directors by the SEBI/Stock Exchanges and the said report has been duly filed with the Stock Exchanges, within the stipulated time frame.

COMPLIANCE WITH SECRETARIAL STANDARDS:

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

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at http://gufic.com/media/investors/annual-return/

MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the SEBI Listing Regulations is provided in a separate section and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT:

As stipulated by Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE:

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. As stipulated by Regulation 34(3) read with Schedule V(C) of the SEBI Listing Regulations, Corporate Governance Report forms part of this Annual Report. The Report on Corporate Governance issued by M/s. Manish Ghia & Associates, Practicing Company Secretaries, as prescribed under Schedule V(E) of the SEBI Listing Regulations, is annexed to this Annual Report.

PREVENTION OF SEXUAL HARASSEMENT AT WORK PLACE:

Your Company strive to keep the work environment free from any prejudice, bias, physical or mental harassment and the Company has a zero tolerance approach towards discrimination on any ground.

Your Company has formulated policy on prevention, prohibition and redressal of sexual harassment of women at workplaces in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy.

An Internal Complaints Committee (ICC) has been duly constituted by the Company for the employees of the Company at its Corporate office situated at Mumbai, Maharashtra and manufacturing facility at Navsari, Gujarat in compliance with the said Act to redress complaints regarding sexual harassment. During the year under review, no complaints pertaining to sexual harassment was received by the Company. The Company has submitted the Annual Returns to the local authorities, as required under the above mentioned Act.

GREEN INITIATIVE:

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

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

HUMAN RESOURCES:

Human resources are indispensable Assets of the Company. The Company believes that the employees are the pivotal to all the initiatives that drive to realise its plans.

The Company recognizes that the employees are the most valuable resource and endeavors to empower its employees to meet business excellence while meeting their career aspirations. The Company continues to focus on progressive employee relations, policies and building high performance culture with the growth mind set where employees are engaged.

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

PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Determination of Legitimate Purpose, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof.

The code can be accessed on the website of the Company at the web link:

http://gufic.com/wp-content/uploads/2016/08/Code%20of%20Fair%20Disclosure%20and%20determination%20of%20Legitimate%20Purpose.pdf

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

All Designated Persons have made the requisite disclosure in compliance with the Code.

CREDIT RATING

The details of the Credit Rating received by the Company, in the financial year 2020-21 has been provided in the Corporate Governance Report, forming part of this Annual Report.

DISCLOSURE IN RESPECT OF STATUS OF APPLICATION OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE

During the year under review and as at March 31, 2021, no application was made or any proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DISCLOSURE RELATING TO DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANK OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, no such one-time settlement was done in respect of any loan taken by the Company from Banks / Financial Institutions.

ACKNOWLEDGEMENTS:

Your Directors convey sincere appreciation to all employees of the Company for their dedication, commitment, hard work and contribution especially during these trying times. The Directors also wish to express their gratitude to investors for the confidence and faith that they continued to repose in the Company.

The Board also sincerely thank all the Stakeholders, medical professionals, statutory authorities, Banks, financial institutions, Bankers, distributors, suppliers, business associates and customers co-operation and support.

For and on behalf of the Board of Directors

Jayesh P. Choksi
Chairman & Managing Director
DIN 0001729

Place: Mumbai
Date: August 11, 2021

ANNEXURE 'A' TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules,2014]

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

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder. The Company has a Board approved CSR policy which was formulated on the recommendation of CSR Committee, with the following objective:

Gufic is committed to improving the quality of lives of people in the community it serves through long-term stakeholder value creation. It pledges itself to care for and serve the community by designing sustainable development model that leads to socio-economic development and ecological development in its area of influence. Your Company comprehends the need for promoting health and sports and providing education to lower socio-economic sections of society. It has taken up various activities to promote health, sports and learning and also provide healthcare facilities to COVID affected patients as part of its CSR Programs during financial year 2020-21.

Key focus areas for CSR activities which include:

a. **Community Health Care, Sanitation & Hygiene**

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

b. **Education, Knowledge & Research**

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

c. **Social care and concern**

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

d. **Rural Development Projects**

   Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

e. **Environmental Sustainability**

   Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

f. **Hunger, Poverty, Malnutrition and Health**

   Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

g. **Gender Equality and Empowerment Of Women**

   Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.

h. **Any other activity as specified under Schedule VII of the Act**

2. Composition of the CSR committee :

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gopal M. Daptari	Chairman of CSR Committee / Independent Director	4	4
2	Mr. Shreyas K. Patel	Member of CSR Committee / Independent Director	4	3
3	Mr. Jayesh P. Choksi	Member of CSR Committee / Managing Director	4	4
4	Mr. Pranav J. Choksi	Member of CSR Committee / Chief Executive Officer and Whole Time Director	4	4

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

S. No.	Particulars	Weblink
1	**CSR Committee**	http://gufic.com/media/investors/composition-of-board
2	**CSR Policy**	http://gufic.com/wp-content/uploads/2021/08/Corporate%20Social%20Responsibility%20Policy.pdf

4. **Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

   Not Applicable

6. **Average net profit of the company as per section 135(5) :** ₹ 3186.81 lakhs

7. **(a) Two percent of average net profit of the company as per section 135(5) :** ₹ 63.74 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

   (c) Amount required to be set off for the financial year : None

   (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 63.74 lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

   Total amount spent on CSR during the year was ₹ 67.00 lakhs and was more than CSR obligation of the Company. Hence, there was no unspent amount for the year.

   (b) Details of CSR amount spent against ongoing projects for the financial year:

   There were no ongoing projects for the financial year 2020-21 and hence this is not applicable.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (Amt. in lakhs)	Mode of implemen -tation -Direct (Yes / No)	Mode of implement -ation Through implementing Agency	
				State	District			Name	CSR Registration Number
1	Medical Assistance and Health Awareness	Promoting health care including preventive health care	No	New Delhi	New Delhi	₹ 5.00 lakhs	No	Heart Care Foundation of India	N.A.
2	Contribution towards COVID-19 Medical help project		Yes	Maharashtra	Mumbai	₹2.00 lakhs	No	Jain International Organisation	N.A.
3	Contribution for setting of the fitness center and other equipment for construction of Badminton Academy	Sports Promotion	No	Telangana	Ranga Reddy district, Moinabad	₹10.00 lakhs	No	The Sudar Educational Society	N.A.
4	Contribution for promotion of technical education	Promoting Education, including special education	No	Maharashtra	Satara Tanda, Aurangabad	₹ 50.00 lakhs	No	Shreeyash Pratishthan	N.A.
	Total					**₹ 67.00 lakhs**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹67.00 lakhs

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	63.74 lakhs
(ii)	Total amount spent for the financial Year	67.00 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(I)]	3.26 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.26 lakhs

9. **(a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount in Rs.	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013:** Not Applicable

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

For and on behalf of the CSR Committee

Mr. Gopal M. Daptari
Chairman of CSR Committee

Place : Mumbai
Date : August 11, 2021

ANNEXURE 'B' TO BOARD'S REPORT

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2020-21:

Sr. No.	Name	Designation	% increase remuneration in the year ended March 31, 2021	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mr. Jayesh P. Choksi	Chairman & Managing Director	27.24	19.94
2.	Mr. Pranav J. Choksi	Chief Executive Officer & Whole Time Director	25.18	14.09
3.	Mrs. Hemal M. Desai	Whole Time Director	N.A.*	N.A.*
4.	Mr. Pankaj J. Gandhi	Whole Time Director	Refer note 1	2.28
5.	Mr. Dilip B. Ghosh	Whole Time Director (Additional)	N.A.**	N.A.**
6.	Mr. Devkinandan Roonghta	Chief Financial Officer	39.51	-
7.	Ms. Ami N. Shah	Company Secretary	8.83	-

* Not comparable since Mrs. Hemal M. Desai ceased to be a Director of the Company w.e.f. October 01, 2020.

** Not comparable since Mr. Dilip B. Ghosh was appointed as an Additional Whole Time Director of the Company w.e.f. November 12, 2020.

Note 1 :Mr. Pankaj J. Gandhi was paid leave encashment in the financial year 2019-20. However, no such component was there in the financial year 2020-21. Considering the pay-out comparison of remuneration to Mr. Pankaj J. Gandhi, there is a decrease of 5.57%, however, in actual, there is no change in his CTC in financial year 2020-21 as compared to his remuneration (CTC) in 2019-20.

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

1. The percentage increase in the median remuneration of the employees for the financial year 2020-21 was -0.78%.
2. The Company has 1247 permanent Employees on the rolls of Company as on March 31, 2021.
3. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   Average percentile increase in the remuneration for all employees other than managerial personnel was 1.83%, while the average increase in the managerial remuneration was 23.75%. As the residence of Mr. Jayesh P. Choksi, Managing Director and Mr. Pranav J. Choksi, Chief Executive Officer and Whole Time Director, was under renovation, each were allotted residential flats for a temporary period effective from September 01, 2019 and the said flats were handed over by them to the Company on March 31, 2021. The increase reflected in the managerial remuneration is due to the perquisites given to the above officials which was temporary in nature and there has been no change in their remuneration for the financial year 2020-21. The employees were awarded increment in the financial year 2020-21 for their service performance in the financial year 2019-20.
4. **Affirmation that the remuneration is as per the remuneration policy of the Company :**

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

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place: Mumbai
Date: August 11, 2021

ANNEXURE 'C' TO BOARD'S REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended On March 31, 2021
(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
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gufic Biosciences Limited (CIN:- L24100MH1984PLC033519) and having its registered office at Shop - 37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri East, Mumbai – 400069 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Oversea Direct Investment and External Commercial Borrowings; (not applicable to the company during the audit period)

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (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)**

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**; and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The Following laws are specifically applicable to the Company based on their sector/industry.

   (a) The Drugs and Cosmetics Act, 1940 and rules made thereunder.

   (b) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made thereunder.

   (c) Drugs (Prices Control) Order.

   (d) The Legal Metrology Act, 2009 and rules made thereunder.

   (e) The Narcotic Drugs and Psychotropic Substances Act, 1985.

   (f) The Poisons Act, 1919

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above.

We 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 except for few meetings which was held on shorter notice, 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, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

We further report that during the audit period:

1. The Hon'ble National Company Law Tribunal, Ahmedabad bench (NCLT Ahmedabad) sanctioned the Scheme of Amalgamation (“Scheme”) of Gufic Lifesciences Private Limited (“Transferor Company”) with the Company vide its order passed on December 31, 2020. Further, the said scheme was also sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT Mumbai) at its hearing held on March 11, 2021. The certified true copies of the order were filed by the Transferor Company and the Company with their respective Registrar of Companies on May 19, 2021 (NCLT, Ahmedabad) and May 21, 2021 (NCLT, Mumbai), respectively.

   Accordingly, the Scheme became effective from May 21, 2021, being the last of dates on which the certified copies of orders were filed; however the appointed date of the scheme was January 1, 2019, and in terms of the aforesaid Scheme, the Company allotted 1,91,14,506 Equity Shares of Re. 1/- each on June 4, 2021 to the shareholders of the Transferor company; the effect of the allotment was however given in the books of accounts with effect from the said appointed date.

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: August 11, 2021
UDIN: F006252C000769575

Annexure 'A' to Form No. MR-3 - SECRETARIAL AUDIT REPORT
for the Financial Year ended on March 31, 2021

[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
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 Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: August 11, 2021
UDIN: F006252C000769575

REPORT ON CORPORATE GOVERNANCE

1. GUFIC'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic believes that good corporate governance should be reflected in all of its actions and is a pre-requisite for meeting the needs and aspirations of its stakeholders. The philosophy of the Company on corporate governance is to ensure transparency in all its operations, provide disclosures and enhance stakeholder value without compromising in any way on compliance with the laws and regulations. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders.

Gufic endeavours 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. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Your Company believes that good Corporate Governance is a never-ending process, and it strives to improve its Corporate Governance practises in order to meet the expectations of its shareholders. In all of its interactions with stakeholders, including shareholders, employees, customers, suppliers, and statutory authorities, the Company strives to follow these principles.

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

As per the requirements of Regulation 34 read with the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), detailed Report on Corporate Governance is set below:

2. BOARD OF DIRECTORS :

(A) Composition and size of the Board

The Board has an ideal combination of executive, non-executive and independent directors, as mandated by the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations.

As on March 31, 2021 and the date of this Report, the Company has ten (10) Directors, of which two are Executive Promoter – Directors including one Chairman & Managing Director; two Executive Non-Promoter Directors, One Professional Non-Executive Non-Independent Director and five Independent Directors. The Company has an Independent Woman Director, which is in compliance of Regulation 17 of the SEBI Listing Regulations.

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

(B) Non executive directors' compensation and disclosures

Except Mr. Balram H. Singh, all other Non-Executive Directors are Independent Directors in the Company. No fees or compensations are paid to the Non-Executive Directors, which requires previous approvals of shareholders in a general meeting, except sitting fees and travelling expenses for attending the Board Meeting and reimbursement of expenses borne by the Directors, if any, on behalf of the Company.

(c) Details of Directors, their Attendance and other Directorships/Committee Memberships

During the year under review, the Board of Directors met Nine (9) times and the gap between the two Board Meetings did not exceed the limit as prescribed under the Act and the SEBI Listing Regulations. The said Board meetings were held on July 31, 2020, August18, 2020, September 05, 2020,September 14, 2020, November12, 2020, December 01, 2020, December 30, 2020, February 08, 2021 and March 31, 2021.

Number of Board meetings, the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM), details of shareholding held by each director and number of other Directorships and Chairmanships/Memberships of Committee of each Director for the year under review, are given below:

Name of the Director	Category	Attendence		No of equity shares held in the company	No. of Director-ship in other companies ^	No of Chairmansship/ Membership in Committees ^ ^	
		Board Meetings	AGM held on November 11, 2020			Chairmanship	Membership
Mr. Jayesh P. Choksi*	Promoter, Chairman & Managing Director	9	Yes	2,51,58,829	1	Nil	2
Mr. Pranav J. Choksi	Promoter, Whole Time Director & Chief Executive Officer	9	Yes	72,68,626	Nil	Nil	2
Mr. Pankaj J. Gandhi	Whole Time Director	9	Yes	0	Nil	Nil	Nil
Mrs. Hemal M. Desai #	Whole Time Director	4	NA	10	Nil	Nil	Nil
Mr. Dilip B Ghosh#	WholeTime Director	4	NA	72,000	Nil	NA	NA
Mr. Shreyas K. Patel	Independent Director	6	Yes	2,600	Nil	Nil	1
Mr. Gopal M. Daptari	Independent Director	9	Yes	0	Nil	Nil	1
Mr. Shrirang V. Vaidya	Independent Director	9	Yes	0	Nil	1	Nil
Dr. Balram H. Singh	Non-Executive Non-Independent Director	1	Yes	0	Nil	Nil	Nil
Mr. Rabi N. Sahoo	Independent Director	4	Yes	0	Nil	1	Nil
Dr. Anu S. Aurora	Independent Director	5	Yes	0	Nil	Nil	1

^ Excludes Directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Act

^ ^ For the purpose of the Chairmanship and Membership of Committees, only the Audit Committee and Stakeholders Relationship Committee of Public Limited Companies are considered, including this Company. None of the Directors of the Company hold Directorship in other listed companies.

#Mrs. Hemal M. Desai ceased to be the Whole Time Director of the Company with effect from October 01, 2020 pursuant to expiration of her term and Mr. Dilip B. Ghosh was appointed as an Additional and Whole Time Director with effect from November 12, 2020.

*Pursuant to the sanction of the Scheme of Amalgamation of Gufic Lifesciences Private Limited ("Transferor Company") with the Company and their respective shareholders and creditors ("Scheme") by all the concerned regulatory authorities, the said Scheme became operational from the Appointed date i.e., January 01, 2019 and accordingly, Mr. Jayesh P. Choksi, being the shareholder of the Transferor Company, was allotted equity shares by the Company as per the share exchange ratio approved in the Scheme by the Board at its Meeting held on June 04, 2021. The additional shares issued pursuant to the Scheme has also been included in the above shareholding of Mr. Jayesh Choksi.

Note :

1. The 36th Annual General Meeting of the Company was held through Video Conferencing on November 11, 2020.
2. No Independent Directors resigned during the year under review.

(D) Disclosure of Relationship between Directors inter-se

Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director is the son of Mr. Jayesh P. Choksi, Chairman & Managing Director of the Company. Except the aforementioned Directors, none of the Directors are related to each other and there are no inter se relationships between the Directors.

(E) Disclosure for Shares and Convertible Instruments held by Non-Executive Directors

The details of the shareholding of the Directors, are as stated in the above table. Further, the Company has not issued any convertible instruments and hence, the disclosure pertaining to holding of convertible instruments in the Company by the Non-Executive Directors does not arise.

(F) Re-appointment of Directors retiring by rotation

Brief profile of Directors seeking appointment/re-appointment at the forthcoming AGM as required under Regulation 36 of the SEBI Listing Regulations is annexed to the Notice convening the 37th AGM and forming part of this Annual Report.

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

Our Company's Board is a skill-based board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. The Company's Nomination and Remuneration Committee (NRC) selects and recommends candidates for appointment of the Board of Directors based on defined requirements. Based on the recommendation of NRC, the Board has identified the following core skills/expertise/ competencies of Directors in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

Areas of Skills /Expertise	Directors who possess the said skills									
	Jayesh Choksi	Pranav Choksi	Pankaj Gandhi	Dilip Ghosh	Shreyas Patel	Gopal Daptari	Shrirang Vaidya	Balram Singh	Rabi Sahoo	Anu Aurora
Visioning and Strategic Planning	√	√	√	√	√	√	√	√		
Industry Knowledge	√	√	√	√	√	√	√	√	√	√
Financial Management and Accounting	√	√		√		√	√			
Corporate Governance and Regulatory Requirements	√	√	√	√	√	√	√			
Sales & Marketing	√	√	√					√	√	√
Leadership Skills	√	√		√	√			√		
International Business Knowledge	√	√		√	√			√		
Networking Skills	√	√	√		√		√	√	√	√
Risk Management	√	√	√	√			√		√	

(G) Confirmation as regards to independence of Independent Directors

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

(H) Compliance as to applicable laws

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

As per the requirements of Regulation 17 of the SEBI Listing Regulations, the Board of Directors of the Company has met at least four times a year and maximum time gap between any two meetings were not more than one hundred and twenty days. The meeting of the Board of Directors and the AGM are always held in Mumbai, where the registered office of the Company is situated. The Agenda and the supporting papers for consideration at the Board meeting are circulated to the Directors well in advance before the meeting to enable the Directors to take an informed decision. Apart from the Board members, the Chief Financial Officer ("CFO") and the Company Secretary attend all the Board Meetings. The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

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

(I) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

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

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

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

http://gufic.com/wp-content/uploads/2020/08/Familiarisation%20Programme%20for%20independent%20directors.pdf

2.COMMITTEE OF THE BOARD:

The Board has, in order to make a focused attention on business and for better governance and accountability have in place the following mandatory committees' viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee as at March 31, 2021. The terms of reference of these Committees are determined by the Board and their performances were reviewed regularly. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the Board in the subsequent Board meetings.

A. Audit Committee:

The terms of reference of the Audit Committee covers all matters prescribed under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. The Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company. The major functions undertaken by the Audit Committee as covered under the SEBI Listing Regulations and the Act interalia includes the following:

- Oversight the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with the management the quarterly / half-yearly / annual, unaudited / audited financial results / statements and Limited Review Reports / Audit Reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the director's responsibility statement to be included in board's report in terms of section134(3)(c) of the Act;
- Review changes in the accounting policies, major accounting estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, modified opinion, if any, in the draft audit report;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans and investments made by the Company;
- Review with the management the performance of statutory and internal auditors;
- Review the adequacy and effectiveness of internal financial controls and systems;
- Review and discuss with the management major financial risk exposures and steps taken to monitor and control them;
- Overseeing and review the functioning of vigil mechanism (implemented by the Company as Whistle Blower Policy);
- Review the scope of the Internal Auditors and Audit Plan to ensure reasonable coverage of different areas of operations;
- Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance;
- Review and recommend to the Board the appointment / reappointment of the Statutory and Cost Auditors after due consideration of their independence and effectiveness;
- Approving the payment towards additional services rendered by the Statutory Auditors except those enumerated in section 144 of the Act;
- Recommending to the Board the remuneration of the Statutory and Cost Auditors;
- Review of Cost Audit Report submitted by the Cost Auditors;

- Approval of the appointment, removal and terms of remuneration of Internal Auditors;
- Approve, and / or subsequent modification, if any, the Related Party Transactions and grant omnibus approvals for certain related party transactions, which are in the ordinary course of business and on an arm's length basis;
- Review of utilization of loans and / or advances from/ investment by holding company in subsidiary company in excess of Rs. 100 Crores or 10% of asset size of the subsidiary company, whichever is lower;
- To supervise implementation of Insider Trading Code and policies relating thereto;
- Valuation of undertakings or assets of the Company, wherever necessary and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition:

As on March 31, 2021 and as on date of signing of this report, the Audit Committee comprises of six Directors which includes four Independent Directors viz., Mr. Shrirang V. Vaidya, Mr. Shreyas K. Patel, Mr. Gopal M. Daptari and Dr. Anu S. Aurora and two Executive Directors one Mr. Jayesh P. Choksi, who is the Managing Director of the Company and other Mr. Pranav J. Choksi. Mr. Shrirang V. Vaidya holds the Chairmanship of the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statements. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Act and also of Regulation 18 of the SEBI Listing Regulations.

The Company Secretary acts as the Secretary to the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement.

In the financial year 2020-2021, 8 (Eight) meetings of the Audit Committee were held i.e. on July 31, 2020, August 18, 2020, September 14, 2020, November 12, 2020, December 01, 2020, December 30, 2020, February 08, 2021and March 31, 2021. The members attendance during the year under review, are as below :

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shrirang V. Vaidya	Chairman	8	8
Mr. Shreyas K. Patel	Member	8	6
Mr. Gopal M. Daptari	Member	8	8
Dr. Anu S. Aurora	Member	8	5
Mr. Jayesh P. Choksi	Member	8	8
Mr. Pranav J. Choksi	Member	8	8

The gap between two Audit Committee Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. The Chairperson of the Audit Committee attended the Annual General Meeting of the Company held on November 11, 2020 to respond to the shareholder's queries

B. Nomination & Remuneration Committee ("NRC")

In compliance with the provisions of section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board has in place a NRC.

