GUFIC
BIOSCIENCES LIMITED

Corp. Office : 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg. Chakala, Andheri (East), Mumbai - 400 099.
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com
CIN L65990MH1984PLC033519

01/AR15-16/GBSL/SE

15th October, 2016

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

Dear Sirs,

Sub.: Submission of Annual Report 2015-16

Pursuant to the provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2015-16.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For **Gufic Biosciences Limited**

Ami Shah
Company Secretary & Compliance Officer



GUFIC BIOSCIENCES LIMITED

EVOLVING & EXPANDING...

32ND ANNUAL REPORT 2015-2016

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS



GUFIC BIOSCIENCES LIMITED

BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	(Chairman & Managing Director)
Mr. Pranav J. Choksi	(Executive Whole-time Director & Chief Executive Officer)
Mr. Pankaj J. Gandhi	(Executive Whole-time Director)
Ms. Hemal Desai	(Chief Financial Officer & Executive Whole-time Director)
Mr. Sharat S. Gandhi	(Non-executive Independent Director)
Mr. Ashok M. Tarale	(Non-executive Independent Director)
Mr. Jagdish D. Shah	(Non-executive Independent Director)
Mr. Shreyas Patel	(Non-executive Independent Director)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

S H R & Co (FRN. 120491W)

COST AUDITOR

Kale & Associates

SECRETARIAL AUDITOR

Gajanan Athavale (COP. 10121)

BANKERS

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

REGISTERED OFFICE ADDRESS

37, First Floor, Kamala Bhavan II,
S. Nityanand Road, Andheri (East),
Mumbai – 400 069, Maharashtra, India.
• E-mail: gufic@guficbio.com • website: www.gufic.com
• CIN. L65990MH1984PLC033519

CORPORATE OFFICE

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

PLANT

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

REGISTRAR AND TRANSFER AGENTS

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

32nd Annual General Meeting

DAY & DATE

Wednesday, 28th September, 2016

TIME

2.30 PM.

VENUE

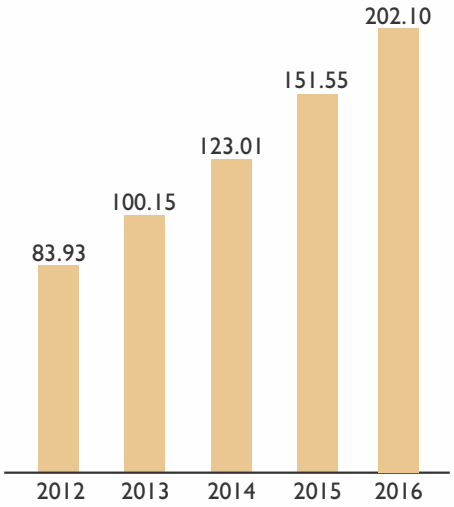
Hotel Parle International,
B. N. Agarwal Market,
Next to Dinanath Mangeshkar Hall,
Vile Parle (E), Mumbai - 400 057.

Contents Page No.

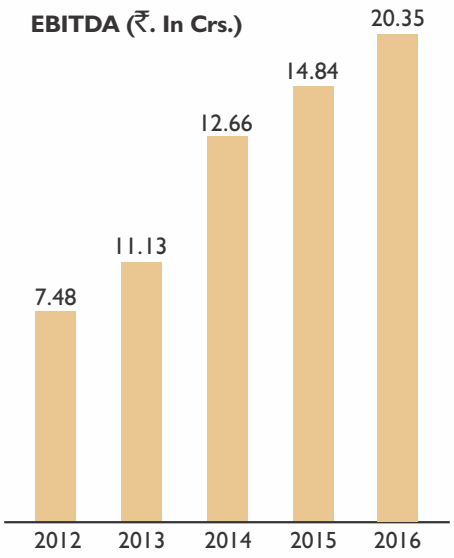
Chairman's Message	2
Directors' Report	4
Annexure to Directors Report	11
Corporate Governance Report	24
Management Discussion & Analysis Report	33
CEO/CFO Certifications	39
Auditors' Report on Corporate Governance	40
Independent Auditors' Report	41
Annexure to Auditors' Report	43
Balance Sheet	47
Profit & Loss Statement	48
Cash Flow	49
Notes to the Financial Statements	50

FINANCIAL HIGHLIGHTS

Revenue from Operation (₹. in Crs.)



EBITDA (₹. In Crs.)



The graph of growth of the Company is going upwards year by year , thus reaching near to the goal of becoming the best in class pharmaceutical industries. Our approach and commitment towards business and sustainable living has created a strong business for shareholders with profitable long term growth. With total revenue at Rs. 202.86 crores and profit before tax of Rs. 11.19 crores , we have been able to post a growth of 33 % and 71.48 % respectively.

Chairman's Message

"Aiming to become agile, best-in-class global pharmaceutical company that puts the patient at the center".

Dear Shareholders,

Gufic's year on year success is the result of clarity of our vision and effective execution of the same.

Revenue has reached an all time high of Rs. 202 crores. The total revenue increased by 33.35 % and PAT by 76.71 %, as compared to previous year, mainly as a result of effective launching of more than 68 health care products.

Gufic is the first to launch Doxycycline I.V for tropical fever and has introduced new life saving molecule like Caspofungin, Tigecycline and Colistimethate at very economically prices. We have also brought into market a Cough syrup Tarific, an oral dosing syringe technology to enable patients safety and compliance to the prescription by the Doctors.

During the year 2015-16, Gufic had applied for three patents viz. Micafungin, Anidulafungin and Tigecycline and is in the process of applying many more.

The way we are growing in the market is evident from the number of employees hired during the year 2015-16. Gufic today is 1000 + strong team. We are nurturing and up-skilling our human capital to prepare for the next level of growth and success. It's only through consistent empowerment and improvement of our people that we will be able to sustain our leadership in our focus areas.