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

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to remuneration of the directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- Devising policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal;
- To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- Recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition of Nomination and Remuneration Committee :

The NRC comprises of three Independent Directors viz. Mr. Shrirang V. Vaidya, Mr. Shreyas K. Patel and Mr. Gopal M. Daptari. During the financial year 2020-2021, the Committee met 2 (Two) times i.e., September 14, 2020 and November 12, 2020. The attendance record of the members at the meeting were as follows :

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shrirang V. Vaidya	Chairman	2	2
Mr. Shreyas K. Patel	Member	2	2
Mr. Gopal M. Daptari	Member	2	2

The Company Secretary acts as the Secretary to the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for independent directors are determined by the NRC. The NRC has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/CFD/CMD/CIR/P2017/004 dated January 05, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors. The Independent Directors in their separate Meeting evaluated the performance of Non-Independent Directors Chairman and Board as a whole. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION OF DIRECTORS:

Based on the recommendation of the NRC, the Board of Directors have adopted a “Policy On Criteria For Appointment Of Directors, KMPs And Senior Management Personnel And Evaluation Of Their Performance” determining the criteria for appointment of Directors, KMPs and Senior Management Personnel and formulating Remuneration Policy for Executive and Non-Executive Directors of the Company. The policy can be accessed on the following link:

http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf

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

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

The details of remuneration for the year ended March 31, 2021 to the Executive and Non-executive Directors are as follows:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹	Perquisites / Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options	Sitting Fees	TOTAL
1	Mr. Jayesh P. Choksi	40,01,700	42,39,600	0	0	0	82,41,300
2	Mr. Pranav J. Choksi	20,01,300	38,19,600	0	0	0	58,20,900
3	Ms. Hemal M. Desai*	5,11,426	0	0	0	0	5,11,426
4	Mr. Pankaj J. Gandhi	9,41,736	0	0	0	0	9,41,736
5	Mr. Dilip B. Ghosh*	6,80,979	0	0	0	0	6,80,979
6	Mr. Shreyas Patel	0	0	0	0	45,000	45,000
7	Mr. Gopal Daptari	0	0	0	0	60,000	60,000
8	Mr. Shrirang Vaidya	0	0	0	0	60,000	60,000
9	Mr. Bal Ram Singh	0	0	0	0	0	0
10	Mr. Rabi Sahoo	0	0	0	0	30,000	30,000
11	Dr. Anu Aurora	0	0	0	0	40,000	40,000

*Mrs. Hemal M. Desai ceased to be the Director w.e.f October 01, 2020 and Mr. Dilip B. Ghosh was appointed as a Director w.e.f November 12, 2020

Besides this, all the Whole Time Directors to whom remuneration is paid are also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Service contracts, Notice Period and Severance Fees:

The employments with the Executive Directors are contractual. Each of the Executive Directors is appointed for a term of 5 years, subject to the approval of the shareholders, wherever required, and they are entitled to terminate the service contracts by giving not less than three months' prior notice in writing. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Independent Directors were paid sitting fees of ₹ 5,000/- for attendance of each Board meeting till September 14, 2020, after which the sitting fees were increased to ₹ 10,000/- for each Board Meeting.

There were no pecuniary relationships or transactions of the non-executive Directors vis-à-vis the Company during the year under review. No stock options were granted to any Directors.

C. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ("SRC") comprises of three directors viz. Mr. Rabi N. Sahoo, Mr. Jayesh P. Choksi and Mr. Pranav J. Choksi. Mr. Rabi N. Sahoo, Non-Executive Independent Director acts as the Chairman of the Committee. The constitution of the SRC meets with the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Ms. Ami N. Shah, Company Secretary acts as the Compliance Officer of the Company. Mr. Rabi N. Sahoo, Chairman of the Committee attended the last AGM of the Company held on November 11, 2020.

The terms of reference of the SRC is specified in clause B of Part D of Schedule II of SEBI Listing Regulations which are mentioned hereunder:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar of Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the financial year 2020-21, the Committee met 1(one) time i.e. on February 08, 2021.

The attendance at the meetings of the SRC is given below:

Name	Designation	No of Meetings Attended
Mr. Rabi N. Sahoo	Chairman (w.e.f. 20.08.2019)	1
Mr. Jayesh P. Choksi	Member	1
Mr. Pranav J. Choksi	Member	1

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2020-2021

Complaints pending at beginning of the year	NIL
Complaints received during the year	1
Complaints resolved during the year	1
Complaints not resolved to the satisfaction of shareholders during the year	NIL
Complaints pending at the end of the year	NIL

D. CORPORATE SOCIAL RESPONSIBILTY (CSR) COMMITTEE:

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

The terms of reference of the CSR Committee *inter alia* include the following:

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

The Company Secretary acts as Secretary of the Committee.

During the financial year 2020-21, the Committee met four times i.e., on July 31, 2020, September 14, 2020, December 30, 2020 and March 31, 2021.

The attendance record of the members at the meeting were as follows:

Name	Designation	No of Meetings Attended
Mr. Gopal M. Daptari	Chairman	4
Mr. Shreyas K. Patel	Member	3
Mr. Jayesh P. Choksi	Member	4
Mr. Pranav J. Choksi	Member	4

E. RISK MANAGEMENT COMMITTEE:

The constitution of Risk Management Committee was not applicable to the Company in the financial year 2020-21. However, as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 notified with effect from May 05, 2021, constitution of Risk Management Committee ("RMC") has become mandatory for the top 1000 listed entities on the basis of market capitalization as at the end of immediate previous financial year and our Company being in the list of top 1000 listed companies as on March 31, 2021, the same is applicable to our Company. Accordingly, the Board of Directors has constituted RMC at its Board Meeting held on June 04, 2021 and the composition of RMC is as under :

Name	Designation	Category
Mr. Jayesh P. Choksi	Managing Director	Chairman
Mr. Pranav J. Choksi	CEO & Whole Time Director	Member
Mr. Shrirang V. Vaidya	Independent Director	Member
Mr. Gopal M. Daptari	Independent Director	Member
Mr. D.B.Roonghta	Chief Financial Officer	Member
Mr. Nagesh Yarrabathina	Chief Operating Officer	Member
Mr. Ashok Dev	Vice President of Operations	Member

The terms of reference of the RMC, inter alia, includes:

- To formulate a detailed risk management policy which shall include:

  (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

  (b)Measures for risk mitigation including systems and processes for internal control of identified risks.

  (c) Business continuity plan.

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

As the RMC is constituted in the financial year 2021-22, no question of meeting arises in the financial year 2020-21.

INDEPENDENT DIRECTORS MEETING:

As stipulated by the Code of Independent Directors under Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 8, 2021 without the presence of the Non-Independent Directors and members of management, At the meeting, the Independent Directors, interalia to discuss the following matters

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

All the Independent Directors were present at the meeting.

3. SHAREHOLDERS

A. GENERAL BODY MEETINGS

Details of Annual General Meetings during last three Financial Years are as Follows:

AGM	Financial Year	Venue	Date & Time	Special Resolution passed
34th	2017-18	VITS -Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	28th September, 2018 2.30 P.M.	No resolution was passed through Special Resolution.
35th	2018-19	VITS - Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	30th September, 2019 2.30 P.M	1. Regularization of appointment of Mr. Rabi N. Sahoo (DIN: 01237464) as a Non-Executive Independent Director of the Company for a term of three consecutive years effective from June 29, 2019.
				2. Re-appointment of Mr. Jayesh P. Choksi (DIN: 00001729) as Chairman and Managing Director for a period of five years effective from April 01, 2020.
				3. Re-appointment of Mr. Pranav J. Choksi (DIN: 00001731) as a Whole Time Director of the Company for a period of five years effective from April 01, 2020.
				4. Re-appointment of Mr. Shreyas K. Patel (DIN: 01638788) as an Independent Director of the Company for a term of five years effective from September 26, 2019.
				5. Re-appointment of Mr. Gopal M. Daptari (DIN: 07660612) as an Independent Director of the Company for a term of five consecutive years effective from November 24, 2019.
36th	2019-20	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	11th November, 2020 11.00 A.M.	1. Re-appointment of Mr. Shrirang V. Vaidya (DIN: 03618800) as an Independent Director.
				2. Ratification of remuneration of the Cost Auditors for the financial year 2020-21.

DETAILS OF POSTAL BALLOT

Approval of Scheme of Amalgamation of Gufic Lifesciences Private Limited ("Transfer Company") with the Company and their respective shareholders & creditors

Pursuant to the order dated July 14, 2020 issued by the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT"), a meeting of Equity Shareholders was convened on September 15, 2020 at 12.30 p.m. through Video Conferencing/Other Audio Visual Means for approval of Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme"). As per the said order and in compliance with the applicable provision of the Act and SEBI Listing Regulations, the shareholders were also given facility to vote for the aforementioned resolution through e-voting and postal ballot prior to the Meeting. The voting under the postal ballot and E-voting prior to the Meeting were kept open from 9.00 a.m. (IST) on Sunday, August 16, 2020 till 5.00 p.m. (IST) on Monday, September 14, 2020.

The voting pattern for passing of the aforementioned resolution are as follows :

Detail of resolution	Mode of Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of Votes in favour	% of votes in favour on votes polled	No. of votes - against	% of votes against on votes polled
Approval of Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors – Special Resolution	**E-Voting**	74,15,183	74,14,698	99.99	485	0.01
	Postal Ballot	0	0	0	0	0
	Total	**74,15,183**	**74,14,698**	**99.99**	**485**	**0.01**

Mr. Gajanan D. Athavale, Practicing Company Secretary conducted the postal ballot exercise as the Scrutinizer to scrutinize the postal ballot and e-voting process in a fair and transparent manner.

The postal ballot was conducted in accordance with the provisions of Sections 108, 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). In compliance with the aforementioned order issued by the NCLT, the Company completed the dispatch of Notice along with the postal ballot form with instructions and self-addressed postage prepaid business reply envelope amongst others, through email to Equity Shareholders whose email id were registered with the Company/Depositories and physical copy of the notice were sent through permitted mode to the shareholders whose email ids were not registered with the Company/Depositories. The Company also published a Notice in the newspaper and met with other requirements as mandated under the provisions of the Act and Rules framed thereunder. The voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

Upon completion of scrutiny the votes cast through postal ballots and e-voting in a fair and transparent manner the Scrutinizer submitted the report to the Company and the results of the postal ballot were announced by the Company on September 16, 2020. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.guficbio.com

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

B. MEANS OF COMMUNICATION:

- **FINANCIAL RESULTS**

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

- **WEBSITE**

  The Company's website www.gufic.com contains a separate dedicated section 'Investors' wherein the basic information about the Company including information about the company's business, financial information, shareholding pattern, compliance with corporate governance, company's director, registrar & transfer agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc., Official news releases and presentations and other material information relevant to the shareholders are displayed.

- **ANNUAL REPORT**

  Annual Report containing inter alia Audited Annual Accounts, Board's Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered with the Company and physical copy to the rest of the shareholders and others entitled thereto every year. However pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY 2019-20 were sent. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and MCA General Circular 2/2021 dated January 13, 2021 in continuation of MCA General Circular No. 20/2020 dated May 5, 2020, no physical copies of the Annual Report for FY 2020- 21 will be sent.

- **REMINDER TO INVESTORS**

  Reminder for unpaid dividend are sent to shareholders, regularly, every year.

- **CORPORATE FILING**

  All periodical compliance filings required to be filed with the Stock Exchanges viz., shareholding pattern, corporate governance report, press releases, statement of investor complaints etc., all price sensitive information and disclosures under Regulation 30 of SEBI Listing Regulations, are filed electronically with the BSE Limited and the National Stock Exchange of India Limited.

  Further, trading window is closed in accordance with the Code of Conduct for prevention of insider trading and the same is intimated to all the Directors and Designated Persons by e-mail and the same is communicated to the public through Stock Exchanges.

C.GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	**Date** : September 20, 2021 **Day** : Monday **Time** : 3.30 p.m. **Mode** : Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") **Venue** : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and 02/2021 dated January 13,2021, there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial calendar	1st April 2020 to 31st March, 2021
Adoption of Financial Results (Tentative, subject to change)	For the financial year 2021-22
For the quarter ending June 30, 2021	August 11, 2021
For the quarter and half year ending September 30, 2021	On or before November 14, 2021
For the quarter and nine months ending December 31, 2021	On or before February 14, 2022
For the quarter and year ending March 31, 2022	On or before May 30, 2022
Date of Book Closures	September 14, 2021 to September 20, 2021 (Both days inclusive)
Dividend Payment Date	Dividend shall be paid within 30 days from the approval of the same in the ensuing AGM.
The Company is Listed at	**BSE Limited** 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001 **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code	BSE – 509079 NSE – GUFICBIO
Name Address Telephone No Fax Email of Registrar & Share Transfer Agents	Link Intime India Private Limited C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 Email: helpdesk@linkintime.co.in
CIN	L24100MH1984PLC033519
STATUS	Active

The annual listing fees for the financial year 2020-21 has been duly paid by the Company to the Stock Exchanges on which the shares of the Company are listed within the stipulated time frame.

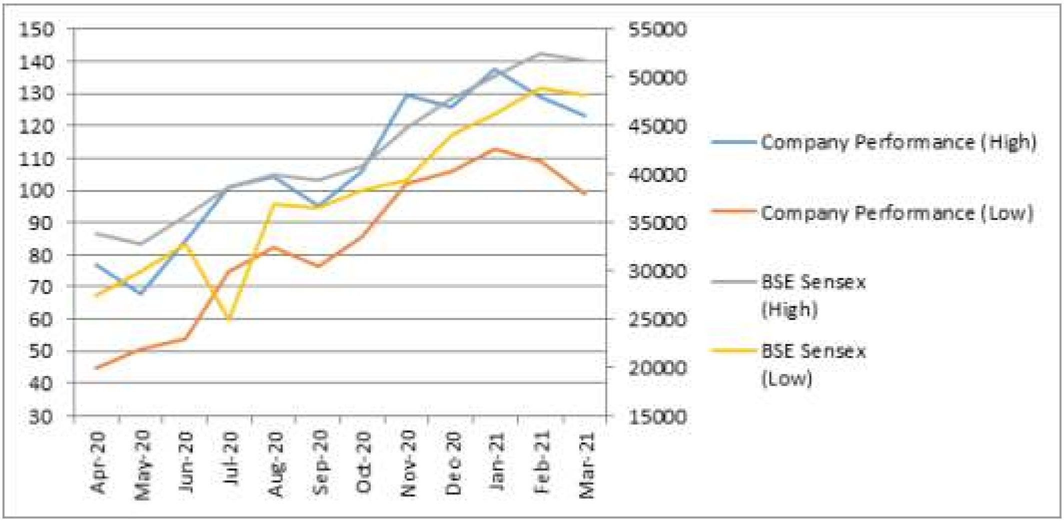
D. Market Highs and Lows for the period April 2020 to March 2021

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2020	76.90	44.80	116483	71.90	44.35	1450162
May, 2020	67.75	50.45	105731	66.95	45.90	1335449
June, 2020	84.55	53.80	763597	84.70	52.40	6874994
July, 2020	100.90	75.00	1521379	101.00	75.00	12652292
August, 2020	104.40	82.50	747299	104.90	82.40	6596765
September, 2020	95.30	76.60	654725	95.60	76.20	6631221
October, 2020	106	85.50	583296	105.91	86.55	4860559
November, 2020	129.60	102.25	1161291	129.85	102.40	8469173
December, 2020	125.90	106.00	478395	125.95	106.55	3607999
January, 2021	137.40	112.85	550605	137.45	113.05	4555475
February, 2021	129.00	109.00	330333	128.80	108.55	3496396
March, 2021	122.90	99.10	317720	122.75	99.00	2679433

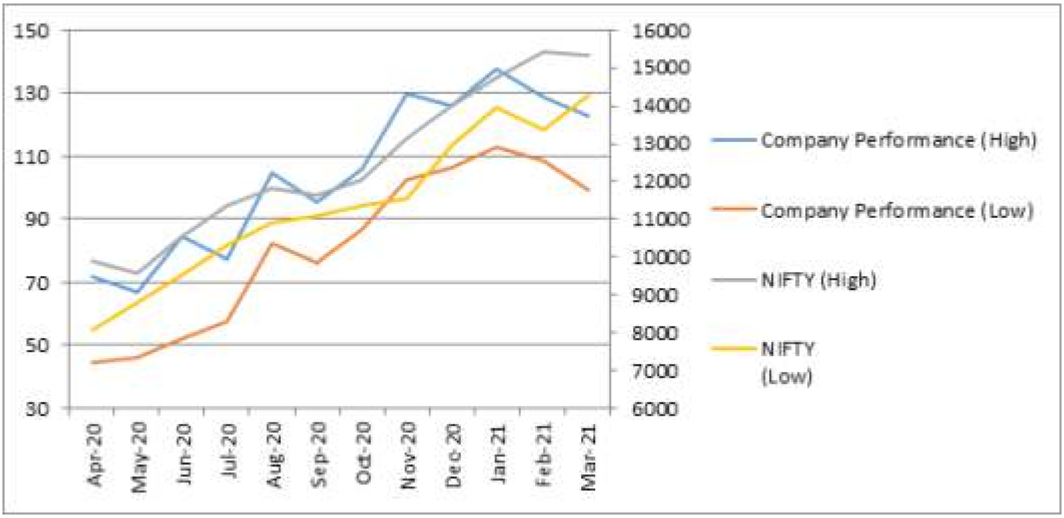
On March 31, 2021, the closing price of the shares of the Company on BSE was ₹ 114.30/- and NSE was ₹ 114.50/-

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

The performance of the Company's Equity Shares relative to the BSE sensitive index (BSE Sensex) is given in the chart below:



The performance of the Company's Equity Shares relative to NSE Nifty is given in the chart below:



F. SHARE TRANSFER SYSTEM:

Effective from April 1, 2019, securities can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities pursuant to the terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time. Further, Securities and Exchange Board of India ("SEBI"), had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to convert their holdings to dematerialized form.

All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days or the timeframe as stipulated by the applicable laws in force. Transfer of shares in electronic mode are done through the depositories with no involvement of the Company.

The Company obtains from a Practicing Company Secretary, a half-yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with the concerned Stock Exchanges

G. DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2021

CATEGORY	DEMATERIALISED		PHYSICAL		TOTAL		% ISSUED CAPITAL
	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	
Corporate Bodies (Promoter Co)	30714853	2	0	0	30714853	2	31.68
Clearing Member	256663	119	0	0	256663	119	0.026
Other Bodies Corporate	1598871	136	0	0	1598871	136	1.65
Directors	32499455	4	0	0	32499455	4	33.52
Hindu Undivided Family	546016	376	0	0	546016	376	0.56
Market Maker	100	1	0	0	100	1	0.00
Non Resident Indian	270588	186	0	0	270588	186	0.28
Non Resident (Non Repatriable)	124787	85	0	0	124787	85	0.13
Financial Institutions	2659	1	0	0	2659	1	0.00
Foreign Portfolio Investors (Corporate)	175623	2	0	0	175623	2	0.18
Non Nationalized Bank	0	0	0	0	0	0	0
Alternate Investment Fund	0	0	0	0	0	0	0
NBFCs registered with RBI	0	0	0	0	0	0	0
Mutual Funds	6416062	4	0	0	6416062	4	6.62
Foreign Nationals	0	0	0	0	0	0	0
Public	24027439	19034	114996	25	24142435	19059	24.90
Investor Education & Protection Fund	199694	2	0	0	199694	2	0.21
Total	**96829510**	**19952**	**114996**	**25**	**96944506**	**19977**	**100**

Note: Pursuant to the sanction of the Scheme of Amalgamation of Gufic Lifesciences Private Limited ("Transferor Company") with the Company and their respective shareholders and creditors ("Scheme") by all the concerned regulatory authorities, the said Scheme became operational from the Appointed date i.e., January 01, 2019 and accordingly, the Board of Directors at its Meeting held on June 04, 2021, allotted equity shares to the shareholders of the Transferor Company as per the share exchange ratio, approved in the Scheme . The additional shares issued pursuant to the Scheme has also been included in the above shareholding.

H. Distribution of Shareholding (As on 31st March 2021)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	16716	83.6720	2268673	2.3402
501 – 1000	1480	7.4081	1240365	1.2795
1001 – 2000	885	4.4299	1370204	1.4134
2001 - 3000	294	1.4716	772612	0.7970
3001 – 4000	118	0.5906	429534	0.4430
4001-5000	128	0.6407	602081	0.6211
5001-1000	188	0.9410	1363742	1.4066
10001 & above	168	0.8459	88897295	91.6992

I. DEMATERIALISATION OF SHARES AND LIQUIDITY

99.85 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2021. All shares of the Company are liquid and traded in normal volume on BSE & NSE. Shares held by Promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE742B01025.

None of the securities of the Company are suspended from trading.

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

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

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

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Further with respect to foreign exchange risk, the Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. Since company has natural hedge due to its import and export activities, company doesn't enter into foreign exchange derivatives to hedge its exposure.

L. RECONCILIATION OF SHARE CAPITAL AUDIT:

A practicing Company Secretary carried out audit in each of the quarters in the financial year 2020-21, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

M. PLANT LOCATION

The Company has its manufacturing plant located at National Highway No. 48, Near Grid, Kabilpore Navsari, Gujarat.

N. ADDRESS FOR CORRESPONDENCE

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend(if any) or any other query relating to shares, the investor can write to Registrar and Share Transfer Agent.

i. Registrar & Share Transfer Agent

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

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

ii Company

Ms. Ami N. Shah (Company Secretary & Compliance Officer)
M/s. Gufic Biosciences Limited
S M House, 11 Sahakar road, Vile Parle East), Mumbai – 400 057, Maharashtra, India.
• Tel No : 022 67261000 • Email : corporaterelations@guficbio.com

O. CREDIT RATING

The Credit Rating details are given hereunder

Rating Agency	Instrument Type	Rating	Revision, if any
ICRA Limited	Long Term- Fund based Working Capital	[ICRA]BBB (Stable); assigned	Ratings taken for the first time
	Short Term – Letter of Credit	[ICRA]A3+; assigned	
	Short Term – Bank Guarantee	[ICRA]A3+; assigned	
CARE Ratings Ltd.	Long-term Bank Facilities (Cash Credit)	CARE BBB; Stable	Revised from CARE BBB- (Triple B Minus) and removed from Credit watch with Developing Implications; Stable outlook assigned
	Long-term Bank Facilities (Term Loan)	CARE BBB; Stable	Revised from CARE BBB- (Triple B Minus) and removed from Credit watch with Developing Implications; Stable outlook assigned
	Long term/ Short term bank facilities (Fund based and Non-fund based)	CARE BBB; Stable / CARE A3	Revised from CARE BBB- / CARE A3 (Triple B Minus / A Three) & removed from Credit watch with Developing Implications; Stable outlook assigned

O. OTHER DISCLOSURES:

1. No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per IndAS-24, are disclosed in the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2021.
2. Details of Related Party Transactions and policy are provided in the Directors' Report. The policy is made available on the Company's website at the given link : http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY TRANSACTIONS.pdf
3. During the last three years, there were no material non-compliances by the Company and no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority for non-compliance of any matter related to capital markets.
4. The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under SEBI Listing Regulations.
5. There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.
6. The Managing Director and Chief Financial Officer of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of the SEBI Listing Regulations [Part B of Schedule II] and the certificate forms part of Annual Report. The aforementioned officials also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.
7. The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of vigil mechanism / whistle blower policy has been provided on the website of the Company www.gufic.com and have also been provided in the Directors' Report.
8. The Company has no subsidiary, associate or joint venture company, hence policy on material subsidiary is not applicable to the Company and hence not adopted.
9. Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.
10. The Company had not raised any funds through preferential allotment of qualified institutional placement.
11. Certificate has been received from a Company Secretary in Practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
12. There were no instances where the Board had not accepted any recommendation of any committee during the financial year 2020-21.
13. Disclosures have also been received from the senior management that there were no such transactions during the financial year 2020 - 2021 having potential conflict with the interests of the Company at large either by them or their relatives.
14. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to SEBI Listing Regulations
15. Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part is mentioned herein below **:**

Payment to Auditors (excluding GST)

₹. in lakhs

Particulars	**For the year ended March 31,2021**	**For the year ended March 31,2020**
As Auditors		
a) For audit	24.30	15.25
b) Tax Audit	-	4.00
c) Limited Review	0.63	2.50
In other Capacity		
a) Certification Work & Other Capacity	3.20	2.25
b) Representation before Statutory Authority	-	7.00
Reimbursement of Expenses &Goods and Service Tax	0.18	0.73
Total	**28.30**	**31.73**

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

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

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

i) The Company has an Executive Chairman.

ii) The quarterly/half yearly financial results are not individually sent to the shareholders. However, the same are disseminated to the public through Stock Exchanges where the shares of the Company are listed and the same are published in the newspapers and posted on the Company's website.

iii) The internal auditor reports to the Audit Committee.

iv) The Auditor have issued an unmodified opinion on the Financial Statements of the Company.