Napolean Hill rightly said "Patience, persistence and perspiration makes an unbeatable combination of success ".Gufic's Production Quality Control (QC) and Quality Assurance (QA) team believes in achieving quality through assurance and action. Machines and instruments used are current and with state of the art technology, manufacturing facility for injectable is fully automated for highest quality output, exceptional support provided by our competent personnel, processes and systems are compliant with the CGMP guidelines, constant supervision and monitoring of all the quality processes with detail oriented reporting by our QC team and validated by our QA team.

Going forward, Gufic will accelerate growth by concentrating its business activities on the field of Criticare and Ferticare divisions, and cultivating its expertise in this field more than ever. These efforts will be directed at making Gufic a best in class global pharmaceutical company.

We also seek to achieve business growth by strengthening coordination among the prescription pharmaceutical, Herbal and Bulk Drugs divisions by taking advantage of our strength as a specialized 46 years old company with a strong presence in India.

Gufic will remain focused on developing and enhancing the organizational management system and its employees to ensure sustained growth.

In alignment with our Vision & mission, we have identified "Core values & Commitments" as the basis for an attitude of cooperation and proper value judgments and as the criteria for our business activities and decision making. In addition we have established "Corporate Conduct Charter" to act with the highest ethical standards and a good social conscience appropriate for a company engaged in a business that affects human lives.

Gufic fulfills its mission to "To contribute to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals, and through the provision of pharmaceuticals addressing diverse medical needs." We comply with laws, regulations and rules regarding global corporate activities, and act with the highest ethical standards and a good social conscience appropriate for a company engaged in a business that affects human lives. We fulfill our corporate social responsibility (CSR) by actively responding to an ever-changing society and enacting improvements for corporate value.

In doing so, we will bring together our employees as " One Gufic, One Team" even as they become increasingly diverse in step with globalization. In this manner, we will further strengthen the company's collective capabilities to achieve our strategic vision.

We believe our business operations are a social mission, because their goal is to supply products and services that are of international quality at affordable prices for the benefit of patients and their loved ones, pursuing a true customer focus.

We promote CSR activities on the basis of the 11 core subjects defined. We have formulated a defined CSR policy in compliance with the laws in force. Promoting business and CSR activities in a holistic and consistent manner towards realizing the goals of long term management vision, Gufic intends to contribute primarily to the welfare of patients and their loved ones, as well as to society at large. Gufic has contributed towards upgradation of research and development and education to the underprivileged. It has also offered free sanitary napkins to underprivileged women and have held disease detecting camps at regular intervals in small towns.

Gufic continues to work to scale new heights towards realizing our long-term strategic vision of becoming a "Best in class Global pharmaceutical Company".

Looking ahead, we will continue to focus our efforts on the specialized area of Lyophilized injections & API's and to contribute to society.

We kindly ask for the continued support of all our stakeholders.

Yours truly,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 32nd Annual Report of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL SUMMARY :

₹ in Lakhs

Particulars	2015-16	2014-15
Total Revenue	**20286.01**	**15212.32**
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	2034.62	1483.89
Profit After Tax (PAT)	**732.43**	**415.75**
Transfer to General Res.	134.71	134.71
Earning Per Share (EPS)	**0.95**	**0.54**

FINANCIAL HIGHLIGHTS :

During the year under review, the total revenue increased to Rs. 20,286.01 Lacs in comparison to previous year's Rs. 15212.32 Lacs and net profit after tax increased to Rs. 732.43 from Rs. 415.75 lacs, in previous year.

The increase in revenue was due to many factors viz., launch of a new segment called CRITICARE, the sales of which during the financial year 2015-16 was more than Rs. 20.00 crores, the pharma segment also experienced a growth of 56.45 % thus making the revenue of more than Rs. 11.00 crores and the growth in Ayurveda segment was recorded at 53.88 %. Overall, the performance of the Company was satisfactory.

TRANSFER TO RESERVES:

During the financial year 2015-16, Rs. 134.71 Lakhs was transferred to General Reserve.

DIVIDEND :

Your Directors are pleased to recommend a Dividend of 0.05 paise (5%) per equity share of Rs.1 each for the financial year ended March 31, 2016.

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

SHARE CAPITAL:

The paid up equity capital as on March 31, 2016 was ₹. 773.50 Lakhs. During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

FINANCE:

Cash and cash equivalents as at March 31, 2016 was ₹. 615.90 lakhs. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

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

There have been no material changes affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report. There has also been no change in the nature of business of the Company.

FIXED DEPOSITS :

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, guarantees and investments covered under section 186 of the Companies act, 2013 have been disclosed in the Notes to the financial statements forming part of the Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Financial Control are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Company's vision is to set a global benchmark in value creation and corporate citizenship and the Company's long-term Corporate Social Responsibility (CSR) objective is to improve the quality of life of the country. The Company has in the financial year 2015-16 have mainly contributed towards the education , growth and research factor , the details of which is annexed herewith as Annexure 'A' and in the upcoming years, it aims to contribute to the society at large.

LISTING :

Your Company is listed with the Bombay Stock Exchange Limited at P. J. Towers, Dalal Street, Mumbai 400 001, bearing Scrip Code No. **509079** and with the National Stock Exchange of India Limited at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 bearing Scrip Code **GUFICBIO**. The listing fees for the year 2016-2017 has already been paid by the Company.

CONSERVATION OF ENERGY:

a. Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

b. No specific investment has been made in reduction in energy consumption.

c. As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

CONSERVATION AND CONSUMPTION OF ENERGY:

I. (A) CONSERVATION OF ENERGY Details of conservation of energy are as follows: **Power & Fuel Consumption**		**Year ended 31.03.16**	**Year ended 31.03.15**
(a) Electricity			
Purchased Units	Kwh	4008310	**2882290**
Total amount	₹ in Lakhs	230.33	218.9
Rate per unit (average)	₹	5.75	7.59
(b) Furnace Oil			
Quantity	Ltrs	NIL	NIL
Total Cost	₹. In Lakhs	NIL	NIL
Average Cost	₹	NIL	NIL
(c) Briquettes			
Quantity	Ltrs	1802015	1296780
Total Cost	₹. In Lakhs	93.72	70.86
Average Cost	₹	5.21	5.47
(B) CONSUMPTION PER UNIT OF PRODUCTION Since the Company manufactures several formulations and bulk drugs in the same factory it is not practical to Apportion consumption of Electricity and Furnace Oil to unit of Product.			

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Earnings in foreign currency : Rs. 909.58 lakhs

Out-go in foreign currency : Rs. 298.29 lakhs

DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Jayesh P. Choksi (DIN 00001729) was re-appointed as Chairman & Managing Director and Mr. Pranav J. Choksi (DIN 00001731) as Whole Time Director of the Company w.e.f April 01, 2015 and the same was confirmed and approved by the Members at the 31st Annual General Meeting (AGM) held on September 30, 2015. Mrs. Hemal Desai (DIN 07014744) who was appointed as an Additional Director w.e.f November 13, 2014 was regularized and appointed as Whole Time Director by the Members of the Company in the said AGM.

To comply with the provisions of section 152[6] of the Act and the rules made thereunder, Mr. Pankaj J. Gandhi (DIN 00001858), Whole Time Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment

The term of appointment of Mr. Pankaj Gandhi as a Whole Time Director of the Company expires on September 06, 2016. On the recommendation of Nomination & Remuneration Committee , the Board of Directors has re-appointed Mr. Pankaj J. Gandhi as a Whole Time Director of the Company for a further period of five years w.e.f September 07, 2016 , subject to the approval of the shareholders at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet criteria of Independence as laid down under Section 149(6) of the Companies act, 2013 and that there is no change in the circumstances which may affect their status as Independent Director during the year.

During the year under review, Mr. Santoshkumar Sharma, resigned as a Company Secretary & Compliance Officer of the Company w.e.f. December 2, 2015. The Board appointed Ms. Ami Shah, a member of Institute of Company Secretaries of India, as Company Secretary w.e.f. March 22, 2016 and as Compliance Officer as per SEBI Listing Regulation, 2015 w.e.f. May 30, 2016.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS :

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

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at http://gufic.com/wp-content/uploads/2016/08/Familiarisation-of-Independent-Director.pdf

BOARD EVALUATION

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 read with the applicable Rules and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

MEETINGS

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

prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The directors have prepared the annual accounts on a going concern basis.

v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

RELATED PARTY TRANSACTIONS :

In line with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf

All Related Party Transactions are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for Related Party Transactions from Audit Committee at the beginning of the financial year for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

The related party transactions entered into by the Company , for the financial year 2015-16, were within the limits as approved by the members at the last Annual General Meeting held on September 30, 2015.

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

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

HOLDING / SUBSIDIARY / JOINT VENTURE /ASSOCIATE COMPANIES:

The Company does not have any holding , subsidiary, joint venture and associate company. Hence, the statement in Form AOC-1 is not applicable to the Company.

CODE OF CONDUCT :

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.gufic.com

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a Vigil Mechanism policy i.e. Whistle Blower Policy that enables the Directors and employees to report genuine concerns, unethical behavior, irregularities, if any, that would adversely affect the operation of the Company. The details of the policy is made available on the website of the Company i.e. www.gufic.com

The Vigil Mechanism Policy provides for (a) adequate safeguards against victimization of persons and (b) direct access to the Chairperson of the Audit Committee of the Company in appropriate or exceptional cases.

During the year under review, the Company did not receive any complaint against any Director or Senior Management Official.

PREVENTION OF INSIDER TRADING:

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

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

AUDITORS:

a. STATUTORY AUDITOR :

The Auditors S H R & Co., Chartered Accountants, (FRN: 120491W) Mumbai, was appointed at 30th Annual General Meeting of the Members of the Company for a term of five years. In terms of provisions of Section 139 (1) of the Companies Act, 2013, the continuation of the appointment of S H R & Co. as Statutory Auditors shall be subject to ratification by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from S H R & Co. regarding their eligibility and willingness to continue as the Auditor. The Board recommends the ratification of their appointment as Statutory Auditor.

b. COST AUDITOR :

M/s. Kale & Associates, Cost Accountants are appointed as the Cost Auditors of the Company to audit the cost records of the Company for the financial year 2016-17. The Board recommends ratification of their remuneration by Members at the ensuing Annual General Meeting.

c. SECRETARIAL AUDITOR :

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company had appointed M/s. Gajanan D. Athavale, a Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B

d. INTERNAL AUDITOR :

The Board of Director of the Company have appointed M/s. B. Bhushan & Associates, Chartered Accountants to conduct internal audit of the Company for the financial year ended March 31, 2017.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT :

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

With refer to point no. 7 of Independent Auditor's Report:-Advances and Debts recoverability is a common feature of any running business. The amount mentioned in point 7 of the report, keeps varying depending on the strategies adopted for the year for growth of company as a whole.

Company has already initiated process of identifying Trade Receivable and Advances which are non-recoverable in nature and will make necessary provision upon completion of process. However during the Financial Year 2015 – 16, it has made necessary provision or transferred amount to bad debts in respect of debtors which are not recoverable in nature amounting to Rs. 28,37,409.30 .

Due to increase in the sale revenue, the recoverable amount from the debtors have also increased. The Management is

expecting to recover the said amounts by the debtors in the financial year 2016-17 and will take strict action against debtors whose amounts are pending for more than one year.

With reference to point no. 8 of Independent Auditors' Report, the Company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of Rs. 124.04 lakhs in the financial year 2014-15. The said employee is under police custody. The case is still pending before the Court of law. Company is expecting to recover the amount from the employee and hence in view of the management no provision is required.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to non-filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent.

EXTRACT OF ANNUAL RETURN :

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

GREEN INITIATIVE :

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

Your Company appeals to 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.