Q. UNCLAIMED SHARES & DIVIDEND:

As per the provisions of sections 124 and 125 of the Act, read with the Rules framed thereunder, dividend, if not claimed for a period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (Seven) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of shareholders, the Company has sent reminders to the shareholders to claim their dividend before transfer of dividend / shares to IEPF. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

During the year under review, the unclaimed dividend of Rs. 50,988/- pertaining to the dividend for the financial year ending March 31, 2013 and 4,295 unclaimed shares were transferred to IEPF.

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

R. 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.

S. CEO/CFO CERTIFICATION:

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

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place : Mumbai
Date : August11, 2021

Declaration on code of conduct pursuant to schedule V of SEBI Listing Regulations

I, Pranav J. Choksi, Chief Executive Officer & Whole Time Director of the Company hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company during the financial year 2020-21.

For and on behalf of the Board of Directors

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

Place: Mumbai
Date August11, 2021

CERTIFICATE OF NON -DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.	Name of the Director	Designation/ Category	DIN	Original date of appointment in the Company
1	Mr. Jayesh Pannalal Choksi	Managing Director	00001729	August 31, 1999
2	Mr. Pranav Jayesh Choksi	Whole Time Director	00001731	June 25, 2004
3	Mr. Pankaj Jayakumar Gandhi	Whole Time Director	00001858	August 01, 2013
4	Mr. Dilip Ghosh	Whole Time Director (Additional Director)	00412406	November 12, 2020
5	Mr. Rabi Narayan Sahoo	Independent Director	01237464	June 29, 2019
6	Mr. Shreyas Kantilal Patel	Independent Director	01638788	August 27, 2014
7	Mr. Shrirang Vishwanath Vaidya	Independent Director	03618800	February 12, 2018
8	Mrs. Anu Sanjiv Aurora	Independent Director	05120192	December 23, 2019
9	Mr. Bal Ram Singh	Non-Executive, Non-Independent Director	06918085	May 29, 2018
10	Mr. Gopal Madhavbhai Daptari	Independent Director	07660662	November 24, 2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: August 11, 2021
UDIN: F006252C000769531

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the "Business Responsibility Report" (BRR) of the Company for financial year 2020-21.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24100MH1984PLC033519
2.	Name of the Company	Gufic Biosciences Limited
3.	Registered Address	Shop – 37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri (East), Mumbai 400 069
4.	Website	www.gufic.com
5.	E-mail	mgr_legal@guficbio.com corporaterelations@guficbio.com
6.	Financial Year Reported	April 01, 2020 - March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in business of pharmaceuticals under Group 210 and Class 2100 as per the National Industrial Classification 2008 (NIC) by the Central Statistical Organisation, Ministry of Statistics and Programme Implementation.
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. HCG 2. Teicoplanin 3. Thymosin alpha
9.	Total no. of locations where business activity is undertaken by the Company: (a) Number of International Locations: (b) Number of National Locations:	a) Representative Office in Vietnam b) i) Registered Office at Andheri (East) ii) Corporate Office at Vile Parle (East) iii) Manufacturing facility at a. Navsari, Gujarat b. Baroda, Gujarat & c. Belgaum, Karnataka iv) 23 Carrying& Forwarding agents PAN India including 2 central warehouses located at Bhiwandi and New Delhi
10.	Markets served by the Company- Local/State/National/International	In addition to serving the Indian market, the Company exports to more than 20 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹):	969.45 lakhs
2.	Total Turn Over (₹):	49,143.16 lakhs
3.	Total profit after taxes (₹):	4,423.16 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The total CSR spend for the financial year 2020 - 21 was Rs. 67.00 lakhs which is 1.51 % of the Profit after tax and more than 2 % of the average net profit of the Company for the last three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	Health, Sports and Education For full details on CSR activities undertaken by the Company for financial year 2020-21, you may refer to Annexure-'A' –Report on CSR forming part of the Board's Report

SECTION C: OTHER DETAILS

1.	Does the Company has any Subsidiary Company/ Companies	No
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30%-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN	Name of Director	Designation
00001731	Mr. Pranav Jayesh Choksi	CEO and Whole-time Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (If applicable)	NA
2	Name	Mr. Nagesh. Y
3	Designation	Chief Operating Officer
4	Telephone no.	022 – 67261000
5	E-mail id	nageshy@guficbio.com

PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES

2. (a) Details of Compliance (Reply in Y/N)

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies are broadly based on principles of National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business as issued by Ministry of Corporate Affairs, Government of India, in July 2011.								
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/ CEO/appropriate Board Director?	Yes, the policies are broadly approved by the Board and have been signed by Mr. Pranav Choksi, CEO & Director of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board has appointed Mr. Y. Nagesh, Chief Operating Officer to oversee the policy implementation.								
6	Indicate the link for the policy to be viewed online?	http://gufic.com/media/investors/company-policy/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to employees through the Intranet. The Company has initiated communicating to the external stakeholders, wherever appropriate.								
8	Does the Company have in-house structure to implement the policy/policies?	Yes								
9	Does the Company has a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, wherever appropriate								
10	Has the Company carried out independent audit/evaluation of the working of this policy by internal or external agency?	The Company regularly carries out an independent audit on working of policy on Environment. The Company's Statutory auditors also audit CSR expenditure.								

(b) if answer to the question at serial number 1 against any principle is 'No' , Please explain why: (Not Applicable)

3. Governance related to BR

   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

   The BR performance of the Company is evaluated annually.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   The Business Responsibility Report is published annually as part of Annual Report and the same is disclosed on the website of the Company i.e., http://gufic.com/media/investors/annual-reports/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	The Company firmly believes and adheres to transparent, fair and ethical governance practices. The Board of Directors has approved a Code of Business Conduct and Ethics, which is applicable to all Board Members and employees of the Company. The Companyalso has a Whistle Blower Policy / Vigil Mechanism approved by the Board and is applicable to all employees / Directors of the Company. Further, our major suppliers are also required to agree and to conform to the code of responsible business conduct. The Anti-Bribery clause is a part of the Agreement executed with various Supplier and Distributors.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the financial year 2020-21, the Company has not received any complaints from the stakeholder.

Principle 2: Business should provide goods & services that are safe & contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company being into Pharmaceutical business all the products manufactured by the Company is in the interest of the public.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	a. Being a multiproduct facility, product-wise resource consumption is not measured, yet the plant continuously takes measures to reduce energy, water and raw material consumption. The plant has been constantly increasing manufacturing yields in order to reduce the wastage of precious raw materials, packaging materials and solvents. b. Company has taken several effective measures to reduce the overall consumption of energy and water.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Company places thrust on sustainability, be it in doing business or procuring inputs. As such, all the inputs are sourced sustainably in accordance with Company's business plan. Company has well-defined and documented standard operating procedures for vendor approval. Materials are procured from approved vendors both local and international. Vendor audit are conducted by the Quality Assurance Team periodically. The Company has long standing business relations with regular vendors. Annual freight contracts are entered into with leading transporters for smooth and timely movement of materials.

4.	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company always gives preference to the local and MSME Vendors for procurement of goods and services. It has dedicated resources who work on improving capacity and capabilities of local and small producers by empowering and guiding them. The Company provides platforms to local and small vendors to improve their business by connecting them with the customers.
5.	Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details there of, in about 50 words or so.	Company promotes reuse and recycling of water and other waste. Water is recycled via Effluent Treatment Plant followed by Reverse Osmosis (RO) and then finally by Multi Effect Evaporator and this water which is generated is used for boilers, etc. Further, waste water/ effluents are not emitted. The Company's unit is Zero Liquid discharge (ZLD unit).

Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the Total number of employees (Permanent).	1247
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	0
3.	Please indicate the Number of permanent women employees.	167
4.	Please indicate the Number of permanent employees with disabilities	0
5.	Do you have an employee association that is recognized by management.	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.- NIL	

Sr.No.	Category	No of Complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1	Child Labour / forced Labour/ Insolvency Labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	
	(a) Permanent Employees	100 %
	(b) Permanent Women Employees	100%
	(c) Casual/ Temporary/ Contractual Employees	NA
	(d) Employees with Disabilities	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those are disadvantaged, vulnerable and marginalized.

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders.	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	In accordance with the CSR policy of the Company, the Company takes various CSR initiatives in the fields of education, healthcare, community welfare for development & upliftment of the underprivileged sections of the society and sports promotion. Preference is also given for sourcing material and services from Micro & small enterprises from underdeveloped regions, wherever feasible

Principle 5: Businesses should respect and promote human rights		
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The Company's policy on human rights covers the entire Gufic Group. It does not extend to the Suppliers or Contractors associated with the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year 2020-21, The Company has not received any complaint in respect of human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.	The Company has a well defined Environment, Health and Safety (EHS) policy that caters to the entire Gufic Group and the contractors working within the premises of the Company. The Company is committed to operate in an environmental friendly manner, while protecting the health and safety of its employees. However, it does not extend to the Suppliers or Contractors associated with the Company.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for the Company. The Company is a responsible corporate, committed towards managing climate change, both within and beyond our sphere of influence. As such, we have internal commitments to address climate change and global warming.
3	Does the company identify and assess potential environmental risks? Y/N	Yes, we identify and assess potential environmental risks and mitigate them to eliminate such risks through necessary steps & implementations.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard. The Company have Effluent Treatment Plant (ETP) and Multi Effect Evaporator (MEE) to treat the effluent water as per norms and our unit is zero liquid discharge hence no water pollution. The Company also use briquette as fuel for boiler which is eco- friendly fuel and have APCM and stack of adequate height to avoid emission in air hence maintaining pollution free environment. The Company files half yearly environment clearance report with the M0EF & CC authority from time to time.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken various initiatives on conservation of energy and technology absorption, the details are mentioned in the Board's Report.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company complies with all the applicable environmental laws and regulations and Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company have received no legal notices during the financial year 2020-21.

Principle 7: Businesses when engaged in influencing public & regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	No
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	NA

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details there of.	The Company executes its CSR initiatives through various programs/ initiatives, the details of which are given in Annexure-'A' - CSR Report forming part of the Board's Report. Further, the Company has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?	The programs are undertaken by through NGO's/ charitable trusts.
3.	Have you done any impact assessment of your initiative?	The Company assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project & programs is placed at the Meetings of Boardand CSR Committee meetings for their review and assessment
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company has spent Rs. 67.00 lakhs as part of its CSR initiatives for financial year 2020-21.Details of the projects are provided in Annexure-'A' - CSR Report forming part of Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company's CSR initiatives are rolled out in partnership with non-profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach and take necessary steps to make it successful. Further, the Company takes Utilisation Report from the NGO's in which it has contributed, to keep a track on it.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	There are no pending customer/complaints consumer cases pending as on the end of the financial year, i.e., 31st March 2021
2.	Does the company display product information on the product label, over and above what is mandated as per local laws?	Being pharmaceutical products, Company displays only statutory information as required with respect to product labelling and product information.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There is no case against the Company during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Consumer surveys are regularly carried out by the Company at doctor level.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 11, 2021

Jayesh P. Choksi
Chairman & Managing Director
DIN 00001729

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Gufic Biosciences Limited operates in single segment i.e., Pharmaceutical. The pharmaceutical industry is one of the world's fastest growing industries and among the biggest contributors to the world economy. It plays a unique role in improving the lives of patients. Its role has become far more critical amidst the fight against COVID -19 pandemic and has contributed significantly in terms of supply of critical medications for treatment as well as in developing and manufacturing COVID-19 vaccines. The industry has ensured continuity of supplies of all other medicines to meet the needs of patients across the world.

Global Pharmaceutical Industry

The global pharmaceutical industry has seen an increased use of medicines over the past decade where the rate of growth of medicine usage has outpaced both population and economic growth. This expansion has been largely on account of the pharma emerging markets.

As per Global Medicines & Usage Trends to 2025 report by IQVIA in April 2021, the global pharmaceutical market, estimated at US$1.27 Trillion in 2020, is expected to expand at a Compounded Annual Growth Rate (CAGR) of 3-6% to US$ 1.5-1.6 Trillion by 2024 and the growth excludes further spending on COVID-19 vaccines and the total cumulative spending on COVID-19 vaccines through 2025 is projected to be $157 billion, largely focused on the initial wave of vaccinations to be completed 2022.

It is anticipated that the key constituents of the global pharmaceutical industry shall remain with USA owing to its size and with pharma emerging markets due to their growth prospects.

Pharmaceutical spending in the US is estimated to grow at 3-6% CAGR between 2019 and 2024, to reach US$ 605-635 Billion by 2024, while the spending in pharma emerging markets, including China, is likely to grow at 5-8% CAGR to US$ 475-505 Billion by 2024. Innovator pharmaceutical companies will continue to explore new treatment approaches and technologies, as also breakthrough products to address unmet patient needs. Their key research focus will be immunology, oncology, biologics and cell and gene therapies. Global R&D spend is estimated to grow at a CAGR of 3% by 2024, lower than that of 4.2% between 2010 and 2018, partially driven by companies' focus on smaller indications, with lower clinical development costs.[1]

The growth in this market is predicted on the basis of various factors like market drivers, current and upcoming trends, current growth pattern, and market challenges. This growth is fueled by the growing and ageing population in key markets. As per World Population Prospects by United Nations, the worldwide population is likely to cross 9.3 billion by 2050 and around 21% of this population is expected to be aged 60 and above. Apart from ageing and rising population the improvements in purchasing power and access to quality healthcare and pharmaceuticals to poor and middle-class families worldwide also is driving the growth of global pharmaceutical industry. Another aspect which is leading this growth is rising focus of pharmaceuticals companies to tap the rare and speciality diseases market. Innovations in advanced biologics, nucleic acid therapeutics, cell therapies and bioelectronics & implantable has attracted investments in the industry by even non-pharma companies like Facebook, Qualcomm etc. which is also driving the global pharmaceuticals industry growth.

Digital technologies will be the most transformative force for healthcare. The ongoing uptake for artificial intelligence and machine learning will carry important implications within data science for optimization of decision-making, ethical handling of patient privacy, and proper use and management of extensive and complex data sets.

It is expected that there will be newer treatment options available for rare diseases and cancer in developed countries, though they may come at a higher cost to patients in some countries, whereas in pharma emerging markets, wider access to treatment options and increased spending on medicines will have a positive impact on health outcomes.

Pharmaceutical spending in the developed markets grew at ~4% CAGR between 2014-19 and is estimated to grow at about 2-5% CAGR to reach US$ 985-1015 Billion by 2024. These markets accounted for ~66% of global pharmaceutical spending in 2019, and are expected to account for ~63% of global spending by 2024.

COVID-19 Impact

The COVID disruption has handicapped the global market extensively resulting to numerous challenges in supply chain of lot of essentials, but an upsurge is seen in the healthcare sector. Globally, the past 15 months were an unprecedented period with economies combating the extreme volatility, uncertainty and complexity presented by the COVID-19 pandemic. Challenges also give birth to opportunities and it is rightly applied to the Pharma industry which is now living through the impact of the COVID-19 pandemic and evolving under changing circumstances.

The impact of the pandemic on medicine use was much more varied but included both a surge in usage referred to as stockpiling and then returning to a more normal trend, with the average for developed markets at baseline volumes by the end of 2020. Because of its early and effective containment, the countries like Australia, South Korea and Japan had the least impact from the

1.Global Pharmaceutical Industry, Market 2021 by Firmsworld pandemic while those with some of the worst outbreaks had the most sustained impact on medicine usage, including Italy, Spain, France the UK, and the USA.

High-Tech implementations & investments in Research & Development in many companies have started to improve their team's efficiency. Life science companies worldwide aim to refine the production cycle with Artificial intelligence, Machine Learning, cloud technology, and other digital investments. Resulting to benefits like help identify appropriate drugs for specific conditions, run budget-friendly trials for drug design, identify right times to start and change medical treatments, gather health data more efficiently, and many more advantages.

The pandemic has brought about a revolutionary changing experience to the healthcare industry, right from the population freaking on health & wellness related understandings, Life science organizations involving end-consumers in trials & drug designs, companies inevitably relying on the latest innovations in pharmaceuticals to create new digitally-driven medical solutions.

Even as vaccination coverage is being ramped up globally through a determined effort by government and private institutions, uncertainties continue to bloom due to the emergence of new strains extending the tenure of the pandemic and delaying the return to complete normalcy.

As per Global Medicines & Usage Trends to 2025 report by IQVIA in April 2021, the total cumulative spending on Covid -19 vaccine through 2025 is projected to be USD 157 billion, largely focused on the initial wave of vaccinations to be completed by 2022. In later years, booster shots are expected to be required on a biennial basis as the durability of immunity and the continued emergence of viral variants make an endemic virus the most likely outcome.

Indian Pharma Industry – an overview

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.

India is a prominent and rapidly growing presence in the global pharmaceuticals industry. It is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and also supplies 62% of global demand for vaccines. India ranks 3rd worldwide for production by volume and 14th by value. India has the highest number of US-FDA compliant Pharma plants outside of USA, and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities.[2]

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.

Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms

Indian drugs are exported to more than 200 countries in the world, with US being the key market. It is expected to expand even further in the coming years. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US$ 24.44 billion in FY21

Indian Pharma Market (IPM) was valued at US $ 24.0 Billion in MAT June 2021, the market showed a growth of 14% on an annualized basis, whereas the monthly growth was 12%. Top 7 therapies of IPM contributed 67% to the total sales. Respiratory Therapy posted the highest growth of 23% over last year and other major therapies like Anti-Infectives, Vaccines and Immuno-modulators continued to show high growths.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US$ 42 billion in 2021 and likely to reach US$ 65 billion by 2024 and further expand to reach ~US$ 120-130 billion by 2030.

Indian pharmaceutical companies' sales is expected to grow robustly in the financial year ending March 2022 (FY22) as sales normalize in categories affected by the pandemic in the previous year. Most Indian pharma companies reported resilient operating performance in the financial year 2020-21, benefitting from gradual stabilization after the first quarter of financial year 2021-22, geographical diversification and sales of pandemic-related drugs. Sales of drugs used to treat acute medical conditions and elective procedures continue to recover in financial year 2021-22. Sales in these categories fell in financial year 2020-21 as travel restrictions reduced doctor visits and hospitals prioritized Covid-19 treatment over elective procedures. The risk of further waves of infection remains significant in markets with slow roll-outs of vaccination, including India, but healthcare systems are better prepared after the second wave, which should limit the impact.

OPPORTUNITIES AND CHALLENGES

The COVID-19 pandemic has transformed the industry with increasing digitization and traction of e-pharmacy and pharmacy chains. Increased healthcare coverage and better policy support are likely to boost growth whereas adverse regulation could impact in a negative way.

2. https://www.investindia.gov.in/sector/pharmaceuticals

Opportunities:

Expansion beyond generics: exploring opportunities in biosimilar and NCEs: Indian companies are involved in the certain R&D models and have developed globally competitive expertise in some areas. These products are the major focus for leading multinational pharma companies. Indian companies are beginning to improve their in-house novel drug development with the aim of launching new blockbusters. Developing New Chemical Entities (NCEs) and NBEs put Indian companies in direct competition with global innovators. Some of the large Indian pharma companies, as well as clinical research organizations (CROs) and contract development and manufacturing organizations (CDMOs) are already engaged in researching new drugs.

Complex generics: Complex generics hold great potential to drive future market growth. They involve more difficult production processes and therefore face less competition, compared to simple generics. Simple generics constitute only ~20% of the total US generics market by value. Complex generics approvals constituted 12% of total USFDA5 generics in 2018, and 11% of approvals in 2019. The USFDA has started new initiatives to further facilitate availability of complex generic drug products and to assist the generic pharmaceutical industry in identifying the most appropriate methodology for developing complex drugs.

Competitive advantage

India is one of the leading manufacturing hubs for generics and the biggest exporter, with a competitive advantage in cost and availability of skilled manpower. Indian pharmaceutical companies are continuously investing in research and development activities to expand their presence. They have also been partnering with various multi-national companies to improve their reach and product portfolio.

Establish India as the global innovation hub: Another strategic opportunity for India is to establish itself as a global innovation hub, ultimately making the country the preferred destination for R&D and manufacturing outsourcing. At present, the R&D sites and innovation centers of most global life sciences (LS) companies are concentrated in the US and Europe, reflecting the dominance of US and European pharma companies. However, if we compare India with China, India has only half the number of R&D sites and innovation centers run by global LS companies. This highlights the scope to enhance India's acceptance globally in the innovation space.

Market Entry Barriers High capital investments, operational cost, manufacturing complexities, stricter compliance requirement due to the sterile nature of products and high-quality standards lead to natural entry barrier in the industry. The inherent complex nature of injectables leads to a concentrated market as compared to other segments.

Challenges:

Need for innovation mindset and related skill augmentation: One of the biggest challenges hindering the growth of R&D in India is the dearth of talent with requisite training, expertise and skill across the entire research and development life cycle in the realm of pharmaceuticals, biotechnology and life sciences. There are several reasons for this shortfall. One of the most important reasons is that the education and academic institutions are still guided by rote learning instead of practical innovative thinking and the overall lack of resources dedicated for furthering biomedical research.

Complex regulatory approval process and Intellectual Property Regime (IPR): The innovation ecosystem in a country also requires strong policy and regulatory frameworks. A strong patent protection incentivizes entrepreneurs to spend effort, money and resources in long and risky drug discovery programs. Patents and exclusive rights enable companies to recover investments and fund future research.

Drug regulatory system: Medicinal products globally are subject to stringent regulations to ensure quality, safety and efficacy for the consumers. Every country has its own regulatory authority, which is responsible to enforce the rules and issue the guidelines to regulate the pharmaceutical sector. India has established a strong regulatory framework, with latest revision in 2019, "New Drugs and Clinical Trial Rules, 2019" .

Regulated Prices : Pharmaceutical prices in most countries are regulated. Imposition of limits on the trade mark-ups or overall price limit the scope of growth in terms of value.

Regulatory Developments and Government Initiatives in India:

The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions.

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

- The Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US$ 951.27 million) from FY21 to FY30.

- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.
- In February 2021, the Punjab government announced to establish three pharma parks in the state. Of these, a pharma park has been proposed at Bathinda, another medical park at Rajpura and the third project at Wazirabad, Fatehgarh Sahib.
- A major thrust in the rural healthcare program by the government will improve the access to medicines and is likely to boost the Indian Pharma growth.

Company Overview

Gufic is engaged in the research and development, manufacturing, marketing, distribution and sale of pharmaceutical and allied products. Gufic is known and respected for innovative and high quality pharmaceutical and herbal products along with a wide range of Active Pharmaceutical Ingredients (APIs). Gufic is one of the fastest growing company among the top 100 pharma companies in India and is also one of the largest manufacturers of Lyophilized injections in India and have a fully automated lyophilization plant. Our lyophilized product are available in Therapy areas like Antibiotic, Antifungal, Cardiac, Infertility, Antiviral and proton-pump inhibitor (PPI). We are now augmenting our global focus by deepening our presence in the priority markets of India, Germany, Switzerland, South Africa, Russia, Canada, Europe and other key countries within the emerging market territories. Gufic aims at providing lifesaving drugs to people at affordable prices with no compromise in its quality.

Your Company is a WHO-GMP, EU GMP, ANVISA Brazil, Russian GMP, Health Canada, Ukraine GMP, Australia TGA, Colombia INVIMA and Uganda NDA approved company with a total capacity of 30 million lyophilized vials per annum.

Gufic offers a varied therapeutic basket in its Bulk drugs / API division. The categories of API's manufactured are Antifungals, Antibacterials, Anesthetics and Intermediates for Antifungals.

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

Research & Development (R&D)

Gufic has continued to invest in the Research and development initiatives on the newer innovative molecules, advanced NDDS and drug delivery systems, biologicals / peptides and some select API's.

We at Gufic follow a thorough Need-Gap and market analysis to identify the new product categories and the future molecules for growth in the existing and potential new segments. The factors considered to identify and select in the new products for future includes parameters like-Market potential, Therapy Gap analysis, Patent expiry of potential molecules, strategic fitment in the existing and future businesses of Gufic and the R&D strength and wisdom.

New Molecules and innovative combinations: New Molecules initiatives at our R&D revolves around commercially potential projects which has substantial market opportunity in terms of new launches for domestic and international business.

The therapy areas includes – Anti-Diabetic, Cardiac, Anti-Infectives, Hormones, Neurologicals, Antifungals, Nutraceuticals and Pain management products. The business strategy on the molecules is to launch the products under Gufic's Trademarks, offer the products to our CMO partners and also explore in the international markets by out-licensing the dossiers to existing and new partners.

Advanced NDDS formulations & Drug Delivery Systems: Gufic has been working on NDDS formulations in the critical care and infertility segment to differentiate our presence in the segments. Our R&D team has successfully completed in-house trails on several innovative concepts in Pre-filled syringes, Dual chamber Bags and Dual chamber Syringes (a novel concept to deliver critical care products). Improved absorption and bioavailability of products through liposomal technology is another area that we have been working on.

Biologicals and Peptides: Looking at the global trend towards biologicals and peptides, Gufic has identified several peptides which has great market potential in segments like Immunity (Thymosin Alpha), Cosmetic dermatology (Botulinum toxin), Pain management (Botulinum Toxin), Infertility (Recombinant products) and several others products in the critical care segment. Several of these products would be first time launches and would be launched through proper Phase –II / III Clinical trials for obtaining market authorization in India and other countries. We have developed a fairly good strength of in-licensing these products (Technology transfer or semi-finished formulations) from several countries across the Globe.

Business Strategy

Pandemic outbreak has changed the Pharma scenario substantially and companies across the globe are re-strategizing their focus areas and revamping their engagement modules to face the growth challenges accordingly, we at Gufic have also re-strategized our business to adapt to the pandemic crises

We have 3 major areas of business Branded Domestic Business, CMO – Domestic, International Business and API Business

Branded Domestic Business:

The Branded India business of Gufic is strategically well defined into 3 categories with market interests in various segments. These three segments include: Gufic Super Specialty Business, Gufic Mass Specialty Business and Gufic Specialty Business.

Gufic Super Specialty Business:

Critical care and Infertility business of Gufic has seen a major impact in the COVID scenario. The main reason being significant decrease in the number of Non-COVID patients and dramatic decrease in the interaction with the customers. We are gradually observing a change in the scenario and foresee that the market will pick up in the coming months.

Critical Care Business:

- The focus is to consolidate our critical care business with the following strategy
- Focus on building specific Acute Therapy brands in the Anti-Infective category
- Introduce COVID specific brands to cater to the existing needs of the market
- Focus on Anti-Fungal segment with a special taskforce. Gufic has the entire range of Anti-Fungal injections

Infertility Business:

As the unlock trend continues, we foresee that the Infertility business will gradually open-up, our major strategy in the Infertility business would be

- To build brands in Hormone category
- To build the NDDS offering in the infertility management with the PFS (Pre-Filled Syringe)

Gufic Mass Speciality Business:

Gufic has 2 SBUs to focus on mass specialty segment like General Practitioners, Paediatricians, Gynaecologists and Physicians. The market interest of these SBUs are Nutraceuticals and Natural products, Pain / Arthritis, Immune Boosters, respiratory products and mass Anti-infectives.

Gufic Speciality Business:

Gufic Stellar: A newly created specialty SBU with specific focus on Orthopaedic and Gynecological products in various segments like Pain, Infection, Pregnancy, Lactation, bone and muscle products. This SBU will help us build specific specialty focus with differentiated brands that have a long-term prescription profile. Initial operations of this division would be restricted to select metro towns.

Gufic Aesthaderm: Gufic has recently ventured into the potential sub-chronic segment of Aesthetic Dermatology segment in the last quarter of 2020-21. Aesthaderm is launched with differentiated Aesthetic dermatology products in the Moisturizing agents, Anti-aging, Hyperpigmentation, Sunscreen and Pre / Post Procedural products. The range of products in the launch phase were one of its kind in the Aesthetic Dermatology segment. Gufic is the first company to launch an indigenously manufactured Botulinum Toxin (for wrinkles and sagging skin) in collaboration with Prime-Bio, USA.

Most of the other differentiated products are also developed in technical collaboration with Lucas Meyer, Canada & France - a company that specializes in Aesthetic dermatology. The major target audience for Aesthaderm is – Cosmetologists, Plastic Surgeons, Aesthetic Dermatologists and Beauticians.

CMO –Domestic and International Business

With the enhanced lyophilization capacities and multiple approvals from the regulatory bodies like EU-GMP, TGA - Australia, ANVISA - Brazil, PICS-GMP – Ukraine, MCC – South Africa, BFAD – Philippines, FMHACA – Ethiopia, NAFDAC – Nigeria, MOH – Cambodia, PPB – Kenya and WHO GMP. Gufic is geared up to explore the CMO and Out-Licensing business.

We expect that the healthcare market in Africa, South East Asia, CIS, South Africa, Australia, Canada and Middle East will also mature a lot. Not only Generics, a market of for high-end lifesaving products will also be on a rise which would open a great opportunity that needs to be targeted. Gufic via its innovative portfolio would like to cater products to these markets at a price which would make the treatment more affordable to the population.

Our export growth is expected to be led by our increasing penetration in the generic business in the regulated markets like Europe, UK, Canada, Australia, Brazil, Russia and South Africa. We would focus on niche and complex product segments where patents are expiring or enabling licensing agreements with innovator pharmaceutical companies.

API Business

Gufic manufactures a varied therapeutic basket in our API facility, which are mostly utilized for our captive consumption. The categories of API manufactured by us include – Anti-Fungals along with their Intermediates, Antibacterials and Anesthetic agents. We intend to explore and expand our API portfolio and increase our focus on API business to cater to the market apart from the captive consumption. With the Government promoting Atmanirbhar Bharat (A government initiative to manufacture API in India) to reduce the dependency on import of material from various countries. We have already initiated our plan to develop potential API as per the market needs.

Financial performance with respect to operational performance:

This year was a challenging year but the vision of our Management and support from our employees, vendors, contractors, government etc, helped us to record strong growth.

With the amalgamation of Gufic Lifesciences Private Limited ("GLPL") with the Company becoming effective from the Appointed date i.e., January 01, 2019, the financial figures given in the financial statements are the combined figures of GLPL and the Company.

The total revenue increased to Rs. 49,143.16 lakhs in the financial year 2020-21 against the total revenue of Rs. 38,462.76 Lakhs in the previous year 2019-20, thus registering a growth of about 27.77% and net profit after tax increased to Rs. 4423.17 lakhs from Rs. 2268.80 lakhs, in previous year, a percentage increase of 94.96%.

During the year under review, the Company majorly concentrated on its domestic business focusing on the needs of people to overcome COVID-19 and hence, the total revenue of the Company for the year constituted to around 87.78% of its business consisting of domestic branded business sales, contract manufacturing and the sale of Active Pharmaceutical Ingredients and the balance 12.22% to exports business.

Gufic continues to strengthen product portfolio through new launches, many of them being first-to market products, offering significant patient benefits. Apart from new launches, many of the Gufic's existing products continue to grow their market share. The Company from April 01, 2019 till the date of this report have launched about 8 new products in the market, which also boosted the sales of the Company. Due to launch of new products, improvisation made to the existing products and providing medicine at affordable prices to the consumer without compromising on the quality of the product.

The growth of the Company can also be evidenced from the MAT ranking progression of the Company as per IQVIA, which is as below :

Year	2018	2019	2020	2021
Ranking	102	94	93	86

* Source: IQVIA MAT April,2021

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

On international front, the Company is well positioned in the international space by having GMP approvals from FDA- Philippines, MOH Cambodia, MOH-Thailand, MOH-Vietnam, NMRA- Srilanka, DDA Nepal, PPB-Kenya and NAFDAC –Nigeria. The Company is having more than 130 products registered globally in more than 15 countries and more than 150 products are in pipleline for registration in more than thirty countries. In order to mark its global presence, the Company expanded its wings to Sterile Injections Products by submitting dossiers to countries like Germany, Austria, Ethiopia, Columbia and Ukraine.

**Source: IQVIA April 2021*

Key Financial Indicators

PARTICULARS	Unit	2020-21	2019-20	Variance (%)	Reasons if variance is more than 25%
Operating profit margin (%)	%	14.63	11.63	25.84	Due to increase in turnover of the Company and merger of Gufic Lifesciences Private Limited with the Company coming into effect
Net profit margin (%)	%	9.13	5.36	70.30	
Debtors turnover ratio	Times	4.21	3.72	13.28	Not Applicable
Current ratio	Times	1.59	1.14	39.68	Due to increase in turnover and reduction in inventory
Return on Net Worth	%	25.66	15.70	63.47	Due to increase in turnover of the Company, reduction in inventories and merger of Gufic Lifesciences Private Limited with the Company coming into effect
Inventory turnover ratio	Times	4.50	5.32	15.46	Not Applicable
Interest coverage ratio	Times	6.43	4.16	54.50	Due to reduction in the borrowings of the Company pursuant to improved cash flow in the Company
Debt equity ratio	Times	0.32	0.90	64.65	

HUMAN RESOURCES DEVELOPMENT

"If you want to build the business, build people"
-Brownie Wise

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

2020 was a very challenging year for everyone. Our 1000+ strong global workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. The successful performance for the year is attributed to all the Guficians who persisted with their efforts to provide life-saving drugs to needy patients in one of the most challenging environments.

Our manufacturing facilities, Research Centre and Head Office operated with mandatory social-distancing norms.

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

a. Employee engagement

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

Every year, the HR organises one week of fun activities for Guficians followed by the Annual day. This year, 50^{th} anniversary of Gufic Group was celebrated by all Guficians, where all vendors, contractors, advisors, consultants, ex-employees etc., who had been a part of the journey of Gufic since many years, were invited and felicitated by the Management of the Company.

b. Awards & Recognitions

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

c. Other key HR initiatives

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

d. Gufic Covid Cell

During this Covid-19 pandemic, your Company initiated Gufic Covid Cell being the single window cell for assisting and addressing Covid related issues of all its employees and their relatives.

Gufic gives its employees a work culture that motivates people to give their best performance for the Company's growth and also enhance their skill sets. Gufic always believes in team spirit and focus on enhancing the same. The employees have helped the Company to scale new heights and success over the years. No material developments in Human Resources/ Industrial Relations front have occurred during the year under review.

During the year under review, the employees' strength of your Company was 1247.

Internal Control Framework

Gufic believes that internal control is a pre-requisite for governance and has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls Internal Controls safeguard Company's assets against loss from unauthorised use and ensures reliability of financial reporting. It is also designed for effectiveness and efficiency of operations, compliance or regulations backed by strong audit framework at all the locations. A well-defined system of internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company reviews the reports of the internal auditors quarterly and recommends steps for further improvement of the internal controls.

Outlook

Gufic believes a diversified product basket helps to grow the business consistently and continuously. Your Company has identified complex and differentiated products in multiple therapeutic areas from where it will launch the next phase of growth.

Gufic's strategy of developing the specialty business as an additional growth engine has started delivering, with a gradual ramp up in specialty revenues. We expect this momentum to continue over the next few years although the COVID-19 pandemic and lockdowns may throw up some uncertainties in the near-term. Gufic will continue its investment in Research and Development inspite of the current economic scenario.

Gufic has initiated Trials for D-29 has for the novel second-generation lipoglycopeptide antibiotic that belongs to the same class as vancomycin, the most widely used and one of the few treatments available to patients infected with methicillin-resistant Staphylococcus aureus (MRSA)and the launch of the product is expected by February, 2022.

Gufic drug candidate O-26 for the treatment of community-acquired bacterial pneumonia and acute skin and skin structure infections will be ready for commercialization by the end of the financial year 2022-23.

Gufic is also working on gynecology products and is currently working on three new molecules in gynecology segment and is expected to be ready for commercialization by second quarter of 2021-22.

Apart from new first to launch molecules, Gufic also plans to launch new drug delivery systems in the field of Antibacterial and also Biological peptides by 2021 and DCGI process will be initiated by December 2020 with infrastructure tie ups from Spain and Italy.

Threats, Risks & Concerns

Risk management is an inherent part of the Company's business and management is proactive in terms of managing risks in an organised manner.

Gufic has its comprehensive risk management policy, which is periodically reviewed and amended by the Board of Directors of the Company. However, the risks associated with the business cannot be wholly eliminated, it can be mitigated with the precautionary measures. By virtue of the nature of its business, the Company is susceptible to various risks and the Management had identified such risks and measures to mitigate or minimize them as mentioned here under:

Sr. No.	Risks	Measures to mitigate/minimize risks
1	Competitive Risk	Gufic strives to meet the challenges by delighting our customers with product quality, timely supplies, best industrial practices in providing better services.
2	Legal/Regulatory Risk	Gufic has a strong quality assurance mechanism and compliance monitoring checklist that ensures strict compliance at every level. Also, regular training for its employees to update them on new developments is an integral part of this process.
3	Foreign Exchange Risk	Gufic keeps a close watch on forex market, its trend and reviews the movements regularly to mitigate the risk
4	Economical and Political Risk	Gufic focuses on Due diligence, ongoing research and political risk analysis to predict such events and plans accordingly.
5	Market Risk	Demand and Supply are external factors on which company has no control, however the Company plans its production and sales from the experience gained in the past and on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of Company's products.
6	Concentration Risk	Gufic derives revenues from multiple products, multiple customers across geographic regions. Thus, the Company will endeavour to remain diversified and mitigate concentration risk.
7	Price Risk	Gufic produces and sales some products competing with numbers of players in India and abroad. Increasing competition puts pressure on our realizations. Gufic regularly works on cost control, improved yields etc., to maintain our margins.

CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts business and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law.

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021

We, Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director and Mr. Devkinandan B. Roonghta, Chief Financial Officer of M/s. Gufic Biosciences Limited, to best of our knowledge and belief certify that:

A. We have reviewed financial statements and cash flow statements for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2021, which are fraudulent, illegal or violative of the Company's code of conduct.

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

D. We have indicated to the auditors and the Audit Committee that:

   i) Significant changes in internal control over financial reporting during the year ended March 31, 2021;

   ii) Significant changes in accounting policies during the year ended March 31, 2021 and that the same have been disclosed in the notes to the financial statements and

   iii) During the year, there were no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee have a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Pranav J. Choksi
Chief Executive Officer & Whole Time Director

For and on behalf of the Board of Directors

Devkinandan B. Roonghta
Chief Financial Officer

Place : Mumbai
Date : June 04, 2021

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members
Gufic Biosciences Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Gufic Biosciences Limited,** for the year ended on 31st March 2021 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

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

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100

Place: Mumbai
Date: August 11, 2021
UDIN: F006252C000769608

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

INDEPENDENT AUDITORS' REPORT

To

The Members of Gufic Biosciences Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Gufic Biosciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter:

We draw attention to Note 53 to the financial statements regarding the Scheme of Amalgamation (Scheme) of Gufic Lifesciences Private Limited ("Transferor Company") with the Company which has been approved by National Company Law Tribunal (NCLT), Ahmedabad bench and Mumbai bench vide their orders dated 31 December 2020 and 11 March 2021 and filed with the Registrar of Companies on 19 May 2021 and 21 May 2021 respectively. In accordance with the Scheme approved by the NCLT, the Company has given effect to the Scheme from the appointed date specified therein, i.e., 1st January 2019 instead of the effective date.

Attention is drawn to the fact that the comparative financial information to the extent it relates to the Transferor Company for corresponding year ended 31 March 2020 as reported in the financial statement have been certified by the Management and were not subjected to our audit to the extent related to Ind AS transition.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
(i) Revenue from Operations		
	➢ Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer. ➢ We focused on this area as a key audit matter due to the amount of Revenue being regarded by Management as a key performance indicator in assessing performance. We believe there exists a risk of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates. ➢ Refer note 2.11 and 27 to the financial statements.	As part of our audit procedures, we: ➢ Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. ➢ Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of rebates, discounts and returns. ➢ On a sample basis, tested supporting documentation for sales transactions and rebates/discounts recorded during the year which included sales invoices, customer contracts, shipping documents and customer correspondences for rebates/discounts.

		➢ Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. ➢ Obtained management workings for amounts recognised towards discount schemes, returns and rebates during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents; ➢ Tested all the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; ➢ Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.
(ii) Inventory, its valuation and provisions		
	➢ The Company holds inventory at various locations including factory, various depots and third-party locations. Hence existence of inventory is of significant importance. ➢ Inventory valuation involves significant assumptions and estimations made by the Management. ➢ Management also makes an estimate for near expiry and slow-moving inventory based on the age of the inventory. ➢ We have identified inventory as a key audit matter because of the number of locations that inventory is held and the judgment applied in the valuation of inventory and provision for inventory. ➢ Refer note 2.7 and 13 to the financial statements.	Our audit of existence of inventory included, but was not limited to, the following procedures: ➢ Assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. ➢ Obtained an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory; ➢ Inspected the instructions given by supervisory teams to the management count teams; ➢ Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory; ➢ Appointed independent auditor's experts for observing inventory counts at certain locations; ➢ Reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; ➢ Tested that the differences noted in management's physical verification of inventory from book records were adequately adjusted in books of account. ➢ Tested, on a sample basis, the valuation of inventories as at the year end and the Management's assessment of provision required for near expiry and slow-moving inventories held as at the balance sheet date.
(iii) Business Combinations		
	➢ During the current year, the Company completed the acquisition of Gufic Lifesciences Limited, an entity under common control in India. The transaction was accounted for as a business combination. ➢ The Company's accounting for the acquisition was done as per the instructions set by the Hon'ble high courts.	Our audit procedures, among others included the following: ➢ We evaluated the design and tested the operating effectiveness of the controls over the Company's calculation of the of purchase consideration, goodwill and capital reserve.

	➢ In connection with the acquisition, the Company has issued the equity share capital as consideration for such business combination. ➢ The Company has considered appointed date i.e. 01 January 2019 as date of merger instead of effective date. ➢ The accounting for the business combination was complex due to the adjustment of all the accounting with effect from 01 January 2019 and all the corresponding figures were updated in that respect. ➢ Considering the above, this has been included as a Key Audit Matter	➢ We tested the arithmetical accuracy of the accounting effect of the merger. ➢ We also tested the completeness and accuracy of the underlying data used in the accounting. ➢ Assessed disclosures in financial statements in respect of business combination, as specified in Ind AS 103.

Other Matters

The comparative financial information of the Company to the extent it relates to the Company (prior to giving effect of the above referred scheme of merger) for corresponding year ended 31st March 2020 were audited by the predecessor auditor who expressed an unmodified opinion on the financial information for the year ended 31st March 2020 on 31st July 2020.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion

on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order;

2(A) As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(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 statement of cash flows dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

(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 as on 31 March 2021 on its financial position in note 43 and 44 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(i) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W

Piyush Agarwal
Partner
Membership No. 135505

Place: Mumbai
Dated: 04/06/2021
UDIN: 21135505AAAADA5265

ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1a According to the information and explanations given to us, the company has maintained its fixed assets register showing full particulars in respect of its description, original cost, year of purchase, useful life, and residual value and is in a process of updating its records showing quantitative details and situation of the fixed assets.

1b The company has designed a phase wise program to cover all items of fixed assets over a period of five years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further the Company is in the process of this program and no material discrepancies has been noticed as on the date of this audit report.

1c According to information and explanations provided to us, the title deeds of immovable properties other than self constructed immovable property (factory buildings), as disclosed in Note.5- 'Property, plant and equipment' to the financial statements, are held in the name of company. Factory building represents capital expenditure on construction / extension of a building on a leasehold land, which will revert to the lessor on completion of lease period. (the lease is extendable at the option of company). In respect of immovable properties that have been taken on lease and disclosed as right of use assets in Note 8 "Right-of-Use Assets" to the financial statements, the lease agreements are in the name of the Company.

2 As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3 According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act except interest free deposit and business advances as stated in note 39 and 49 to the financial statements, further terms and conditions of grant of loan, schedule repayment of principal and interest and amount overdue are not applicable to the given security deposit and business advances.