BUSINESS RISK MANAGEMENT :

Your Company has adopted a risk management policy for identification, evaluation and mitigation of business risk and threats. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Various risk traced by the Company during the financial year 2015-16, were minimized to its best.

HUMAN RESOURCES :

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

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

During the year under review, the employees' strength of your Company increased to 846 as compared to 720, in the previous year.

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

PARTICULARS OF EMPLOYEES :

The information required under section 197 of the Act read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, is given in "Annexure- D".

CORPORATE GOVERNANCE :

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. Your Company's governance practices are described separately in this annual report. Your Company has obtained a certification from Mr. Deep Shroff , partner of M/s. S H R & Co., Chartered Accountant , on our compliance with Listing agreement read with SEBI (Listing obligations and disclosure requirements) regulations, 2015. This certificate forms part of this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS :

The Management discussion and analysis report on the operations of the Company, as required under SEBI (Listing obligations and disclosure requirements) regulations, 2015 is provided in a separate section and forms a part of this report.

PREVENTION OF SEXUAL HARASSEMENT AT WORK PLACE :

Your Company has zero tolerance towards sexual harassment at work place and adhere to the safety of the women employees at the Company. Your Company believes in providing opportunity and key position to women professionals.

During the year under review, no complaints were received by any employee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

ACKNOWLEDGEMENTS :

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

Place: Mumbai

Date: 30th May, 2016

For and on behalf of the Board of Directors

Jayesh Choksi

Chairman & Managing Director
DIN 00001729

ANNEXURE TO DIRECTORS REPORT :

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

   The Company has outline the following thrust areas in the CSR Policy:

a. Community Health Care, Sanitation & Hygiene

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

b. Education, Knowledge & Research

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

c. Social care and concern

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

Web Link: http://gufic.com/wp-content/uploads/2016/05/Corporate-Social-Responsibility-Policy.pdf

2. Composition of CSR committee

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

3. Average net profit of the company for last three financial years:
   Average net profit: ₹. 602.20 Lakhs
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) The company is required to spend ₹. 12.049 Lakhs
5. Details of CSR spend for the financial year :
   a. Total amount spent for the financial year: 18.83 Lakhs
   b. Amount unspent if any: ₹. Nil
   c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budgets) projects or program me wise (₹. Lakhs)	Amount spent projects or programme wise (₹. Lakhs)	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	Research & Development	Contribution or funds provided to technology incubators, approved by the Central Government	Mumbai, Maharashtra	15,00,000	15,00,000	15,00,000	*Institute of Chemical Technology
2.	Educational aid	Promoting education, Including special education	Mumbai Maharashtra	4,50,000	3,83,000	3,83,000	*Shrimad Rajchandra Educational Trust

*Details of implementing agency

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

For and on behalf of the Board of Directors

Jayesh Choksi
Managing Director
DIN 00001729

For and on behalf of the CSR Committee

Sharat S. Gandhi
Chairman of CSR Committee

Place : Mumbai
Date : May 30, 2016

ANNEXURE B

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016
(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

Gufic Biosciences Limited (CIN L65990MH1984PLC033519)

Mumbai

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

(i) TheCompaniesAct, 2013(the Act)and therulesmade thereunder;

(ii) TheSecuritiesContracts(Regulation) Act, 1956 ('SCRA')and therulesmade thereunder;

(iii) TheDepositoriesAct, 1996 and the RegulationsandBye-lawsframed thereunder;

(iv) Foreign ExchangeManagement Act,1999and therules and regulations madethereunderto theextentofForeign DirectInvestment,OverseasDirectInvestment andExternal Commercial Borrowings.

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

(vi) I have relied on the representations made by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents & authorized representatives and based on Statutory Auditor's Report, Internal Audit Reports, draft Director's Report, audited financials, etc. for the financial year ended March 31, 2016, for systems and mechanism put in place by the Company for complying with various other applicable Act, Laws and Regulations to the Companyhaving regards to industry/sector, in which the Company was commercially operating during the period under review.

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

a. Secretarial Standardsissued bythe Institute of CompanySecretariesof India in terms of section 118(10) of the Companies Act, 2013; and

b. The Listing Agreements entered into by the Company with Stock Exchanges (BSE & NSE) and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Filing of annual / periodical returns, forms, intimations, etc. under the Companies Act, 1956/2013, was not as per the statutory time frame.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors .The changes in the composition of the Board of Directors, related to the regularization, re-appointments of the Whole-time Directors, Managing Director by the shareholders at the 31st Annual General Meeting of the Company, were carried out in compliance with the provisions of the Act.

Based on the representation by the management of the Company, the Company was to put in place the system in place for:

a. sending the agenda and detailed notes on agenda as per the stipulated secretarial standards;

b. for seeking and obtaining information and clarifications on the agenda items before the meeting by the Directors and for meaningful participation at the meeting; and

c. for capturing the decisions and recording thereof as a part of the minutes.

As represented by the management of the Company, during the audit period under review, I further report that the Company was to strengthen its systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

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

Place: Mumbai

Date: 30 May 2016

This report is to be read with our letter dated 30th May, 2016, which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Form No. MR-3 - SECRETARIAL AUDIT REPORT

for the Financial Year ended on 31st March 2016

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

To,

The Members,

Gufic Biosciences Limited (CIN L65990MH1984PLC033519)

Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Gufic Biosciences Limited (CIN L65990MH1984PLC033519) (herein called as 'the Company'). My responsibility is to express an opinion on these secretarial records based on my audit subject to the availability thereof.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books ofAccounts of the Company and for which I have placed reliance on the report issued by the Independent Statutory Auditors Cost Auditors and the Internal Auditors of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Company's management. My examination was limited to the verification of procedures on test basis in respect of records that were made available to me for my examination.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management of the Company has conducted the affairs of the Company.

For Gajanan D. Athavale

Company Secretaries

Gajanan D. Athavale

Proprietor

Membership No.: 28306

Certificate of Practice No.: 10121

Place: Mumbai

Date: 30 May 2016

ANNEXURE C
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON
31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN:	L65990MH1984PLC033519
ii. Registration Date:	23/07/1984
iii. Name of the Company:	GUFIC BIOSCIENCES LIMITED
iv. Category / Sub-Category of the Company:	Company Limited by Shares / Non Govt Public Company
v. Address of the Registered office and contact details:	37, First, Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
vi. Whether listed company:	YES
vii. Name, Address and Contact details of Registrar and Transfer Agent:	LINK INTIME INDIA PRIVATE LIMITED, C-13, Pannalal Silk Mills, Compound, L.B.S. Road, Bhandup West, Mumbai – 400 078, Tel No. (022) 2594 6970, Fax: (022) 2594 6969, Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	28273358	Nil	28273358	36.55	28273358	Nil	28273358	36.55	0.00
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	25854287	Nil	25854287	33.43	25854287	Nil	25854287	33.43	0.00
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (1)	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other….	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt/ State Govt(s)	1199517	Nil	1199517	1.55	1199517	Nil	Nil	Nil	-1.55
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
I) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	1199517	Nil	1199517	1.55	1199517	Nil	Nil	Nil	-1.55
2. Non-Institutions									
a) Bodies Corp.									
I) Indian	8502792	10500	8513292	11.01	9922231	10500	9932731	12.84	1.84
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10866801	209997	11076798	14.32	9295422	201547	9496969	12.08	-2.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1772422	Nil	1772422	2.29	2516110	Nil	2516110	3.25	0.96
c) Others (specify)									
Non Resident Indians (Repat)	169951	Nil	169951	0.21	197598	Nil	197598	0.25	0.03
Non Resident Indians (Non Repat)	51586	Nil	51586	0.06	84814	Nil	84814	0.10	0.04
Market Maker	24336	Nil	24336	0.03	17707	Nil	17707	0.02	-0.01
Clearing Members	189397	Nil	189397	0.24	548497	Nil	548497	0.70	0.46
Hindu Undivided Family	225056	Nil	225056	0.29	427929	Nil	427929	0.55	0.26
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies-DR	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	21802341	220497	22022838	28.47	23010308	212047	23222355	30.02	1.55
Total Public Shareholding (B)=(B)(1)+(B)(2)	23001858	220497	23222355	30.02	23001858	212047	23222355	30.02	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	77129503	220497	77350000	100	77137953	212047	77350000	100	0.00

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Zircon Finance & Leasing Pvt. Ltd.	2052330	26.53	Nil	20523300	26.53	Nil	0.00
2	Jayesh P. Choksi	18010259	23.28	Nil	18010259	23.28	Nil	0.00
3	Pranav J. Choksi	6975826	9.02	Nil	6975826	9.02	Nil	0.00
4	Gufic Private Limited	5330957	6.89	Nil	5330957	6.89	Nil	0.00
5	Vipula J. Choksi	2885273	3.73	Nil	2885273	3.73	Nil	0.00
6	Dhyuti J. Choksi	402000	0.52	Nil	402000	0.52	Nil	0.00

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

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

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SAMBHAV PROPERTIES PVT LTD	7741550	10.01	77495949	10.01
2	JAGDISH N. MASTER	0	0	1400000	1.81
3	FINCO CAPITAL MANAGEMENT PVT LITD	0	0	865000	1.11
4	JMP SECURITIES PVT. LTD.	0	0	495000	0.63
5	MAHESH POPATLAL VORA	0	0	300000	0.39
6	MANISH RAMESHCHANDRA SANGHAVI	100000	0.13	299871	0.38
7	THE MASTER CLOCK AND WATCH WORKS PVT LTD	0	0	214406	0.28
8	MEHROO JEHANGIR PATEL	0	0	207000	0.27
9	ONE UP FINANCIAL CONSULTANTS PVT LTD	0	0	182500	0.24
10	SEEMA ANIL SHAH	1457437	1.89	134159	0.17

E) Shareholding of Directors and Key Managerial Personnel:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	120,318,425	28,825,128	15,350,000	164,493,552
ii) Interest due but not paid	-	-	1,207,089	1,207,089
iii) Interest accrued but not due	1,343,538	-	-	1,343,538
Total (i+ii+iii)	**121,661,963**	**28,825,128**	**16,557,089**	**167,044,179**
Change in Indebtedness during the financial year				
* Addition	2,596,001	6,465,904	5,00,0000	14,061,905
* Reduction	46,457,029	7,063,199	1,500,000	55,020,228
Net Change	**(43,861,028)**	**(597,295)**	**3,50,0000**	**(40,958,323)**
Indebtedness at the end of the financial year				
i) Principal Amount	76,457,397	28,227,833	15,350,000	120,035,229
ii) Interest due but not paid	-	-	14,263,449	14,263,449
iii) Interest accrued but not due	925,353	-	-	925,353
Total (i+ii+iii)	**77,382,750**	**28,227,833**	**29,613,449**	**135,224,032**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(In Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Jayesh P. Choksi (MD)	Pranav J. Choksi (WTD & CEO)	Hemal Desai (WTD & CFO)	Pankaj Gandhi (WTD)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	15,00,000	7,42,812	641,520	64,84,332
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as 1% of profit - others, specify…	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	8400	8400	34,000	28,000	78,800
	Total (A)	36,08,400	15,08,400	7,76,812	6,69,520	65,63,132
	Ceiling as per the Act	Rs. 124.02 Lacs				

B. Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total
		Dr. S. S Gandhi	Mr. Shreyas Patel	Mr. Jagdish Shah	Mr. Ashok Tarale	Amount
1.	Independent Directors Fee for attending board committee meetings	20,000	15,000	20,000	15,000	70,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	20,000	15,000	20,000	15,000	70,000

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

(In Rs.)