4 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5 The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2021 and therefore, the provisions of clause 3 (v) of the Order are not applicable to the Company.

6 The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. However, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7a According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Duty of Custom, Cess and Other Material Statutory Dues applicable to it, with the appropriate authorities except few delays were observed.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and Other Material Statutory Dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable except certain outstanding demand of ₹ 35.43 lakhs in respect of Income Tax.

7b According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute except the following dues:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961	Income Tax	161.85	2011 - 2012	Appeal preferred by the company before the Commissioner of Income Tax(Appeal)
		10.31	2012 - 2013	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		5.43	2013 - 2014	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		248.68	2018 - 2019	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
Central Excise Act,1944	Central Excise Duty	14.04	01/02/2008 to 31/07/2008	Appeal preferred by the company before the Commissioner Appeal
Madhya Pradesh Vat Act 2002	Sales Tax	2.51	2015 - 2016	Appeal preferred by the company to the Commissioner Appeal

All above outstanding is net of deposit given to appellate authorities.

8 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

9 The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.

10 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

11 According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12 The Company is not a Nidhi Company and therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13 In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15 According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

16 The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Piyush Agarwal
Partner
Membership No. 135505

Place: Mumbai
Dated: 04/06/2021
UDIN: 21135505AAAADA5265

ANNEXURE: B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Gufic Biosciences Limited** ('the Company') as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Piyush Agarwal
Partner
Membership No. 135505

Place: Mumbai
Dated: 04/06/2021
UDIN: 21135505AAAADA5265

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Note	As at March 31,2021	As at March 31,2020
ASSETS			
Non-current Assets			
Property, plant and equipment	5	9,376.41	7,272.38
Intangible assets	6	44.51	55.70
Capital work-in-progress	7	1,340.05	3,061.02
Right-of-use assets	8	576.07	930.11
Financial assets			
Investments	9	0.75	0.75
Loans	10	1,158.72	1,028.17
Deferred Tax Assets (net)	11	-	63.60
Other non-current assets	12	651.31	1,009.40
Total Non-current Assets		**13,147.82**	**13,421.14**
Current Assets			
Inventories	13	9,440.46	12,246.14
Financial assets			
Trade receivables	14	12,450.07	10,697.23
Cash and cash equivalents	15	620.14	426.14
Other Bank Balances	16	697.65	1,211.28
Loans	10	25.32	33.07
Other Current assets	12	2,824.64	2,668.43
Current Tax Asset (Net)	26	-	48.37
Total Current Assets		**26,058.28**	**27,330.66**
Total Assets		**39,206.10**	**40,751.80**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	969.45	969.45
Other Equity	18	16,374.20	11,962.85
Total Equity		**17,343.65**	**12,932.30**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	19	3,542.65	1,954.34
Other Financial Liabilities	20	499.75	474.75
Lease liability	21	282.24	620.13
Provisions	22	1,022.62	792.93
Deferred Tax Liabilities (net)	11	148.95	-
Total Non-current Liabilities		**5,496.21**	**3,842.15**
Current liabilities			
Financial liabilities			
Borrowings	23	1,632.43	9,310.33
Trade and other payables due to:			
Micro and Small Enterprises	24	387.00	582.93
Other than Micro and Small Enterprises	24	10,915.86	11,123.90
Other Financial Liabilities	20	1,533.54	1,080.61
Lease liability	21	336.61	343.16
Provisions	22	456.52	661.50
Other current liabilities	25	946.08	874.92
Current tax liabilities (Net)	26	158.20	-
Total Current Liabilities		**16,366.24**	**23,977.35**
Total Liabilities		**21,862.45**	**27,819.50**
Total Equity and Liabilities		**39,206.10**	**40,751.80**

See accompanying Notes to the Financial Statements 1 to 55

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
M. No. 135505
Mumbai - 04th June, 2021

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

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

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.3.2021	Year Ended 31.3.2020
Income			
Revenue from Operations	27	48,769.87	37,883.74
Other Income	28	373.29	579.02
Total Income		**49,143.16**	**38,462.76**
Expenses			
Cost of Material Consumed	29	21,345.17	15,382.83
Purchase of Stock in Trade	30	2,255.25	3,662.25
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	1,428.79	(1,091.13)
Employee Benefits Expense	32	6,621.80	5,858.58
Finance costs	33	1,363.33	1,391.47
Depreciation and Amortisation expense	34	1,630.76	1,386.48
Other expenses	35	8,726.91	8,859.66
Total expenses		**43,372.01**	**35,450.14**
Profit before Exceptional Items and Tax		**5,771.15**	**3,012.62**
Exceptional Items		-	-
Profit Before Tax		**5,771.15**	**3,012.62**
Tax Expense	36		
Current tax		1,719.82	831.00
Deferred tax		201.14	88.47
Tax Adjustment for Earlier Year		(572.97)	(175.64)
		1,347.99	**743.83**
Profit for the Year		**4,423.16**	**2,268.79**
Other Comprehensive Income			
i. Items that will not be reclassified to profit or loss		-	-
ii. Remeasurements of the Defined Benefit Plans	40.2	38.51	(322.30)
iii. Tax expenses on the above		(11.41)	83.40
Total other Comprehensive Income / (Loss) for the Year (Net of Tax)		**27.10**	**(238.90)**
Total Comprehensive Income for the Year		**4,450.26**	**2,029.89**
Earnings per equity share of Face Value of ₹ 1 each	41		
Basic (in ₹)		4.56	2.34
Diluted (in ₹)		4.56	2.34

See accompanying Notes to the Financial Statements 1 to 55

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
M. No. 135505

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

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

Place: Mumbai
Date: 04th June, 2021

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2021

(₹ in Lakhs)

Particulars	For Year Ended March 31st, 2021	For Year Ended March 31st, 2020
A. Cash flows from operating activities		
Profit for the year	4,423.16	2,268.79
Adjust for:		
Income tax expense recognised in profit or loss	1,347.99	743.83
Depreciation / Amortisation Expense	1,630.76	1,386.48
Dividend Income	-	(0.04)
Interest income on fixed deposits with banks	(57.01)	(70.61)
Interest income on financial assets carried at amortised cost	(88.04)	(65.78)
Interest costs on financial liabilities measured at amortised cost	1,363.33	1,391.47
Non Current Security Deposits at amortised cost	73.64	58.11
Profit on sale of fixed asset	3.74	-
Sundry credit balances written back	152.33	(236.32)
	8,849.90	**5,475.93**
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	(1,899.00)	(1,671.75)
(Increase)/Decrease in inventories	2,805.68	(822.78)
Increase/ (Decrease) in trade and other payables	90.19	2,742.31
	996.87	**247.78**
Cash generated from operations	**9,846.77**	**5,723.71**
Direct Taxes paid (Net)	(940.29)	(1,013.53)
Net Cash Flow from Operating Activities	**8,906.48**	**4,710.18**
B. Cash Flows from Investing Activities		
Purchase of Property, plant and equipments including capital advances and intangibles	(1,417.78)	(3,984.95)
Sale of Property, Plant and Equipments	(3.56)	1.55
Dividends Income	-	0.04
Balance in Earmarked Accounts	514.97	(328.50)
Interest Income on fixed Deposits with Banks	55.68	58.81
Net Cash Flow (Used)in Investing activities	**(850.69)**	**(4,253.05)**
C. Cash Flows from Financing Activities		
Proceeds from Current Borrowings (net)	(7,677.90)	516.29
Proceeds of Non-Current Borrowings (net)	1,538.68	747.74
Processing Fees Paid	-	(0.18)
Payment for Lease Liabilities	(344.44)	(262.24)
Payment for Interest if lease liability	(93.90)	(105.77)
Dividends paid on equity shares (including DDT)	(36.29)	(48.75)
Interest paid	(1,247.95)	(1,267.72)
Net cash (Used) in Financing Activities	**(7,861.80)**	**(420.63)**
Net Increase in Cash and Cash Equivalents	**194.00**	**36.49**
Cash and Cash Equivalents at the beginning of the year	426.14	389.66
Cash and Cash Equivalents at the end of the year	**620.14**	**426.15**

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

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Chairman & Managing Director

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

Place: Mumbai
Date: 04th June, 2021

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

Note:

a) The above statement of cash flow has been prepared under the 'Indirect Method' asset out in the Indian Accounting Standard 7 (IndAS-7) "Statement of Cash Flows".

b)Cash and Cash Equivalents comprises of:

(₹ **in Lakhs)**

Components of Cash and Cash Equivalents	**As at March 31st, 2021**	**As at March 31st, 2020**
Cash and Bank Balances includes :		
Balances with Banks		
In Current Accounts	230.81	204.14
Cheques on hand	311.71	166.81
Cash on hand	77.62	55.20
Total Cash and Cash Equivalents (Refer note 15)	**620.14**	**426.15**

As per our report of even date

For **Mittal Agarwal & Company**
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Chief Financial Officer

Ami Shah
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31st, 2021

a. Equity Share Capital (Refer Note 17)

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance at March 31st, 2020	9,69,44,506	969.45
Balance at March 31st, 2021	9,69,44,506	969.45

b. Other Equity (Refer Note 18)

(₹ in Lakhs)

	Reserves and surplus					
Particulars	**Capital reserve**	**General reserve**	**Retained earnings**	**Others (Note 18)**	**Other comprehensive Income**	**Total Equity attributable to Equity holders**
As at March 31st, 2019	**7,088.24**	**134.71**	**2,736.05**	**16.45**	**(5.36)**	**9,970.09**
Profit for the year	-	-	2,268.79	-	-	2,268.79
Transaction during the year	-	-	-	9.79	-	9.79
Other comprehensive income for the year, net of income tax	-	-	-	-	(238.90)	(238.90)
Dividend on equity shares	-	-	(38.92)	-	-	(38.92)
Corporate tax on dividend paid	-	-	(8.00)	-	-	(8.00)
As at March 31st, 2020	**7,088.24**	**134.71**	**4,957.92**	**16.45**	**(244.26)**	**11,953.06**
Profit for the year	-	-	4,423.16	-	-	4,423.16
Transaction during the year	-	-	26.25	(26.25)	27.09	27.09
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Dividend on equity shares	-	-	(38.92)	-	-	(38.92)
Corporate tax on dividend paid	-	-	-	-	-	-
As at March 31st, 2021	**7,088.24**	**134.71**	**9,368.42**	**(9.79)**	**(217.17)**	**16,364.39**

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
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Chief Executive Officer &
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Place: Mumbai
Date: 04th June, 2021

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

The financial statements comprise financial statements of Gufic Biosciences Limited ("the company") for the year ended March 31st,2021. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE and NSE in India. The registered office of the company is located at 37, 1st Floor, Kamala Bhavan II, Swami Nityanand Road, Andheri (East), Mumbai-400069 and the corporate office is located at 1st to 4th Floor, S.M.House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400057.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. These financial statements were authorized for issue by the company's Board of the Directors on June 04th, 2021 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Significant Accounting Policies

2.1 Statement of Compliance

The financial statements of the company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

2.2 Basis of preparation and presentation

2.2.1 Historical cost convention

These financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (here in after referred to as the 'Ind AS') as notified under section133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements have been prepared on accrual basis and under the historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

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

The Company's Board of Directors approves the financial statements for issue on June 04th, 2021.

2.2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or '₹') which is the functional currency for the Company.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs except when herein indicated.

2.2.3 Fair value measurement

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

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

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

2.2.4 Current versus non-current classification

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

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

Assets:

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

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

2.3 Property, Plant and Equipment

Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

These are amortised over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on assets with finite lives is recognised in the statement of profit and loss.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest, if any.

Capital expenditure on property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment .

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under Other non-current assets.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

2.4 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows; Brands and technical Know-how are amortised on a straight line basis over a period of ten years software cost is amortised on straight line basis over a period of three years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal, gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

2.5 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest identifiable group of assets of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years A reversal of an impairment loss is recognised immediately in profit or loss.

2.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.6.1 Financial Assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value , in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the below conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the company After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 14.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the below criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity, on such sale.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither

transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- **Trade receivables**

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (statement of profit & loss). This amount is reflected in a separate line in the statement of profit & loss as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.6.2 Financial liabilities and equity instruments

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit & loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets and financial liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period of the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of Profit and loss
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials and Packing Material : purchase cost on a first in, first out basis

(ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

(iii) Traded goods are valued on First in First Out basis.

(iv)Consumable stores are charged to the profit and loss account in the year of its purchases.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

2.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.10 Foreign currencies

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

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

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

2.11 Revenue recognition

Revenue recognition under Ind AS 115

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company disaggregates revenue from contracts with customers by geography.

(i) Sale of Goods

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer or as per the terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales Return

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology & assumptions used to estimate returns are monitored & adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Rendering of Services

Revenue from sale of dossiers/licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are inconsequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

(iii) Other Operating Revenue

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

(iv) Interest and dividend income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.12 Employee benefits

2.12.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

2.12.2 Post-Employment Benefits:

I. Defined Contribution plans:

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

Recognition and measurement of defined contribution plans:

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

II. Defined Benefit plans:

Gratuity scheme:

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

Recognition and measurement of Defined Benefit plans:

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

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

III. Other Long Term Employee Benefits:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.14 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

(i) Right-of-Use Asset

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at is 10 %.

2.15 Income Tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT Credit asset is written down to the extent there Is no longer a reasonable certainty to the effect that the company will pay normal income tax during the specified period.

2.16 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.17 Segment Reporting:

The Company's Performance are not separately evaluated by the the Board of Directors, which are considered as the Chief Operating Decision Maker (CODM) and hence the total business needs to be treated as one operating segment only.

2.18 Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions (legal and constructive) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimates is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3 Application of new Revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4 Critical estimates and judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

4.1 Key sources of estimation uncertainty

I. Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the management.

ii. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iii. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

iv. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

v. Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A tax assessement can involve complex issues, which can only be resolved over extended time periods. The recognisation of taxes that are subject to certain legal or economic limits or uncertainities is assessed individually by the managment based on the specific facts and circumstances.

vi. Defined Benefit Obligations

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in **Note 40**, 'Employee benefits'.

vii. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

ix. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

x. Sales Return

For Information about judgements made in applying the accounting policies for sales return that have the most significant effects on the amounts recognised in the financial statements is included in notes 2.11 above.

Note 5. Property, Plant And Equipment

(₹ in Lakhs)

Description of assets	Factory Building *	Plant & Equipment	Plant & Equipment (R&D)	Furniture & Fixture	Vehicles	Office Equipment	Electrical Installation	Computer	Total
Gross Block (Cost or Deemed Cost)									
As at March 31st, 2019	**2,086.46**	**4,479.87**	**639.68**	**120.14**	**302.02**	**564.11**	**434.95**	**231.67**	**8,858.92**
Additions	85.08	725.81	38.36	19.49	87.53	347.88	-	22.03	1,326.18
Disposals/reclassifications	-	-	-	-	-	(1.21)	-	(2.47)	(3.68)
As at March 31st, 2020	**2,171.54**	**5,205.68**	**678.05**	**139.63**	**389.55**	**910.78**	**434.95**	**251.23**	**10,181.41**
Additions	183.41	2,493.57	104.57	45.58	23.21	480.74	12.06	26.61	3,369.74
Disposals/reclassifications	-	-	-	-	-	-	-	(3.60)	(3.60)
As at March 31st, 2021	**2,354.94**	**7,699.25**	**782.62**	**185.21**	**412.76**	**1,391.52**	**447.02**	**274.24**	**13,547.56**
Accumulated Depreciation									
As at March 31st, 2019	**179.69**	**1,097.50**	**64.31**	**22.24**	**124.42**	**166.04**	**85.36**	**91.44**	**1,831.01**
Depreciation expense for the year	105.27	617.42	42.96	16.44	35.80	147.87	56.66	57.72	1,080.16
Disposals/reclassifications	-	-	-	-	-	-	-	(2.13)	(2.13)
As at March 31st, 2020	**284.96**	**1,714.92**	**107.27**	**38.69**	**160.22**	**313.92**	**142.03**	**147.04**	**2,909.04**
Depreciation expense for the year	106.76	736.13	47.35	19.10	46.03	194.70	56.93	58.50	1,265.52
Disposals/reclassifications	-	-	-	-	-	-	-	(3.42)	(3.42)
As at March 31st, 2021	**391.72**	**2,451.05**	**154.62**	**57.79**	**206.25**	**508.62**	**198.95**	**202.12**	**4,171.14**
As at March 31st, 2021	**1,963.22**	**5,248.19**	**628.00**	**127.42**	**206.51**	**882.90**	**248.06**	**72.12**	**9,376.41**
As at March 31st, 2020	**1,886.58**	**3,490.76**	**570.78**	**100.94**	**229.33**	**596.86**	**292.93**	**104.20**	**7,272.38**

(*) - Represent Building constructed on leasehold land which will revert to the lessor on completion of lease period.

5.1 Impairment losses recognised in the year

There are no impairment losses recognised during the year.

5.2 Assets pledged as security

5.2.1 : Plant and Equipments, Plant & Equipments (R & D), Furniture and Fixture, office equipments, Electrical Installations and Computers having carrying value of ₹. 7206.70 lakhs (as at March 31, 2020: ₹. 5,156.48 lakhs) have been pledged to secure borrowings of the Company (Refer note 19). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity, except items specifically pledged to others.

5.2.2 : Vehicles having carrying value of ₹. 136.98 lakhs (as at March 31, 2020: ₹. 229.33 lakhs) have been hypothecation by way of first charge on the vehicles acquired under the specific facility granted.

5.3 The Opening balance as on April 1, 2019 includes Property, Plant & Equipment (net block) aquired as part of business combination of ₹. 4,619.73 lakhs.

Note 6. Other Intangible Assets

(₹ in Lakhs)

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Gross Block (Cost or Deemed Cost)					
As at March 31st, 2019	**13.68**	**2.13**	**42.62**	**2.80**	**61.23**
Additions	-	29.98	-	-	29.98
Disposals/ reclassifications	-	-	-	-	
As at March 31st, 2020	**13.68**	**32.11**	**42.62**	**2.80**	**91.21**
Additions	-	-	-	-	-
Disposals/ reclassifications	-	-	-	-	-
As at March 31st, 2021	**13.68**	**32.11**	**42.62**	**2.80**	**91.21**
Accumulated Amortisation					
As at March 31st, 2019	**7.23**	**2.13**	**14.67**	**0.56**	**24.59**
Amortisation expense for the year	4.33	1.71	4.74	0.14	10.92
Disposal of assets/ reclassifications	-	-			
As at March 31st,2020	**11.56**	**3.84**	**19.40**	**0.70**	**35.51**
Amortisation expense for the year	1.44	3.00	4.66	2.10	11.19
Disposal of assets/ reclassifications	-	-	-	-	-
As at March 31st, 2021	**13.00**	**6.84**	**24.06**	**2.80**	**46.70**
As at March 31st, 2021	**0.68**	**25.27**	**18.56**	**-**	**44.51**
As at March 31st, 2020	**2.12**	**28.27**	**23.22**	**2.10**	**55.70**

Note 7. Capital Work In Progress

(₹ in Lakhs)

Description of assets	As at March 31st, 2021	As at March 31st, 2020
Deemed cost		
Opening	3,061.02	962.62
Additions	3,427.61	3,374.56
Reclassifications	5,148.59	1,276.15
TOTAL	**1,340.05**	**3,061.02**

7.1 Capital Work in Progress includes Plant & Equipment, having carrying value of ₹. 113.50 lakhs and Building/Guest house having a carrying value of ₹. 963.21 lakhs (as at March 31, 2020: ₹. 1,893.77 lakhs and ₹. 963.21 lakhs) which has been pledged to secure borrowings of the Company (Refer note 19).

Note 8. Right-of-use Assets

(₹ in Lakhs)

Particulars	Leasehold Properities	Total
I. Carrying Amount		
Balance as at March 31st, 2019		
Transition to Ind AS 116	925.55	925.55
Additions	299.98	299.98
Deletion	-	-
Balance as at March 31st, 2020	**1,225.53**	**1,225.53**
Additions	-	-
Deletion	-	-
Balance as on March 31st, 2021	**1,225.53**	**1,225.53**
II. Accumulated Depreciation / Amortization loss		
Balance as at March 31st, 2019	-	-
Additions	295.41	295.41
Deletion	-	-
Balance as at March 31st, 2020	**295.41**	**295.41**
Additions	354.05	354.05
Deletion	-	-
Balance as on March 31st, 2021	649.46	649.46
Net Block as on March 31st, 2021	**576.07**	**576.07**
Net Block as on March 31st, 2020	**930.11**	**930.11**

8.1 The aggregate depreciation expense amounting to Rs 354.05 Lakhs on ROU assets is included under Depreciation and Amortisation Expense (Refer Note 34) in the Statement of Profit and Loss.

Note 9. Investments

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
Non-current		
Unquoted (at FVTOCI)		
Equity Instruments		
- Saraswat Co-Op Bank Ltd		
(4990 (P.Y.: 4990) equity shares)	0.75	0.75
Total Aggregate Unquoted Investments	**0.75**	**0.75**
Total Investments	**0.75**	**0.75**
Aggregate carrying amount of unquoted investments	0.75	0.75

Note 10. Loans

(Unsecured, considered good unless stated otherwise)

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
Non Current		
Deposit		
with Related Parties (Refer Note 39, 49)	641.78	576.09
with Others (Amortised Cost)	487.90	441.69
Loans to Staff	29.04	10.39
	1,158.72	**1,028.17**
Current		
Loans to Staff	25.32	33.07
	25.32	**33.07**

Note: These financial assets are carried at amortised cost. No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer Note No. 39 for dues from related parties.

Note 11. Deferred Tax :

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Deferred Tax Relates To The Following :		
Property, Plant and Equipment	(415.16)	(202.85)
Borrowing Cost	(2.93)	(4.88)
Trade Receivables	76.62	76.95
Employee Benefits (net of OCI)	120.53	74.04
Other Comprehensive Income	71.99	83.40
Other Items	-	36.95
Net Deferred Tax Assets/(Liabilities)	**(148.95)**	**63.60**

Note12. Other Assets
(unsecured, Considered Good Unless Stated Otherwise)

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Non Current		
Capital Advances		
Cosidered Good	553.13	784.13
Cosidered Credit Impaired	-	11.57
	553.13	**795.70**
Less : Provision for credit impaired	-	(11.57)
	553.13	**784.13**
Others		
Balances with Statutory Authorities like Value Added Tax etc.	0.29	41.32
Prepaid Expenses		
For Leave & Lisence Agreement (Factory Builiding & office premises)	86.36	159.99
Finance Charges		
Others	11.53	20.18
Others	-	3.78
	651.31	**1,009.40**
Current		
Advances other than Capital Advances		
Employees Imprest Advance	188.92	242.94
to Related Parties (Refer Note 39)	74.61	0.49
	263.53	**243.43**
Others		
Advance to Vendors		
Considered Good	758.46	943.95
Credit Impaired	-	22.78
	758.46	**966.73**
Less : Provision for Credit Impaired	-	(22.78)
	758.46	**943.95**
Balances with Statutory Authorities like Goods and Service tax, Value Added Tax etc	1,733.87	1,397.22
Cenvat Recoverable	-	4.93
Prepaid Expenses	58.02	67.86
Others	10.76	11.05
	2,824.64	**2,668.43**

Note.13 Inventories

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Inventories (Lower of Cost and Net Realisable Value)		
Raw Materials	3,120.52	4,757.74
Work-in-Process	2,823.44	3,331.91
Finished Goods	2,063.82	2,827.19
Packing Materials	1,097.54	798.01
Stock-in-Trade	297.74	503.68
Consumables	37.40	27.60
	9,440.46	**12,246.14**

The cost of inventories recognised as an expense during the year was ₹ 25,029.21 lakhs (2019 - 2020: ₹ 17,953.95 lakhs). This is included as part of Cost of Materials Consumed and Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 2.7.

For details of inventories pledge as security, refer Note 23.

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Stock-in-Transit, (Included above)		
Raw Materials	216.17	99.85
Finished Goods	77.56	11.33
	293.74	111.18

Note 14. Trade Receivables

Particulars	As at March 31st, 2021	As at March 31st, 2020
(Unsecured, considered good unless stated otherwise)		
Current		
Considered good	10,649.64	8,109.25
Credit Impaired (Refer note 42.3.1)	2,104.14	2,967.80
	12,753.78	**11,077.04**
Allowance for doubtful debts (expected credit loss allowances)	(303.71)	(379.81)
	12,450.07	**10,697.23**

~~**Trade receivables**~~

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period as follows.

Expected credit loss (%)		
Within the credit period	1.06%	1.28%
91 - 180 days past due	1.47%	1.87%
181 - 360 days past due	7.18%	8.57%
361 - 720 days past due	11.41%	25.00%
721 - 1080 days past due	33.79%	42.00%
More than 1080 days past due	100.00%	100.00%
Age of receivable		
Within the credit period	10,649.64	8,109.24
91 - 180 days past due	1,120.89	2,296.06
181 - 360 days past due	488.17	463.25
361 - 720 days past due	359.95	97.18
721 - 1080 days past due	55.39	54.52
More than 1080 days past due	79.73	56.78
	12,753.78	**11,077.04**
Movement in the expected credit loss allowance		
Balance at beginning of the year	379.81	477.74
Actual bad debts during the year	(86.19)	(64.47)
Provision for expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	10.10	(33.46)
Balance at the year End	**303.72**	**379.81**

Note15. Cash And Cash Equivalents

Particulars	As at March 31st, 2021	As at March 31st, 2020
Balances with Banks		
In Current Accounts	230.81	204.14
Cheques on Hand	311.71	166.81
Cash on Hand	77.62	55.20
	620.14	426.15

Note 16. Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Earmarked with Banks		
Unpaid Dividend Accounts	4.83	2.68
Deposits against Guarantees and Other Commitments	692.82	1,208.60
	697.65	1,211.28

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹16.01 lakhs (2019 - 2020 : ₹ 5.00 Lakhs) with maturity of more than 12 months.

Note 17. Equity Share Capital

Particulars	As at March 31st, 2021		As at March 31st, 2020	
	No of shares	₹In Lakhs	No of shares	₹In Lakhs
Authorised Share capital (Refer Note 17.1)				
Equity Shares of ₹ 1 Each	10,52,00,000	1,052.00	10,52,00,000	1,052.00
9.5% Non-Cumulative, Non- Convertible Redeemable Preference Shares of ₹ 1 Each	75,22,66,610	7,522.67	75,22,66,610	7,522.67
Unclassified shares	33,390	0.33	33,390	0.33
		8,575.00		**8,575.00**
Issued and subscribed capital comprises (Refer Note 17.1)				
Equity Shares of ₹ 1 Each, Fully Paid Up	9,69,44,506	969.45	9,69,44,506	969.45
	9,69,44,506	**969.45**	**9,69,44,506**	**969.45**

17.1 As explained in Note 53, in accordance with the requirement of the scheme, the equity shares have been issued on June 4th, 2021. However, solely for the purpose of compliance with the accounting treatment specified in the scheme, the effect for issue of these shares has been given on the appointed date of the scheme being January 01st, 2019 and hence recorded as share capital although such shares were pending allotment as at March 31st, 2021

17.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31st, 2021		As at March 31st, 2020	
	No of shares	₹In Lakhs	No of shares	₹In Lakhs
Equity Shares at the beginning of the year #	9,69,44,506	969.45	9,69,44,506	969.45
Equity Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	**9,69,44,506**	**969.45**	**9,69,44,506**	**969.45**

Includes 1,91,14,506 shares issued pursuant to the scheme of business combination, issued after balance sheet date but now have been included here as explained in Note 17.1 above

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

17.4 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31st, 2021		As at March 31st, 2020	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Fully paid equity shares				
a) Zircon Teconica Private Limited	2,05,23,330	21.17	2,05,23,330	21.17
b) Jayesh Pannalal Choksi*	2,51,58,829	25.95	1,80,10,259	18.58
c) Pranav Jayesh Choksi	72,68,626	7.50	72,68,626	7.50
d) Gufic Private Limited*	1,01,91,523	10.51	53,74,157	5.54
e) Vipula Jayesh Choksi*	1,00,33,843	10.35	28,85,273	2.98

* includes equity shares issued on account of business combination, issued after balance sheet date but have been included here as explained in Note 17.1 :

Particulars	Number of Shares issued
Jayesh Pannalal Choksi	71,48,570
Vipula Jayesh Choksi	71,48,570
Gufic Private Limited	48,17,366
	1,91,14,506

17.5 The company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Note 18. Other Equity Excluding Non-controlling Interests

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
General reserve (Refer Note 18.1)		
Balance at beginning of the year	134.71	134.71
Movements	-	-
Balance at end of the year	**134.71**	**134.71**
Capital Reserve (Refer Note 18.2)		
Balance at beginning of the year	7,088.24	7,088.24
Movements	-	-
Balance at end of the year	**7,088.24**	**7,088.24**
Retained Earnings		
Balance at beginning of year	4,957.92	2,736.05
Add : Profit for the year	4,423.17	2,268.79
Add : Reversal of Notional Interest on Capital Contribution	26.25	-
Less : Final Dividend on Equity Shares (Refer Note 18.3)	(38.92)	(38.92)
Less : Corporate Tax on Dividend	-	(8.00)
Balance at end of the year	**9,368.43**	**4,957.92**
Others (Refer Note 18.4)		
Balance at beginning of the year	26.25	16.45
Movements	(26.25)	9.79
Balance at end of the year	**-**	**26.25**
Other items of other comprehensive income (Re-measurement gains (losses) on defined benefit plans)		
Balance at beginning of year	(244.26)	(5.36)
Add : amount transferred	27.09	(238.90)
Balance at end of the year	**(217.17)**	**(244.26)**
	16,374.20	**11,962.85**

Note 18.1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Note 18.2: The Capital reserve is created on receipts of government grants for setting up of tissue culture division in the earlier years and on account.

Particulars	₹ in Lakhs
Opening capital reserve as at December 31st, 2018	12.50
Capital reserve creation in persuent with business combination scheme	7,075.74
Closing capital reserve as at March 31st, 2019	**7,088.24**

Note 18.3: The company has paid dividend of ₹ 0.05 per share on November 03rd, 2020 totalling to ₹ 38.92 lakhs (Previous year: ₹ 0.05 per share totalling to ₹ 38.92 lakhs)was paid to the holders of fully paid equity shares.

Note 18.4: Others Includes the notional interest charged to the Statement of Profit & Loss account on account of interest free loan given by the directors of the company.

Note 19. Non-current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
Secured – at amortised cost				
(A) From Banks				
(a) Term loans (Refer Note 19.1)	3,016.15	265.80	1,241.15	357.09
(b) Vehicle Loans (Refer Note 19.1)	49.57	16.44	65.90	20.40
(B) From Others				
(a) Vehicle Loans (Refer Note 19.1)	0.00	13.81	13.77	16.39
(b) Property Loans (Refer Note 19.1)	476.92	63.74	630.88	15.54
	3,542.65	**359.79**	**1,951.69**	**409.42**
Unsecured – at amortised cost				
From Directors (Refer Note 19.2)	-	-	2.65	-
	-	**-**	**2.65**	**-**
Total Non-current borrowings	**3,542.65**	**359.79**	**1,954.34**	**409.42**

19.1 Summary of borrowing arrangements

The terms of repayment of term loans and other loans are stated below:

(a) Term Loans from Bank

Security

(i) The loans are secured by first pari passu charge on all the present and furture plant & machineries/ equipments / air conditioners / computers & accessories / electric Installation and furniture and fixture.

(ii) Further the loan is also secured by legal mortgage of land and factory building of Gufic Private Limited (Company in which directors are interested), situated at Navsari.

(iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (resctited to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested).

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 6,05,000/- to ₹ 15,00,000/- (March 31st, 2020 : ₹ 42,000/- to ₹ 15,00,000 /-)(excluding interest), over a period of 1 to 108 months.

Rate of Interest

The Rate of Interest is 8.00% p.a. (March 31st, 2020 : 9.85% p.a.) and shall be payable on monthly basis.

(b) Vehical loan from Bank and Others

Security

(i) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted.

(ii) Carrying value of the fixed assets pledged is ₹ 136.98 lakhs. (March 31st, 2020 : ₹ 229.33 Lakhs)

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 12,100/- to ₹ 1,57,505/- (March 31st, 2020 ₹ 7,850/- to ₹ 1,57,505/-) (including Interest), over a period of 1 to 60 months.

Rate of Interest

The Rate of Interest is between 8.18 % to 11.01 % p.a. (March 31st, 2020 : 8.18% to 11.01%) and shall be payable on monthly basis.

(c) Property Loan

Security

(i) Legal Mortgage of Property of ₹ 963.21 Lakhs (March 31st, 2020 : ₹ 963.21 Lakhs), shown under CWIP, acquired under the specific facility granted.

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installments of ₹ 8,09,430/- (March 31st, 2020 : ₹ 8,09,430/-) (including Interest), within a period 180 months.

Rate of Interest

The Rate of Interest is 9.00% p.a. (March 31st, 2020 : 10.50%) and shall be payable on monthly basis.

19.2 The company has received unsecured and interest free loan from the directors of the company. The loan are repayable after March 31st, 2021 or any period thereafter as mutually decided between the directors and the company. The company has provided interest on the loan @ 11 % p.a. (2019 - 20 : 11% p.a.). Thus the company during the year has accounted for interest expense of NiL (2019 -2020 : interest expense of 9.79 lakhs) and shown the same under the head "Other equity excluding non-controlling interests" as owners contribution towards equity.

19.3 There are no breach of contractual terms of the borrowing during the year ended March 31st, 2021 and March 31st 2020.

Note 20. Other Financial Liabilities (at Amortised Cost)

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Non Current		
Unsecured		
Security and Trade Deposits from Agents and Stockists	499.75	474.75
	499.75	474.75
Current		
Current maturities of long-term debt (Refer Note 19)	359.79	409.42
Interest accrued and not due on Borrowings	28.22	15.39
Unpaid dividends (Refer Note 20.1)	4.84	2.22
Employee Benefits Payable	1,140.69	653.58
	1,533.54	**1,080.61**

Note 20.1 : There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.

Note 21. Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Non Current		
Lease Liabilities (Refer Note 38)	282.24	620.13
	282.24	**620.13**
Current		
Lease Liabilities (Refer Note 38)	336.61	343.16
	336.61	**343.16**

Note 22. Provisions

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Non Current		
Provision for Employee Benefits (Refer Note 40)		
for Gratuity	513.36	273.95
for Compensated Absences	163.99	167.21
	677.34	**441.16**
Others		
Provision for Sales Returns (Refer Note 51)	345.28	351.77
	345.28	**351.77**
	1,022.62	**792.93**
Current		
Provision for Employee Benefits (Refer Note 40)		
for Gratuity	39.89	212.95
for Compensated Absences	47.70	20.51
	87.59	**233.46**
Others		
Provision for Sales Returns (Refer Note 51)	368.94	428.04
	368.94	**428.04**
	456.52	**661.50**

Note 23. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Loans from Bank - Secured		
Working capital facilities (Refer Note 23.1)	1,632.43	9,310.33
	1,632.43	**9,310.33**

23.1 Secured loans comprise of Cash Credit, and are secured by hypothecation of all stocks and book debts. The facilities granted to the company are further secured by mortgage of land and factory building of Gufic Private Limited (Company in which directors are interested), situated at Navsari. The loans are secuered by personal guarantee of Managing Director and Chief Executive Officer and the loan are secured by a corporate guarantee (restricted to the exposure of ₹ 3,640 lakhs) of Gufic Private Limited (Company in which directors are interested).

Rate of Interest is 8.00% p.a and repayable on demand.

Note 24. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Current		
micro and small enterprises	387.00	582.93
other than micro and small enterprises	10,915.86	11,123.90
	11,302.86	**1,706.83**

The average credit period on purchases is 45 to 90 days. No interest is charged by the trade payables.

Sundry Creditors- Dues to Micro and Small Enterprises

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers based on the information available with the company regarding the total amount due to supplier as covered under MSMED Act is given below. The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise. This has been relied upon by the auditors.

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
I. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year a. Principal amount due to micro and small enterprises b. Interest due on above	 269.87 117.13	 498.54 84.39
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	89.16	63.00
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	117.13	84.39
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note : The above information has been complies in respect of parties to the extent to which they could identify as Micro and small enterprises on the basis of information available with the Company.

Note : Trade payables includes sundry creditors for capital assets.

Note 25. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	663.36	574.96
Advances from customers	282.71	299.48
Others current liabilities	-	0.48
	946.08	**874.92**

Note 26. Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Current tax liabilities		
Provision for Income Tax (Net) (Provision for tax ₹. 2,888.28 Lakhs (2019-20: ₹. 4,266.97 Lakhs) and Net of Advance tax of ₹. 2,730.08 Lakhs(2019-20: ₹. 4,315.33 Lakhs)	158.20	(48.37)
	158.20	**(48.37)**

Note 27. Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Sale of Products (Net of Returns and GST) (Formulation and Active Pharma Ingredient)	43,395.06	35,657.52
Other Operating Revenue		
Processing Charges	5,098.87	2,159.02
Other Operating Revenues	275.94	157.19
	48,769.87	**37,883.74**
Disaggregation of Revenue		
Revenue based on Geography		
India	42,812.12	32,628.70
Africa	744.73	644.80
Asia	2,621.44	2,933.56
Europe	1,996.36	1,237.41
North America	486.18	280.54
Australia	35.94	28.61
South America	73.09	110.13
Revenue from operations	**48,769.87**	**37,883.74**

The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.

Reconciliation of Revenue from operations with contract price		
Contract Price	48,948.03	39,145.37
Less:		
Sales Returns	172.28	1,244.13
Discounts	5.89	17.50
Total Revenue from Operations	**48,769.87**	**37,883.74**
Contract Balances		
Trade receivables	12,450.07	10,697.23
Contract assets	-	-
Contract liabilities	282.71	299.48

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

Contract Liabilities		
Balances at the beginning of the year	299.48	264.72
Additional during the year	282.71	299.48
Reduction during the year	299.48	264.72
Balances at the close of the year	**282.71**	**299.48**

Note 28. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Interest Income (at amortised Cost)		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	57.01	70.61
Other financial assets carried at amortised cost	88.04	65.78
	145.05	**136.39**
Dividend Income		
Dividends from equity investments	-	0.04
	-	**0.04**
Other Non-Operating Income (Net of expenses directly attributable to such income)		
Scrap Sales	47.35	27.71
Sundry Balance Written Back	-	253.29
Miscellaneous Income	27.44	76.68
Excess provision Written Back (including Expected Credit Loss)	4.28	80.24
	79.07	**437.91**
Other gains		
Foreign exchange gains	145.43	2.55
Profit on Sale of Assets	3.74	2.12
	149.17	**4.67**
	373.29	**579.02**

Note 29. Cost of Material Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Consumption of Raw Material		
Opening Stock	4,757.74	4,606.37
Add: Purchases	17,290.33	10,685.71
Less : Closing Stock	(3,120.52)	(2,216.71)
	18,927.56	**13,075.37**
Consumption of Packing Material		
Opening Stock	798.01	970.58
Add: Purchases	2,717.14	2,023.65
Less : Closing Stock	(1,097.54)	(686.77)
	2,417.61	**2,307.47**
	21,345.17	**15,382.83**

Note 30. Purchases of Stock - In - Trade

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Purchase of Stock - In - Trade	2,255.25	3,662.25
	2,255.25	**3,662.25**

Note 31. Changes In Inventories of Finished Goods, Work-in-progress & Stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Opening stock of		
Work-in-progress	3,331.91	3,274.00
Finished goods	2,827.19	1,841.67
Stock-in-trade	503.68	689.28
Right to recover return goods	283.09	49.79
	6,945.87	**5,854.74**
Less: Closing stock of		
Work-in-progress	2,823.44	3,331.91
Finished goods	2,063.82	2,827.19
Stock-in-trade	297.74	503.68
Right to recover return goods	332.08	283.09
	5,517.08	**6,945.87**
	1,428.79	**(1,091.13)**

Note 32. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Salaries and Wages	5,613.84	5,224.46
Contribution to Provident and Other Funds	286.01	249.98
Gratuity Expenses (Refer Note 40)	149.28	31.14
Staff Welfare Expenses	572.66	353.00
	6,621.80	**5,858.58**

Note. 33 Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Interest on Financial Liabilities - borrowing carried at amortised cost	965.54	1,067.81
Bank and other Financial Charges	186.76	123.58
Interest on Owners Contribution	-	9.79
Interest on Income Tax	-	0.13
Interest on Lease Liability (Refer Note 38)	93.90	105.77
Interest to MSME	117.13	84.39
	1,363.33	**1,391.47**

Note. 34 Depreciation And Amortisation Expense

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Depreciation of Property, Plant and Equipment (Refer Note 5)	1,276.71	1,079.88
Amortisation of Intangible Assets (Refer Note 6)	-	11.19
Amortisation of Right to Use asset (Refer Note 8)	354.05	295.41
	1,630.76	**1,386.48**

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Note. 35 Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st,2021	For the year ended March 31st,2020
Consumable Stores	519.25	515.20
Power and Fuel	993.97	823.39
Labour Charges	676.52	524.99
Factory Expenses	2.21	3.05
Rent	104.44	143.80
Rates and Taxes (Excluding Taxes on Income)	7.36	24.52
Repairs and Maintenance		
Building	126.41	113.86
Machinery	345.03	309.28
Others	150.64	126.76
Printing and Stationery	198.24	177.92
Communication Expenses	76.94	45.68
Director Sitting Fees	2.65	1.00
Insurance Charges	118.41	102.87
Travelling, Conveyance and Vehicle Expenses	1,136.51	2,156.44
Legal and Professional Fees	724.94	594.59
Testing and Laboratory Expenses	226.10	225.64
Transport and Forwarding	983.27	775.19
Commission and Brokerage	618.30	589.25
Sales Promotion Expenses	176.27	363.83
Advertisement	9.47	6.83
Donation	12.20	18.41
Research and Development Expenses (Refer Note 46)	209.89	200.07
Corporate Social Responsibility Activity (Refer Note 47)	67.00	56.15
Allowance for Doubtful Receivables (net) and Write off	10.10	13.67
Miscellanous Expenses	1,228.81	918.46
Foreign Exchange loss	2.01	28.78
	8,726.91	**8,859.66**

Note 36. Taxation

a)The major components of income tax for the year ended March 31st, 2021 are as under:

i) Income tax related to items recognised directly in profit or loss of the Statement of profit and loss during the year:

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Current tax		
Current Tax Expense for the year	1,719.82	831.00
Tax expenses of prior years	(572.97)	(175.64)
Total current tax expense	**1,146.85**	**655.36**
Deferred tax		
Relating to origination and reversal of temporary differences	201.14	88.47
Income tax expense reported in the statement of profit and loss	**1,347.99**	**743.82**

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year:

(₹ in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Deferred tax on remeasurement of defined benefit plan	(11.41)	83.40
Deferred tax recognised in OCI	**(11.41)**	**83.40**

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(₹ in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Accounting profit before tax	**5,771.15**	**3,012.62**
Income tax @ 29.12% (P.Y. 25.17%)	**1,680.56**	**758.28**
Adjustments in respect of current income tax in respect of previous years	(572.97)	(175.64)
Change in recognised deductible temporary differences	201.14	88.47
Income not taxable/exempt from tax	39.26	72.72
Income tax expense charged to the statement of profit and loss	**1,347.99**	**743.82**

C) Deferred tax relates to the following:

(₹ in Lakhs)

	Balance-Sheet		Recognized in the statement of profit & loss		Other Comprehensive Income	
	March 31st, 2021	March 31st, 2020	March 31st, 2021	March 31st, 2020	March 31st, 2021	March 31st, 2020
Deferred tax Liabilities						
Deductible temporary differences						
Property, Plant and Equipment	(415.16)	(202.85)	(212.31)	87.43	-	-
Borrowing Cost	(2.93)	(4.88)	1.95	2.98	-	-
Trade Receivables	76.62	76.95	(0.33)	(46.55)	-	
Employee Benefits (net of OCI)	120.53	74.04	57.90	(98.80)	(11.41)	83.40
Provision for Sales	-	-	-	(93.01)	-	-
MAT Credit	-	-	-	(5.74)	-	-
Other Comprehensive Income	71.99	83.40	(11.41)	83.40	-	-
Other Items	-	36.95	(36.95)	(18.18)	-	-
Total (a)	**(148.95)**	**63.60**	**(201.14)**	**(88.47)**	**(11.41)**	**83.40**
Less: MAT credit entitlement	-	-	-	-	-	-
Net deferred tax Liabilities (b)	**(148.95)**	**63.60**				
Deferred tax charge/(credit) (a-b)			**(201.14)**	**(88.47)**	**(11.41)**	**83.40**

i) During the year ended March 31st, 2020 the Company has paid dividend to share holders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders Hence, dividend distribution tax paid is charged to equity.

ii) With reference to the amendment in the Finance Act 2020, Dividend Distribution Tax (DDT) has been abolished from AY 2021-22 i.e no DDT shall be payable by the company on any dividend distributed on or after April 1st, 2020 and hence there is no DDT on proposed dividend.

iii) There are no unrecognized deferred tax assets and liabilities as at March 31st, 2021 & March 31st, 2020. Further significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

Note 37. Segment Information

37.1 Basis for segmentation

Based on the "Management approach " as defined in IND AS 108, the Chief Operating Decision Maker (CODM) does not evaluate the Company's Performance", separately and hence the total business needs to be treated as one segment, " Pharmaceutical and related products". The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.