SN	Particulars of Remuneration	CS	CS	Total
		Mr. Santoshkumar Sharma*	Ms. Ami Shah**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,12,364	12,016	3,24,380
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	3,12,364	12,016	3,24,380

*Mr. Santoshkumar Sharma resigned as a Company Secretary w.e.f December 2, 2015
**Ms. Ami Shah is appointed as Company Secretary w.e.f March 22, 2016

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place: Mumbai
Date: 30th May, 2016

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

ANNEXURE D

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

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

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

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

S. No.	Name Designation	% increase remuneration in the year ended March 31, 2016	Ratio of the remuneration of each Director to the median remuneration of the employees	Company's of the remuneration of KMP against Company's performance
1.	Mr. Jayesh P. Choksi, Chairman & Managing Director	138.51%	15.14:1	Profit after Tax for FY 2015-16 was ₹ 732.43 lakhs as against ₹ 415.75 lakhs, for FY 2014-15
2.	Mr. Pranav Choksi, Chief Executive Officer & Whole Time Director	208.8%	7.75:1	
3.	Mrs. Hemal Desai, Chief Financial Officer & Whole Time Director	5.11%	3.62:1	
4.	Mr. Pankaj J. Gandhi Whole Time Director	Nil	3.24:1	
4.	Mr. Santoshkumar Sharma* Company Secretary	Nil	2.32:1	
5.	Ms. Ami N. Shah** Company Secretary	N.A	N.A	

*resigned w.e.f December 02, 2016
**appointed w.e.f March 22, 2016

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

2. The percentage increase in the median remuneration of the employees for the financial year 2015-16 was 36.54 %

3. The Company has 846 permanent Employees on the rolls of Company as on 31st March, 2016

4. Relationship between average increase in remuneration and Company's performance:

The increase in median remuneration of employees was 36.54%. As regards Company's performance, its Profit after Tax for the current FY2015-16 was Rs. 732.43 lakhs as against Profit of Rs. 415.75 lakhs for the FY 2014-15.

Remuneration to Employees is as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements.

5. Comparison of the remuneration of the KMP against the performance of the Company :

The remuneration is benchmarked against market and also based on the performance of the Company and the individual. In line with the Company policy, increase in salary/remuneration of Employees / Key Managerial Personnel are directly linked to individual performance as well as the profitability of the Company. The performance rating of Key Managerial Personnel was duly reviewed and approved by Nomination and Remuneration Committee. During the year, the Company earned net profit after tax of Rs. 732.43 lakhs as against profit after tax of Rs. 415.75 lakhs.

6. Comparison of remuneration of each Key Managerial Personnel against the performance of the Company :

Particulars	Jayesh P. Choksi, Chairman & Managing Director	Pranav J. Choksi, CEO & Whole Time Director	Hemal M. Desai, CFO & Whole Time Director	Pankaj J. Gandhi, Whole Time Director
Remuneration (Rs. In lacs)	36.08	15.08	7.77	6.70
Revenue (Rs. In lacs)		20,286.01		
Remuneration	0.18	0.07	0.04	0.03

7. Variations in the market capitalisation of the Company

Market Capitalisation	**BSE**	**NSE**
March 31, 2015	Rs. 99.94 crores	Rs. 98.62 crores
March 31, 2016	Rs. 324.10 crores	Rs. 331.44 crores
P/E Ratio	**BSE**	**NSE**
March 31, 2015	23.93 times	13.42 times
March 31, 2016	44.10 times	45.11 times

The closing price as on 31 March 2016 of the Company's equity shares of Rs. 1 each was ` Rs. 41.90 /-on BSE Limited and Rs. 42.85 /- on the National stock exchange of India Limited.

8. 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 32%, while the average increase in the managerial remuneration was 108%. This increase reflects the strong company performance and the direct contribution of the senior managerial personnel in driving this performance.

9. The key parameters for any variable component of remuneration availed by the directors;

Variable compensation is an integral part of total reward package for the Executive Directors. Annual Bonus is directly linked to an individual performance rating and business performance. No Independent directors have been paid any remuneration as only Sitting Fees are paid to them.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 0.65 :1

11. 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

12. Particulars of Employees

a. Details of employees, employed throughout the financial year, was in receipt of remuneration for that financial year, in the aggregate, was not less than 60 lakhs: Nil

b. Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: Nil

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

Place: Mumbai

Date: 30th May, 2016

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic's philosophy on Corporate Governance is about commitment to values and ethical business conduct. It is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. It envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

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. The Board has also institutionalized good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit. Your Company is in compliance of all mandatory requirements of corporate governance laid down under the new Listing Regulations.

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

2. BOARD OF DIRECTORS :

(A) Composition and size of the Board

The Board of Directors comprises of Eight (8) Directors. The Board has an optimum combination of four Executive and four Non-Executive Directors. The Company has one women Executive Director on the Board. The Managing Director is an Executive Non-Independent Director and 4 Non-Executive Directors on the Board are holding Directorship in Independent capacity. 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.

(B) Non executive directors' compensation and disclosures

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

The Non-Executive Directors are entitled to payment of sitting fees only made within the limits prescribed under the Companies Act, 2013 read with the rules made thereunder.

(C) Board Meetings held, attendance of each Director at the Board Meeting and AGM and other details

Four (4) Board Meetings were held during the financial year 2015-2016 and the gap between two Board Meetings did not exceed the limit as prescribed under Companies Act, 2013 and the new SEBI Listing Regulations. The Board meetings were held on 29th May, 2015; 14th August, 2015, 09th November, 2015 and 11th February, 2016. The names of members of the Board, No of Board Meeting held during the financial year 2015-2016, their attendance at the Company's Board Meetings, Last Annual General Meeting, the number of Directorship and Chairmanship / Membership in the Companies are given below:

Name of the Director	Category	No. of Board Meeting held & attended during 2015-2016		No. of Shares held in the Company	Whether attended Last AGM Companies	*No. of Directorship in other Companies	No. of Chairmanship / Membership in Committees	
		Held	Attended				Chairmanship**	Membership**
Mr. Jayesh P. Choksi #	Managing Director	4	4	180,10,259	No	Nil	Nil	3
Mr. Pranav J. Choksi #	CEO & Whole-Time Director	4	4	69,75,826	Yes	Nil	Nil	3
Mr. Pankaj Gandhi	Whole-Time Director	4	4	0	Yes	Nil	Nil	Nil
Ms. Hemal Desai	CFO & Whole-Time Director	4	4	0	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non-Executive Independent Director	4	4	0	Yes	Nil	3	1
Mr. Ashok M. Tarale	Non Executive Independent Director	4	3	0	No	Nil	Nil	2
Mr. Shreyas Patel	Non Executive Independent Director	4	3	0	Yes	Nil	1	3
Mr. Jagdish Shah	Non Executive Independent Director	4	4	0	Yes	Nil	Nil	4

Relatives: Mr. Pranav J. Choksi is the son of Mr. Jayesh P. Choksi. None of the other directors are inter-se related to each other.

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

** The Memberships and Chairmanships of Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship's Committee and Corporate Social Responsibility Committee of all Public Limited Companies, including these Company are included.

As per the requirement of Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 , the Board of Directors of the Company has met at least four times a year, and the maximum time gap between any two meetings were not more than one hundred and twenty days. Board Meeting dates are finalized in consultation with all the directors and the agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach Supporting / relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

(D) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

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/2016/08/Familiarisation-of-Independent Director.pdf

3. COMMITTEE OF THE BOARD:

(A) Audit Committee

I) Terms of Reference:

Terms of reference covers all matters prescribed under Regulation 18 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The major functions undertaken by the Audit Committee as covered under the Listing Regulations and Companies Act, 2013 are as follows :

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examining with management the quarterly financial results before submission to the Board;
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- Review management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans and investments made by the Company;
- Reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;

- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- Evaluating internal financial controls and risk management systems;
- Reviewing the functioning of the Whistle Blowing mechanism;

ii) Composition:

The Audit Committee comprises of six Directors, out of which four are Independent Directors. In the financial year 2015-16, four meetings were held i.e. on May 29, 2015 ; August 14, 2015; November 09, 2015 and February 11, 2016 and the members attendance during the year are as under :

Name of the Members	Category	Designation	No of Meetings Attended
Dr. Sharat Gandhi	Non-Executive Independent Director	Chairman	4
Mr. Jagdish Shah	Non-Executive Independent Director	Member	4
Mr. Shreyas Patel	Non-Executive Independent Director	Member	3
Mr. Ashok Tarale	Non-Executive Independent Director	Member	3
Mr. Jayesh Choksi	Executive Non Independent Director	Member	4
Mr. Pranav Choksi	Executive Non Independent Director	Member	4

The gap between two Audit Committee Meeting did not exceed one hundred and twenty days. The necessary quorum were present for all the meetings.

(B) Nomination & Remuneration Committee and policy:

The Nomination & Remuneration Committee for appointment & remuneration of director's key managerial personnel is constituted in lines of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The broad terms of reference of the nomination and remuneration committee are as under :

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. 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.

The committee comprises of four Independent Directors. During the financial year 2015-16, the committee met one time i.e. on February 11, 2016.The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No of Meetings Attended
Dr. Sharat Gandhi	Chairman	1
Mr. Jagdish Shah	Member	1
Mr. Shreyas Patel	Member	1
Mr. Ashok Tarale	Member	1

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated on the basis of level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors :

The details of remuneration for the year ended March 31, 2016 to the Executive Directors are as follows

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹.	Perquisites / Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options
1	Mr. Jayesh Choksi	30,00,000	6,00,000	8,400	0
2	Mr. Pranav Choksi	15,00,000	0	8,400	0
4	Ms. Hemal Desai	7,42,812	0	34,000	0
5	Mr. Pankaj Gandhi	641,520	0	28,000	0

The employment of the Chairman & Managing Director and the Executive Directors of the Company is contractual. The employment of Mr. Jayesh P. Choksi , Mr. Pranav J. Choksi and Mrs. Hemal M. Desai is for the period of five years. Mr. Pankaj J. Gandhi shall be re-appointed as Whole Time Executive Director of the Company for a period of five years w.e.f September 7, 2016, subject to the shareholder's approval in the forthcoming Annual General Meeting . There are no stock options or performance linked incentives to the Directors. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Company has paid sitting fees of Rs 5,000/- per Board meeting to Non-Executive Directors during the financial year 2015-16. None of the Non-executive directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending the board meetings.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

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

Criteria of selection of Non-Executive Directors

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

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

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

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

I. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

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

Criteria for making payment to the Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There is no other pecuniary relationship or transaction of the Non-Executive Directors with the Company.

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

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

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

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

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

Remuneration Policy for the Senior Management Employees

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

C. Stakeholders Relationship Committee:

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

The composition of the Committee comprises of five directors out of which three are Non-Executive Independent Directors. The Stakeholders' Relationship Committee looks into the grievances of the security holders of the Company , including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, and redress the same.

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

Name of the Members	Category	Designation	No of Meetings Attended
Mr. Shreyas Patel	Non-Executive Independent Director	Chairman	2
Mr. Jagdish Shah	Non-Executive Independent Director	Member	2
Dr. Sharat Gandhi	Non-Executive Independent Director	Member	2
Mr. Jayesh Choksi	Executive Non Independent Director	Member	2
Mr. Pranav Choksi	Executive Non Independent Director	Member	2

During the financial year 2015-16, the Stakeholder Committee Meetings were held on November 09, 2015 and February 11, 2016. Mr. Santoshkumar Sharma , Company Secretary & Manager- Legal and Mr. Jayesh P. Choksi, Chairman & Managing Director acted as the Compliance Officer of the Committee for the first and second meeting respectively.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2015-2016

Complaints pending at beginning of the year	NIL
Complaints received during the year	1
Complaints resolved during the year	1
Complaints pending at the end of the year	NIL

D. CORPORATE SOCIAL RESPONSIBILTY (CSR) COMMITTEE:

The Company has a Corporate Social Responsibility Committee in lines with the provisions of the Companies Act, 2013. The Committee comprises of five members out of which three are Independent.
The committee met 2 times during the financial year ended March 31, 2016.The attendance record of the members at the meeting were as follows

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

INDEPENDENT DIRECTORS MEETING:

During the year under review, one separate Independent Directors Meeting without the presence of the Executive Directors was held on February 11, 2016, inter alia, to discuss:

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

All the independent Directors were present at the meeting.