Geographical segments

Revenue is segregated into two segments namely India (sales to customer within India) and other countries (sales to customer outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments. Segment asset are based on the geographical location of the asset.

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st ,2020
Segment Revenue		
India	42,812.12	32,628.70
Africa	744.73	664.80
Asia	2,621.44	2,933.56
Europe	1,996.36	1,237.41
North America	486.18	280.54
Australia	35.94	28.61
South America	73.09	110.13
	48,769.87	**37,883.74**

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Carrying Amount of Segment Assets		
India	13,147.82	13,357.54
Other Countries	-	-
	13,147.82	**13,357.54**

Information about major customers

Incase of sales to two customer accounted for more than 10% or more of the entities revenue from operation. The total revenue from sale of goods is ₹ 7,266.04 lakhs (year ended March 31st, 2020 : 4,385.08 lakhs) to the said two customers.

Note. 38 Lease

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

The interest rate applied to lease liabilities is 10.00%.

Note. 38.1 Disclosures Pursuant To Ind As 116 :

As a Lessee :

The following is the break-up of current and non-current lease liabilities as at March 31st, 2021 :

(₹ in Lakhs)

	As at March 31st, 2021	As at March 31st, 2020
Current Lease Liabilities	336.61	343.16
Non-current Lease Liabilities	282.24	620.13
	618.85	**963.29**

The following is the movement in lease liabilities during the year ended March 31st, 2021 :

Balance as begining of the year	**963.30**	**1,225.53**
Additions	-	-
Finance cost accrued	93.90	105.77
Deletions	-	-
Payment of lease liabilities	(438.35)	(368.00)
Balance as closing of the year	**618.85**	**963.30**

The aggregate interest expense amounting to ₹ 93.90 Lakhs (2019 - 2020: 105.77 Lakhs) on Lease Liabilities is disclosed separately under Note 33 Finance Costs.

The following is the movement of cash outflow on lease liabilities during the year ended March 31st, 2021

(₹ in Lakhs)

	As at March 31st, 2021	As at March 31st, 2020
Payment of Lease Liabilities	344.44	262.24
Interest on Lease Liabilities	93.90	105.77
Total cash outflow on leases	**438.34**	**368.01**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2021 on an undiscounted basis:

Less than one year	336.61	343.16
One to five years	282.24	620.13
More than five years	-	-
	618.85	**963.29**

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following amounts are recognised in the Statement of Profit and Loss for the year ended March 31st, 2021 :

Depreciation charge on right-of-use assets	354.05	295.41
Interest expense on lease liabilities	93.90	105.77
Expense relating to short-term leases	23.40	81.19
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gain on termination of leases	-	-

Total cash outflow for leases from Financing Activites recognised in the Statement of Cash Flows for the year ended March 31st, 2021 is ₹ 438.34 Lakhs. (2019-20 : 368.01 Lakhs)

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Note 39. Related Party Disclosures

As per Accounting standard 18, the disclosures of transactions with the related parties are given below:

1) List of related parties where control exists and related parties with whom transaction have taken place & relationship

Sr. No.	Name of the Related Party	Relationship
1	Mr. Jayesh P. Choksi - Chairman & Managing Director	Key Managerial Personnel
2	Mr. Pranav J. Choksi - Chief Executive Officer & Whole-time Director	
3	Mr. Pankaj J. Gandhi - Whole Time Director	
4	Mrs. Hemal M. Desai (Ceased w.e.f. October 01st, 2020) - Whole Time Director	
5	Mr. Dilip Ghosh (Appointed w.e.f November 11th, 2020) - Whole Time Director	
6	Mr. Jagdish Shah (Ceased w.e.f September 25th, 2019) - Independent Director	
7	Mr. Gopal M. Daptari - Independent Director	
8	Mr. Shrirang V. Vaidya - Independent Director	
9	Mr. Shreyas K. Patel - Independent Director	
10	Dr. Rabi Narayan Sahoo - Independent Director	
11	Dr. Anu Aurora - Independent Director	
12	Dr. Bal Ram Singh - Non Executive Director	
13	Rita Ghosh	Relatives of Key Managerial personnel
14	Parth Gandhi	
15	Milan Ramesh Desai	
16	Gufic Private Limited	Enterprises over which KMP are able to exercise influential control
17	Gufic Chem Private Limited	
18	Jal Private Limited	
19	Zire Rushi Construction	
20	Manshi Gandhi Enterprise	
21	Parth Gandhi Enterprise	
22	Viraj Enterprise	
23	Shraddha Enterprise	
24	Tricon Enterprises Private Limited	
25	Prime Bio Inc	
26	Vishoushadhi Products and Services Private Limited	

Transactions for the (₹ in Lakhs)

Sr. no	Particulars	Year ended March 31st,2021	Year ended March 31st,2020
1	**Services received from**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	4.91	28.21
	Gufic Chem Private Limited	82.48	98.81
	Jal Private Limited	6.34	17.81
	Viraj Enterprise	2.18	75.75
	Shraddha Enterprise	1.69	62.74
	Manshi Gandhi Enterprise	0.93	77.78
	Prime Bio	71.74	146.03
	Vishoushadhi Products and Services Private Limited	102.64	-
2	**Purchase of goods**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Chem Private Limited	85.52	30.65
3	**Payment of rent**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	62.59	62.40
4	**Sales of goods**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Chem Private Limited	12.25	6.74
	Tricon Enterprises Private Limited	29.73	34.30
5	**Interest paid**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	-	18.78
6	**Reimbursement of expenses paid**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	-	3.48

(₹ in Lakhs)

7	**Interest received** **Enterprises over which KMP are able to exercise influential control** Zire Rushi Construction	-	40.82
8	**Purchase of intangible asset** **Enterprises over which KMP are able to exercise influential control** Prime Bio	-	16.80
9	**Purchase of tangible asset** **Enterprises over which KMP are able to exercise influential control** Zire Rushi Construction	-	951.98
10	**Security deposit given (against lease)** **Enterprises over which KMP are able to exercise influential control** Gufic Private Limited-	-	130.00
11	**Remuneration KMP**		
	Key Managerial Personnel		
	Jayesh P. Choksi	82.41	64.77
	Pranav J. Choksi	58.21	46.50
	Pankaj J. Gandhi	9.42	9.98
	Hemal M. Desai	5.11	11.48
	Dilip Ghosh	6.81	-
	Gopal M. Daptari	0.60	0.25
	Shrirang V. Vaidya	0.60	0.40
	Shreyas K. Patel	0.45	0.15
	Rabi Narayan Sahoo	0.30	0.10
	Dr. Anu Aurora	0.40	0.05
12	**Reimbursement of expenses paid**		
	Key Managerial Personnel		
	Pankaj J. Gandhi	4.97	6.37
	Hemal M. Desai	4.45	5.05
	Rita Ghosh	2.50	-
	Parth Gandhi	-	2.68
13	**Remuneration relatives of KMP** **Relatives of Key Managerial Personnel** Milan Ramesh Desai	-	2.46

Balance as at:

(₹ in Lakhs)

Sr no	Particulars	As at March 31st, 2021	As at March 31st, 2020
1	**Other current assets**		
	Enterprises over which KMP are able to exercise influential control		
	Zire Rushi Construction	72.14	-
	Jal Private Limited	2.46	-
2	**Trade receivables**		
	Enterprises over which KMP are able to exercise influential control		
	Tricon Enterprises Private Limited	2.86	10.41
3	**Trade payables**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Chem Private Limited	27.25	11.80
	Vishoushadhi Products and Services Private Limited	18.47	-
	Zire Rushi Construction	59.88	40.19
	Gufic Private Limited	-	49.65
4	**Security deposits**		
	Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	600.00	600.00
	Gufic Chem Private Limited	120.00	120.00
5	**Loan from directors**		
	Key Managerial Person		
	Pranav J. Choksi	-	2.65

Note 40. Employee Benefit

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

40.1 Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) with the government, and certain state plans such as Employees' State Insurance (ESI). PF cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

The company has recognised the following amounts in the profit and loss accounts.

(₹ in Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Employer's contribution to provident fund & ESIC Fund	286.01	249.98

40.2 Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	As at March 31st, 2021	As at March 31st, 2020
Discount rate(s)	6.89%	6.89%
Expected return(s) on plan assets	6.89%	6.89%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee Turnover	3.00%	3.00%
Retirement Age (years)	58 & 75 Years	58 & 75 Years

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Expense recognised in the statement of profit and loss (Refer Note 32)		
Current service cost	92.49	23.27
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	33.48	12.77
Expenses charged to the statement of profit and loss	**125.97**	**36.04**
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	(38.51)	322.30
Actuarial gain on plan assets	-	-
Expense / (income) charged to other comprehensive income	**(38.51)**	**322.30**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Present value of funded defined benefit obligation	**(553.25)**	**(528.41)**
Fair value of plan assets	-	41.51
Funded status	**(553.25)**	**(486.90)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(553.25)**	**(486.90)**

Movements in the present value of the defined benefit obligation are as follows.

Reconciliation of defined benefit obligations		
Obligation as at the beginning of the year	528.41	205.47
Interest Cost	36.34	16.01
Current Service Cost	92.49	23.27
Benefits paid Directly by Employer	(62.64)	(35.41)
Actuarial (gains)/losses on obligations		
due to changes in demographic assumptions	-	-
due to changes in financial assumptions	(0.02)	38.96
due to experience	(41.35)	280.11
Obligation as at the year end	**553.24**	**528.41**

Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Reconciliation of plan assets		
Plan assets as at the beginning of the year	41.51	41.51
Expected return	2.86	3.23
Contribution by the Employer	(41.51)	-
Return on Plan Assets, Excluding Interest Income	(2.86)	(3.23)
Closing fair value of plan assets	**-**	**41.51**

The fair value of the plan assets at the end of the reporting period is not available.

Sensitivity Analysis

The sensitivity analysis has been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period

Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discounting	(45.89)	(42.53)
Delta Effect of -1% Change in Rate of Discounting	53.41	49.55
Delta Effect of +1% Change in Rate of Salary Increase	51.79	49.99
Delta Effect of -1% Change in Rate of Salary Increase	(46.08)	(43.62)
Delta Effect of +1% Change in Rate of Employee Turnover	5.91	4.81
Delta Effect of -1% Change in Rate of Employee Turnover	(6.92)	(5.75)
Maturity Analysis of Projected benefit obligation for next		
1st Year	39.89	52.17
2nd Year	20.03	26.35
3rd Year	35.83	35.16
4th Year	58.35	32.20
5th Year	57.21	53.88
Thereafter	212.35	222.70
Asset information		
Insurer Managed Funds (100%) (Fundis Managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available)	-	100%

Contribution in immediate next year

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Estimate of amount of contribution in immediate next year	134.95	125.97

40.3 Other Long Term Benefit Plan

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 181.97 lakhs (P.Y. ₹ 168.21 lakhs) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Note 41. Earnings Per Share

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Basic earnings per share	4.56	2.34
Diluted earnings per share	4.56	2.34

41.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Profit for the year attributable to owners of the Company	4,423.16	2,268.79
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	4,423.16	2,268.79
Weighted average number of equity shares	9,69,44,506	9,69,44,506

41.2 Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Profit for the year used in the calculation of basic earnings per share	4,423.16	2,268.79
Add: adjustments on account of dilutive potential equity shares	-	-
Earnings used in the calculation of diluted earnings per share	4,423.16	2,268.79
Weighted average number of equity shares	9,69,44,506	9,69,44,506

41.3 Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Weighted average number of equity shares used in the calculation of Basic EPS	9,69,44,506	9,69,44,506
Add: adjustments on account of dilutive potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	**9,69,44,506**	**9,69,44,506**

41.4 Weighted average number of equity shares includes 1,91,14,506 shares issued pursuant to the scheme of business combination, issued after balance sheet date but now have been included here as explained in Note 17.1

Note 42. Financial Instruments

42.1 Capital Management

The company manages its capital to ensure that entities in the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net debt offset by cash and bank balances and total equity of the company. The company is not subject to any externally imposed capital requirements.

42.1.1 Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Debt	5,534.87	11,674.09
Less: Cash and bank balances	620.14	426.14
Net debt	**4,914.73**	**11,247.95**
Total Equity	**17,343.65**	**12,932.30**
Net debt to equity ratio	**28.34%**	**86.98%**

42.2 Categories of Financial Instruments

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at amortised cost		
Other investments	0.75	0.75
Cash and bank balances	620.14	426.14
Trade Receivable	12,450.07	10,697.23
Loans	1,184.04	1,061.24
Financial liabilities		
Measured at amortised cost		
Borrowings	5,175.08	11,264.67
Trade Payable	11,302.86	11,706.83
Other Financial Liabilities	2,033.29	1,555.36

42.3 Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Currency Risk

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of the Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

42.3.1Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Before accepting any new customer, the company evaluates the credit worthiness of the potentional customers based on past history and other external inquiries as deemed appropriate. The company also obtains the necessary KYC documents from all the customer for assessing the credit quality and defines the credit limits accordingly. Limits and scoring attributed to customers are reviewed once a year.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are no interest bearing, are mainly from stockists, distributors and customers and are generally on 30 days to 90 days credit. To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

As at March 31st, 2021, Company had 7 customers, (March 31st, 2020: 8 customers) that owed the company more than ₹5,318.92 lakhs (March 31st, 2020: ₹ 4,622.90 Lakhs) and accounted for approximately 42.72 % and 43.22 % respectively of the total outstanding as at March 31st, 2021 and March 31st, 2020.

Exposure to the Credit risks

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	12,450.07	10,697.23
Gross Carrying amount	12,753.78	11,077.04
Average Expected loss rate	2.38%	3.43%
Carrying amount of trade receivables (net of impairment)	12,450.07	10,697.23

42.3.2 Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

42.3.2.1 Exposure to liquidity risk

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

(₹ in Lakhs)

	Less than 1 year	1to 3years	3 to 5years	> 5 years	Total
March 31st, 2021					
Non Derivative					
Trade payable	11,302.86	-	-	-	11,302.86
Borrowings	2,685.77	1,247.40	831.60	770.10	5,534.87
Other Financial Liabilities	1,673.50	-	-	-	1,673.50
	15,662.13	**1,247.40**	**831.60**	**770.10**	**18,511.23**
March 31st, 2020					
Non Derivative					
Trade payable	11,706.83	-	-	-	11,706.83
Borrowings	7,968.64	1,556.95	894.48	1,254.02	11,674.09
Other Financial Liabilities	1,145.94	-	-	-	1,145.94
	20,821.41	**1,556.95**	**894.48**	**1,254.02**	**24,526.86**

42.3.2.2 Financing Facilities

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Secured bank overdraft facility:		
Amount used	9,000.00	9,000.00
Amount unused	-	-
	9,000.00	**9,000.00**
Secured bank loan facilities with various maturity dates through to March 31, 2021 and which may be extended by mutual agreement:		
Amount used	2,422.43	1,272.80
Amount unused	1,064.49	3,486.92
	3,486.92	**4,759.72**

42.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk- sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk- sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currencies.

42.3.1 Interest rate risk management

The company is exposed to interest rate risk because it borrows funds from banks and institutions at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. The companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Borrowings bearing fixed rate of interest	79.82	116.45
Borrowings bearing variable rate of interest	5,455.05	11,554.99
	5,534.87	**11,671.44**

42.3.1.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the company's (Contracted Interest Rate on all the borrowing) profit for the year ended March 31, 2021 would decrease/increase by ₹ 111.19 lakhs (2019 - 2020: decrease/increase by ₹ 102.23 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

42.3.2 Currency risk

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company's foreign exchange risk arises from foreign currency revenues and expenses, (primarily in US Dollars, Euros and Pound). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table analyses foreign currency risk as at the year end that have not been mitigated by a derivative instrument or otherwise are as below:

(in Lakhs)

Particulars	As at 'March 31st, 2021			As at 'March 31st, 2020		
	USD	EURO	Pound	USD	EURO	Pound
Financial Assets						
Trade Receivable	19.22	-	-	13.12	-	-
Other Receivable	2.21	4.12	-	0.87	2.54	-
	21.43	**4.12**	**-**	**13.99**	**2.54**	**-**
Financial Liabilities						
Trade Payable	44.91	0.56	0.01	50.00	0.56	-
Other Payable	1.62		0.25	1.63	0.35	-
	46.53	**0.56**	**0.26**	**51.63**	**0.91**	**-**
Net Assets / (liabilities)	**(25.10)**	**3.56**	**(0.26)**	**(37.64)**	**1.63**	**-**

42.3.2.1 Foreign Currency rate Sensitivity Analysis

The table below gives the effect of every 5% strengthening / weakening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities, which would increase / (decrease) the Company's profit and the Company's equity as at the years ended March 31, 2021 and March 31, 2020.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(₹ in Lakhs)

Particulars	Change in currency exchange rate	As at March 31st, 2021	As at March 31st, 2020
US Dollar (USD)	5% / (5%)	(90.39)/90.39	(152.85)/152.85
EURO	5% / (5%)	15.02/(15.02)	10.83/(10.83)
POUND	5% / (5%)	(1.29)/1.29	-

42.4 Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31st, 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

42.5 Fair value measurements

The investment of the company are not readily marketable. Further the company has invested in the securities for the purpose of obtaining the credit facilities. Thus in this case the cost of the security represents the fair value.

Except as stated above the carrying amount of all other financial assets approximate their fair values as indicated below

(₹ in Lakhs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
	Fair value	Fair Value
Financial assets		
Financial assets at amortised cost:	**14,951.90**	**13,395.89**
Trade receivables	12,450.07	10,697.23
Cash and cash equivalent	620.14	426.14
Other Bank Balances	697.65	1,211.28
Loan and Advances -Non Current	1,158.72	1,028.17
Loan and Advances - Current	25.32	33.07
Financial liabilities		
Financial liabilities held at amortised cost:	**18,511.23**	**24,526.86**
Long Term Borrowings	3,542.65	1,954.34
Short Term Borrowings	1,632.43	9,310.33
Trade Payables	11,302.86	11,706.83
Other Financial Liabilities- Non Current	499.75	474.75
Other Financial Liabilities- Current	1,533.54	1,080.61

Note 43. Commitments For Expenditure

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	262.32	1,052.33

Note 44. Contingent Liabilities

44.1 Disputed Liabilities on account of Sales Tax, Excise Duty and Income Tax as at March 31, 2021

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
Excise Duty	14.04	29.72
Income tax	2.29	737.08
Sales Tax	-	31.66
Employee State insurance (ESIC)	70.54	-

44.2 Guarantees Executed

(₹ in Lakhs)

Particular	As at March 31st, 2021	As at March 31st, 2020
Letter of Credit	954.06	2,709.61
Bank Gurantee	316.37	185.23

44.3 Other money for which the Company is contingently liable

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause 44.1 is dependent on decisions by relevant authorities of respective disputes, clause 44.2 is a financial guarantee.

Note 45. Payments To Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
As Auditors		
For audit	24.30	15.25
Tax audit	-	4.00
Limited review	0.63	2.50
In other Capacity		
Certification Work & Other Capacity	3.20	2.25
Representation before Statutory Authority	-	7.00
Reimbursement of Expenses Goods and Service Tax	0.18	0.73
	28.30	**31.73**

Note 46. The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research, which has been renewed in the FY 17 - 18 for a period of 3 years. During the year it has incurred expenditure of ₹ 314.46 lakhs (including fixed assets of ₹ 104.57 lakhs) (Previous Year : ₹ 238.43 lakhs (including fixed assets of ₹ 38.36 lakhs)) and the same has been shown under the head other expenses (refer note 35).

Note 47. Csr Expenditure

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas of CSR activities are eradication of hunger, promoting education, healthcare and rural development. The expenditure incurred during the year on these activities are as specified in schedule VII of the Companies Act, 2013.

(a)Gross amount required to be spent by the Company during the year: ₹ 63.74 Lakhs

(b)Amount spent during the year on: ₹ 67.00 Lakhs

Note 48. In the opinion of the management inventories of ₹ 9,440.46 Lakhs (2019 - 2020: ₹ 1,22,46.14 Lakhs) shown in Balance Sheet are good and do not include any slow moving, or dead stock. Due provision is made for the near expiry material and depletion in its value, if any. In the opinion of the management, all the current assets including inventories, loans and advances have a value on a realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 49. The company has given security deposit of ₹ 600 Lakhs (2019-20 : ₹ 600 Lakhs) to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹600 Lakhs has been shown under the head Long Term Loans to related parties.

Company has also given Security Deposit to Gufic Chem Private Limited of ₹ 120 Lakhs (2019-20 : ₹ 120 Lakhs) towards supply of products at concessional rate to the company and the same has been show under the head Long Term Loan to related parties.

Note 50. Pursuant to outbreak of coronavirus disease (Covid - 19) worldwide and its declaration as global pandemic, the Government of India, declared lockdown on March 24, 2020, followed by several restrictions imposed by the governments across the globe on the travel, goods movement; and transportation considering public health and safety measures. Considering that the Company deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. As of today, production facilities of the company remain operational. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Note 51. Provision Of Anticipated Return Of Goods Subsequent To Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37 estimated by management based on past trends.

Movement of Provisions (Current and Non current)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Provision for Right of Return		
Balances at the beginning of the year	1,062.89	266.52
Additional provision during the year	172.28	1,244.13
Reduction during the year	(188.88)	(447.76)
Balances at the close of the year	**1,046.29**	**1,062.89**
Less: Right to recover return goods	(332.08)	(283.09)
Net balance at closing of the year	**714.21**	**779.80**

Note 52. Declaration Of Dividend

The Board of Directors at its meeting held on June 04th, 2021 has recommended a final dividend of ₹ 0.10 per equity share i.e., @ 10% on the face value of ₹ 1/- each, for the financial year 2020 - 21, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Note 53. On March 25th, 2019, the Board of Directors of Gufic Biosciences Limited (GBL), subject to obtaining requisite approvals from statutory authorities and shareholders, had approved a Scheme of Amalgamation (the Scheme) between GBL and Gufic Lifesciences Private Limited (GLPL). The scheme envisaged the amalgamation of GLPL with the Company and the dissolution without winding up of GLPL pursuant thereto. The scheme was approved by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and NCLT, Mumbai bench vide orders dated December 31st, 2020 and March 11th, 2021, respectively with effect from the appointed date, i.e., January 01st, 2019. Accordingly all assets and liabilities of GLPL have become assets and liabilities of the Company with effect from January 01st, 2019.

This being a common control business combination, the financial information of GLPL are included in the financial statements of the Company and has been restated for comparative purpose from the appointed date, i.e., January 01st, 2019, which is the date as prescribed in the Scheme approved by the NCLT and is as per MCA General Circular dated August 21, 2019, overriding the requirements of Appendix C of Ind AS 103, based on the accepted accounting practice.

53.1 Assets acquired and liabilities recognised at the appointed date i.e. January 1st, 2019

(₹ in Lakhs)

Particular	Value recognised on acquisition
Current Assets	
Inventories	607.29
Trade receivable	59.33
Cash and cash equivalents	522.43
Short term loans and advances	165.15
Non Current Assets	
Fixed assets	4,745.09
Investment	0.25
Long term loans and advances	90.26
	6,189.80
Current Liabilities	
Trade payable	1,327.00
Other current liabilities	960.03
Short term borrowings	413.62
Non - Current Liabilities	
Long term borrowings	263.47
	2,964.12
Accumulated Debit Balance in Retained Earnings	4,346.98
Net Identifiable Assets acquired	**7,572.67**
Less: Consideration Transferred	191.15
Capital Reserve arising on Acquisition	**(7,381.52)**

53.2 Net cash inflow on acquisition

(₹ in Lakhs)

Particular	As at January 1st, 2019
Consideration paid in cash	-
Less: Cash and cash equivalent balance acquired	(522.43)
	(522.43)

Note 54. Authorisation Of Financial Statements

The financial statements for the year ended March 31st, 2021 were approved by the Board of Directors on June 04th, 2021 and are subject to approval of the shareholders at the Annual General Meeting.

Note 55. Figures for the previous year have been rearranged/recompanyed as and when necessary in terms of current year's

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
Director
M. No. 135505
Mumbai - 04th June, 2021

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

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

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

MULTI SPECIALITY DIVISION

GUFIC FertiCare

A Comprehensive Fertility Care

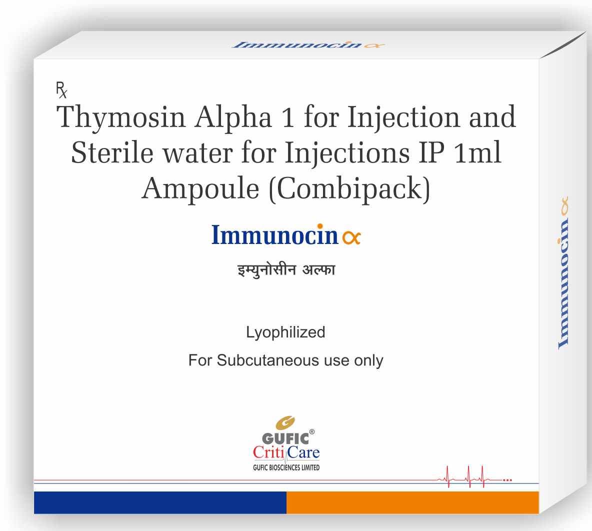
Our blockbuster brand!

Rx

Immunocin α

Lyophilized Thymosin Alpha-1 (1.6 mg/ml)

Modulates Immunity perfectly



AESTHADERM DIVISION PRODUCTS

Dynamic Wrinkles

Stunnox
Botulinum Toxin Type A 50 & 100 IU Inj
For Stunning Looks

Anti-Aging Formula

Revanox
Serum

Revanox
Face Wash

Revanox
Cream

The Next Generation Anti-Aging Formula

Emollient

Moiseta
Moisturizer

Moiseta
Face wash

Revitalizes Dry & Dull Skin

Hyperpigmentation

G-Lite
Kojic Acid Based Formula
Bring Back The Glow

Prevent UV damage

XtraSun-P
Sunscreen
INVISIBLE SKIN DEFENCE SYSTEM

Prevent Photo & Pollution damage

XtraSun-AP
Anti-Pollution Sunscreen
2% EXO-P + Salisol 3+ Octocrylene + Uvinal A Plus + Z Cote + Biophilic HMB
Complete Skin Defence System

Local Anaesthetic

Prosil
Pre Procedural Cream
Lidocaine 2.5% / Prilocaine 2.5%
Fast & Long Lasting Pain Relief

Post procedure

PPS
GEL
β-glucan-2% + Tazman pepper AF 2% +Superox-C AF -2%
Recover and Rejuvenates

GUFIC
BIOSCIENCES LIMITED
CIN: L24100MH1984PLC033519
Regd. Office: 37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai - 400 069, Maharashtra, India.
Corp. Office: SM House, 11 Sahakar road, Vile Parle (East), Mumbai - 400 057 Maharashtra, (INDIA)
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GUFIC
BIOSCIENCES LIMITED

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

Dear Members,

Invitation to attend the 37th Annual General Meeting on Monday, September 20, 2021

You are cordially invited to attend the Thirty Seventh Annual General Meeting (AGM) of the Company to be held on Monday, September 20, 2021 at 3.30 PM (IST) through video conferencing. The notice convening the Annual General Meeting is attached herewith.

In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

Sr. No.	Particulars	Details
1	Link for remote e-voting for E-Voting"	Member may refer to the instructions provided under "Procedure section in the subsequent pages of this notice
2	Helpline number for VC participation	For any assistance or support before or during the AGM, Members may contact the Company at 022 – 67261025 or assistantlegal@guficbio.com / corporaterelations@guficbio.com
3	Cut-off date for e-voting	Monday, September 13, 2021
4	Time period for remote e-voting	Commence at 9.00 AM IST on Friday, September 17, 2021 and end at 5.00 PM IST on Sunday, September 19, 2021
5	Book Closure Date (both day inclusive)	Tuesday, September 14, 2021 to Monday, September 20, 2021
6	Last date for publishing results of the e-voting	Wednesday, September 22, 2021
7	Register and Share Transfer Agent contact details	Mr. Ashok Sherugar, AVP-Corporate Registry (Unit: GUFIC BIOSCIENCES LIMITED) Link Intime India Private Limited, Email:ashok.sherugar@linkintime.co.in Cont. No. 022 49186000

You're Truly,
For Gufic Biosciences Limited

Ami Shah
Company Secretary & Compliance Officer

NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting (AGM) of the Members of Gufic Biosciences Limited will be held on Monday, 20th September, 2021 at 3.30 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, including the Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To declare a Final Dividend @ 10 % i.e., Re. 0.10/- per equity share of the face value of Re. 1/- each for the financial year ended March 31, 2021.
3. To appoint a director in place of Mr. Pranav J. Choksi (DIN. 00001731), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Pankaj J. Gandhi (DIN 00001858), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Re-appointment of Dr. Anu S. Aurora (DIN :05120192) as an Independent Director**

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

"**RESOLVED THAT** pursuant to the recommendation of the Nomination And Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Anu S. Aurora (DIN :05120192), who holds office as an Independent Director up to December 22, 2021 and in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby reappointed as an Independent Director for a second term of five years effective from December 23, 2021, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Appointment of Mr. Dilip Ghosh (DIN: 00412406) as a Whole Time Director.**

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 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Mr. Dilip Ghosh (DIN: 00412406), who was appointed as an Additional Director designated as a Whole Time Director of the Company by the Board of Directors with effect from November 12, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and who is eligible for appointment as a Director of the Company and in respect of whom a notice have been received in writing under Section 160 of the Act from a member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT subject to and in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Act, the approval of the Members be and is hereby accorded for the appointment of Mr. Dilip Ghosh (DIN: 00412406), as a Whole-Time Director, designated as 'Executive Director' of the Company, liable to retire by rotation, for a term of five years effective from November 12, 2020 upon the terms and conditions as set out in the explanatory statement annexed to the Notice, which have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors, with liberty and power to the Board of Directors ('the Board' which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment as it may deem fit;

RESOLVED FURTHER THAT the remuneration payable to Mr. Dilip Ghosh, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Act or such other limits as may be prescribed from time to time.

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

7. **Ratification of remuneration payable to M/s. Kale & Associates, Cost Auditors, for the financial year 2021 - 22:**

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

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Record and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of Rs. 80,000/- per annum plus applicable taxes and reimbursement of actual travel and out of pocket expenses, fixed by the Board of Directors of the Company for the Cost Auditor appointed by the Board, M/s. Kale & Associates, Cost Accountants, Mumbai for audit of the cost records maintained by the Company for the financial year ending March 31, 2022, be and is hereby ratified.

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

By order of the Board of Directors
For Gufic Biosciences Limited

Sd/-

Ami N. Shah
Company Secretary
Membership No. A39579

Place: Mumbai
Date: August11, 2021

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

NOTES:

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

2. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.

3. In view of the COVID-19 pandemic and pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs ("the MCA Circulars") read with the SEBI Circular No.SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/79 dated May 12, 2020 and SEBI/ HO/ CFD /CMD2/CIR/P/ 2021/11 dated January 15, 2021 (the SEBI Circulars), relaxation has been granted for physical attendance of the Members to the EGM/AGM and allowed companies to hold General Meetings through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"). In terms of the same, The AGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

6. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gufic.com.The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021

11. Institutional/Corporate Shareholders (i.e. other than individuals/HUF/NRI,etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to scrutinizer@mgconsulting.in with a copy

marked to evoting@nsdl.co.in, at least 48 hours before the commencement of AGM.

12. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from Tuesday, September 14, 2021 to Monday, September 20, 2021 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend for the year ended March 31, 2021 , if approved by the Members.

13. It is clarified that casting of votes by remote e-voting (prior to the Meeting) does not disentitle an equity shareholder from attending the Meeting. However, any equity shareholder who has voted through e-voting prior to the Meeting cannot vote through remote e-voting during the Meeting. The equity shareholders attending the Meeting through VC/ OAVM who have not cast their vote through remote e-voting prior to the Meeting shall be entitled to exercise their vote using the e voting facility made available during the Meeting through VC/OAVM.

14. The Board of Directors at its Meeting held on June 04, 2021, recommended a Final Dividend of ₹0.10/- per equity share of face value of ₹1/- each of the Company for the financial year ended March 31, 2021 and the same if declared/ approved at the 37th AGM, will be paid on or before October 18, 2021, to the Company's members whose names stand in the Register of Members as beneficial owners at the close of business hours on Monday, September 13, 2021.

15. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, no tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend paid does not exceed ₹ 5,000/-. The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company. Further, information on the tax deduction at source, shall be sent along to the shareholder with this Notice and Annual Report. Shareholders are requested to go through the same and submit all the requisite documents to the Company.

16. Members are requested to do following, if not done yet:

    - Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.
    - Dematerialise the shares held by them in physical form.
    - Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares

17. Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs). Members holding shares in physical form are requested to intimate such details to the RTA and file nomination form SH- 13.

18. NRI Members are requested to inform the RTA immediately:

    - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier and
    - Change in their residential status and address in India on their return to India for permanent settlement

19. 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.

20. Dividend warrant(s) / cheque(s) shall be dispatched to Members whose bank account details have not been updated.

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

22. In terms of Section 124 of the Act read with the rules framed thereunder, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, unpaid / unclaimed dividends till March 31, 2013 have been transferred to IEPF. Further, the unpaid dividend for the year 2013-14 shall be transferred to Investor Education and Protection Fund within the stipulated time frame in the current financial year, as stated in the Act. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents. The Company hereby request those members, whose dividends for financial years from 2014-15 if remaining unclaimed / unpaid, to claim said dividend amount before transfer thereof to Investor Education and Protection Fund (IEPF). Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, be transferred to the IEPF. The details of unclaimed and unpaid dividend is displayed on the website of the Company i.e .www.gufic.com

23. Pursuant to provisions of section 124 of the Act read

with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 4,295 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in the financial year 2020-21. The Company had sent individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF. The Company has initiated the process of transfer of shares on which dividend has not been claimed since FY 2013-14 and the same will be transferred on due date. Members who have not claimed dividend since FY 2014 15 are requested to claim the same before the dividend and the underlying shares gets transferred to IEPF account. Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF - 5 available on www.iepf.gov.in

24. Members holding shares in physical form, in identical order of names, in multiple folios are requested to send to the Company or RTA, details of such folios along with the share certificate for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

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

26. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 20, 2021.Members seeking to inspect such documents can send an email to assistantlegal@guficbio.com/ corporaterelations@guficbio.com

27. Since the AGM will be held through VC/OAVM, the route map, proxy form and attendance slip are not attached to this notice.

28. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended 31 March 2021 and notice of the 37th AGM are being sent to the members whose email IDs are available with DP(s). Physical copy of the report is not sent to anyone. Annual report and the notice of the 37th AGM are also posted on the website of the Company www.gufic.com for download.

    The notice can also be accessed from the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

    The AGM Notice is also disseminated on the website of National Securities Depository Limited ("NSDL") (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.

29. To disseminate all the communication promptly, members who have not registered their email IDs so far, are requested to register the same with DP / RTA for receiving all the communications including Annual Reports, Notices etc. electronically.

30. Voting through electronic means

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

ii. The remote e-voting period shall begin on Friday, September 17, 2021 at 9:00 A.M. and ends on Sunday, September 19, 2021 at 5:00 P.M., The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut off date) i.e., September 13, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 13, 2021. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Access to NSDL e-voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name **or e-Voting service provider i.e. NSDL** and you will be re-directed to e Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click athttps://eservices.nsdl.com/ Secure Web /Ideas Direct Reg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web. cdslindia. com /my easi /Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

<u>How to Log-in to NSDL e-Voting website?</u>

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

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

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

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

4. Your User ID details are given below

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

5. Password details for shareholders other than Individual shareholders are given below:

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

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

   c) How to retrieve your 'initial password'?

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

6. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.** If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

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

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

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

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

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

<u>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</u>

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e- Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-voting as the voting page opens.

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

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

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

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

General Guidelines for shareholders

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

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

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

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to assistantlegal@guficbio.com / corporaterelations@guficbio.com .

2. In case shares are held in demat mode, please provide DPID CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to assistantlegal@guficbio.com / corporaterelations@guficbio.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system.** After successful login, you can see link of "VC/ OAVM link" placed under **"Join General Meeting"** menu against company name. You are requested to click on VC/ OAVM link under Join General Meeting menu. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ ask questions during the 37th AGM may register themselves as as peaker by sending their request, mentioning their name, demat account number/folio number, email id, mobile number, at assistantlegal@guficbio.com / corporaterelations@guficbio.com by or before September 15, 2021. The shareholders who do not wish to speak during the AGM but have queries may send their queries, mentioning their name, demat account number/folio number, email id, mobile number, to the aforementioned email ids. The Company will suitably reply to these queries by email.

6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at assistantlegal@guficbio.com/ corporatrelations@guficbio.com. The same will be replied by the company suitably.

POINTS TO NOTE

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

II. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date September 13, 2021 .

III. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 13, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

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

V. M/s. Manish Ghia & Associates has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

VII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.gufic.com and on the website of NSDL simultaneously after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed viz. BSE Limited and National Stock Exchange of India Limited, subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.

EXPLANATORY STATEMENT IN TERMS REGULATIONS 36 (5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 5:

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Shareholders of the Company, at their Thirty Sixth Annual General Meeting held on November 11, 2020, appointed Dr. Anu S. Aurora (DIN: 05120192) as an Independent Director of the Company, for a period of 2 (two) years commencing from December 23, 2019 till December 22, 2021 , not liable to retire by rotation

The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Dr. Anu Aurora during her first term and based on her performance evaluation, approved her re-appointment as an Independent Director for a period of 5 (five) years effective December 23, 2021 subject to the approval of Shareholders at this Annual General Meeting.

Dr. Aurora has granted the consent for her re-appointment as an Independent Director. Further, the Company has received declarations from Dr. Aurora that she continues to meet the criteria of Independence prescribed under sub-section (6) of Section 149 of the Act and Rules framed thereunder, read with Schedule IV of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Listing Regulation), as amended. Also, as per confirmation received from her, she is not disqualified from being re-appointed as Director in terms of Section 164 of the Act. Dr. Aurora has confirmed that she has registered herself in the database for Independent Directors. In the opinion of the Nomination and Remuneration Committee and the Board, Dr. Aurora is independent of the Management.

The Company has received a notice in writing under Section 160 of the Act, from a Member proposing the candidature of Dr. Aurora for the office of Director of the Company, not liable to retire by rotation.

Dr. Aurora is also the Member of the Audit Committee of the Company. Further, she does not hold any shares in the Company.

The letter of appointment of Dr. Aurora setting out the terms and conditions of appointment is available for inspection by the members at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays, Sundays and holidays) upto the date of the Annual General Meeting.

Details as required under regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India and other applicable provisions are provided in Annexure A to the explanatory statement.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Dr. Aurora and her relatives, are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution.

The Board considers that Dr. Aurora's continued association would immensely benefit the Company and accordingly, recommends the resolution set forth in Item No. 5 for the approval of Members as a Special Resolution.

ITEM NO. 06:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Dilip Ghosh (DIN:00412406) as Additional Director designated as Whole Time Director of the Company effective from November 12, 2020 for a period of five (5) years, subject to the approval of members in this Annual General Meeting.

He has completed B.Sc. from Kolkata University and have also done Post Graduate Diploma in Business Management from

Institute of Modern Management, Kolkata.

He has a wide experience in both field and marketing in Domestic as well as International. He started his career as a Medical Representative in the year 1973. Subsequently, he has worked in various Domestic Markets and became a Zonal Sales manager before he switched over to International Marketing in Sun Pharmaceuticals Industries Limited (SPIL).

In the year 1990, before switching over to International Marketing, he was working as a Divisional Sales Manager in SPIL for Eastern Region along with parts of Northern region and part of Southern region. Mr. Dilip Ghosh introduced International Marketing Division in SPIL and became a Vice President in the said Company.

Thereafter, in the year 2002, Mr. Ghosh joined MJ Biopharma Private Limited as a President in-charge of Global Marketing. In the course of time, he established his own company.

He being the Whole Time Director of M/s. Gufic Stridden Bio-Pharma Private Limited ("GSBPPL"), his employment was transferred to the Company with effect from the Appointed date i.e., April 01, 2016 pursuant to the sanction of the Scheme of Amalgamation of GSBPPL with the Company by all the concerned regulatory authorities in September, 2018.

He is currently heading International Marketing business of the Company.

After considering the aforesaid rich experience and achievements of Mr. Ghosh, the Board of Directors of the Company are of the opinion to regularize the appointment of Mr. Dilip Ghosh for a term of five (5) years commencing from November 12, 2020 till November 11, 2025

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Dilip Ghosh are as follows:

a. Salary: Rs. 19.60 Lakhs per annum, with increments as per Company's policy and as may be decided by the Board of Directors from time to time. Salary will be subject to the deduction of Income tax at the applicable rates, under the Income Tax Act, 1961.

b. Perquisites and allowances: In addition to the salary, Mr. Dilip Ghosh shall also be entitled to the perquisites such as rent free furnished/non-furnished accommodation, house maintenance expenses, gas, electricity, water and furnishing at residence, use of company car not exceeding cubic capacity of 1.6 litres along with chauffer, telephone at residence, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the Company's policy and in accordance with the Income-Tax Rules, 1962

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

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

The Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr. Ghosh for the office of Director of the Company.

The additional details of Mr. Ghosh as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure A forming part of this Notice.

The Board recommends resolution no. 06 for approval of members by way of Ordinary Resolution. None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, except Mr. Dilip Ghosh to whom this resolution is related and his relatives are concerned or interested financially or otherwise, in the special resolution set out in Item No. 06 of the Notice.

ITEM NO. 7 :

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

The Board of Directors at its meeting held on June 04, 2021, on recommendation of the Audit Committee, approved the appointment of M/s. Kale & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct the Cost Audit of the Company, at a remuneration of Rs. 80,000/- per annum plus taxes as applicable and reimbursement of actual travel and out of pocket expenses, for the financial year ending March 31, 2022.

The resolution contained in Item No. 7 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2021-22 .

The Board recommends resolution no. 7 for approval of members by way of Ordinary Resolution.

None of the Directors /Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 7 of the Notice.

By order of the Board of Directors
For Gufic Biosciences Limited

Sd/-

Ami N. Shah
Company Secretary
Membership No. A39579

Place: Mumbai
Date: August11, 2021

Annexure A

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be appointed/reappointed and/or whose remuneration is proposed to be approved at this 37th Annual General Meeting, are given below:

Name of Director	**Mr. Pranav J. Choksi**	**Mr. Pankaj J. Gandhi**	**Dr. Anu S. Aurora**	**Mr. Dilip Ghosh**
DIN	00001731	00001858	05120192	00412406
Date of Birth	01.02.1983	15.06.1959	28.04.1962	29.12.1952
Age	38 years	62 years	59 years	69 years
Qualification	Bachelors in pharmacy from the Institute of Chemical Technology, University of Mumbai and Masters in Biotechnology from The John Hopkins University, USA.	Bachelor in Commerce	MBBS degree from Grant Medical College	Bachelor of Science, Kolkata University and Post Graduate Diploma in Business Management from Institute of Modern Management, Kolkata
Experience	About 16 years	About 32 years	About 12 years	About 48 years
Expertise in specific functional areas	Specialization in Autologous Cancer Vaccines in the USA and have wide and rich experience in business development, planning, manufacturing, leading domestic and international business.	Rich and vast experience in liasioning with Regulatory Authorities.	Practicing as a family physician in Mumbai for last 12 (Twelve) years. Expertise in the field of medicine .	Rich and vast experience in the field of Domestic and International Marketing.
Terms & Conditions of Appointment / Re-Appointment	Retires by rotation and being eligible, offers himself, for re-appointment as a director	Retires by rotation and being eligible, offers himself, for re-appointment as a director	Re-Appointment as an Independent Director of the Company for a term of five consecutive years commencing from December 23, 2021. (Refer Item No. 5 of the Notice and Explanatory Statement)	Regularisation of appointment as a Whole Time Director of the Company for a term of five consecutive years commencing from November 12, 2020. (Refer Item No. 6 of the Notice and Explanatory Statement)
Remuneration Sought to be Paid	Not Applicable	Not Applicable	NIL*	Refer Item No. 06 of the Notice
Remuneration last drawn, for the financial year 2020- -21	Refer Corporate Governance Report			
Date of First Appointment on the Board	25.06.2004	01.08.2013	23.12.2019	12. 11.2020
Shareholding in the Company	72,68,626 equity shares	NIL	NIL	72, 000 equity shares
No. of Meetings attended during the year	Entitled to attend : 9 Attended : 9	Entitled to attend : 9 Attend : 9	Entitled to attend : 9 Attend : 5	Entitled to attend : 5 Attend : 4
Relationship between Directors inter-se	Mr. Pranav J. Choksi is the son of Mr. Jayesh P. Choksi, who is Chairman & Managing Director of the Company.	None	None	None
Directorships in other Companies	1.Gufic Chem Private Limited 2.Gufic Private Limited 3. Jal Private Limited 4.Zircon Teconica Private Limited	1.Gufic Chem Private Limited 2. Jal Private Limited 3.Gufic Private Limited	NIL	1.Stridden Lifesciences Private Limited 2.Greots Lifesciences Private Limited
Membership / Chairmanship of committees of all public limited companies including Gufic Biosciences Limited .	**Gufic Biosciences Limited** Membership in • Audit Committee • Stakeholders Relationship Committee • Corporate Social R responsibility Committee • Risk Management Committee	None	**Gufic Biosciences Limited** Membership in Audit Committee	None

**exclusive of sitting fees and travelling expenses*