4. SHAREHOLDES

A. GENERAL BODY MEETINGS :

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

Year	Venue	Date and Time	Time
2012-2013	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	7th September, 2013, 2.30 p.m.	Appointment of Mr. Pankaj Gandhi as Whole Time Director for a term of three years
2013-2014	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	26th September, 2014, 2.30 p.m.	1. Approval u/s 180(1)(a) & 180(1)(c) of the Companies Act, 2013 2. Approval for keeping statutory Registers and /or records at the Corporate Office of the Company
2014-2015	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	30th September, 2015, 2.30 p.m.	Approval of related party transactions and approval under section 180(1)(a) of the Companies Act, 2013

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

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

B. MEANS OF COMMUNICATION :

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

The Company's results, annual reports and official news releases are also displayed on the Company's website www.gufic.com . The Company's website also contains basic information about the Company including information about the company's business, financial information, shareholding pattern, compliance with corporate governance, company's director, registrar & transfer agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. Official news releases and presentations made to Institutional investors/analysts are also posted on the website of the company.

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

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

C. INDEPENDENT DIRECTORS :

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its Promoters, its Directors, its senior management and/or associates companies.

D. CEO AND CFO CERTIFICATION :

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

E. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	28th September, 2016 at 2.30 PM at Hotel Parle International, Vile Parle East, Mumbai – 400 057.
Financial year	1st April 2015 to 31st March, 2016
Date of Book Closures	As mentioned in the Notice to the Annual General Meeting
Financial Calendar: Results for quarter ended 30th June, 2015 Results for quarter ended 30th September, 2015 Results for quarter ended 31st December, 2015 Results for quarter ended 31st March, 2016	 Third Week of August, 2015 Second Week of November, 2015 Second Week of February, 2016 Fifth Week of May, 2016
Dividend Payment Date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.
The Company is Listed at	**Bombay Stock Exchange Limited (Stock code: 509079)** 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001 **National Stock Exchange of India Limited (Stock Code: GUFICBIO)** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Name Address Telephone No Fax Email of Registrar & Share Transfer Agents	Link Intime (I) Private Limited C- 13, Pannalal Silk Milk Compounds, L.B.S Marg, Bhandup West, Mumbai – 400 078. Tel No: (022) 2594 6970 Fax No: (022) 2594 6969 Email: rnt.helpdesk@linkintime.co.in
CIN	L65990MH1984PLC033519
STATUS	Active

The annual listing fees of the Stock Exchanges on which the Company is listed , has been paid before the due date.

F. LIST OF SHARE HOLDERS CATEGORYWISE as on 31st March 2016

CATEGORY	SHARES	HOLDERS	SHARES	HOLDERS	SHARES	VALUES	PERCENT
Corporate Bodies (Promoter Co)	25854287	2	0	0	25854287	25854287.00	33.4251
Clearing Member	548497	100	0	0	548497	548497.00	0.7091
Other Bodies Corporate	9922231	228	10500	1	9932731	9932731.00	12.8413
Directors	24986085	3	0	0	24986085	24986085.00	32.3026
Hindu Undivided Family	427929	281	0	0	427929	427929.00	0.5532
Market Maker	17707	16	0	0	17707	17707.00	0.0229
Non Resident Indians	197598	96	0	0	197598	197598	0.255
Non Resident (Non Repatriable)	84814	34	0	0	84814	94817	0.1096
Public	11811532	12171	201547	46	12013079	12013079.00	15.5308
Promoters	2885273	1	0	0	2885273	2885273.00	3.7302
Relatives Of Director	402000	1	0	0	402000	402000.00	0.5197
TOTAL :	**77137953**	**12933**	**212047**	**47**	**77350000**	**77350000.00**	**100.0000**

G. Monthly Highs and Lows for the period April 2015 to March 2016

(₹ in Lakhs)

Month	The Stock Exchange, Mumbai			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2015	19.29	12.25	816023	19.25	12.55	1365943
May, 2015	17.80	13.00	195934	17.90	14.20	405221
June, 2015	16.99	12.01	263913	17.00	12.20	393793
July, 2015	29.80	13.00	3356900	29.70	15.00	5789721
August, 2015	39.45	23.55	4071558	39.60	23.50	5592029
September, 2015	37.55	24.15	1893404	37.40	24.15	2801265
October, 2015	44.45	33.40	2231695	44.40	33.40	4553645
November, 2015	64.70	37.50	2359656	64.90	37.00	4800494
December, 2015	63.60	51.80	2132150	63.85	51.70	3838708
January, 2016	62.00	36.10	1104154	62.40	36.15	2383343
February, 2016	47.35	36.00	565391	46.85	36.10	1073460
March, 2016	49.85	37.00	806278	49.60	37.25	1289613

H. Distribution of Shareholding (As on 31st March 2016)

	SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
UP TO 500	9563	73.6749	1946040	2.5159
501-1000	1700	13.0971	1493329	1.9306
1001-2000	835	6.4330	1340136	1.7326
2001-3000	290	2.2342	758529	0.9806
3001-4000	144	1.1094	524383	0.6779
4001-5000	127	0.9784	619213	0.8005
5001-10000	185	1.4253	1409500	1.8222
10001 & ABOVE	136	1.0478	69258870	89.5396
TOTAL	**12980**	**100.00**	**77350000**	**100.00**

I. ADDRESS FOR CORRESPONDENCE

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

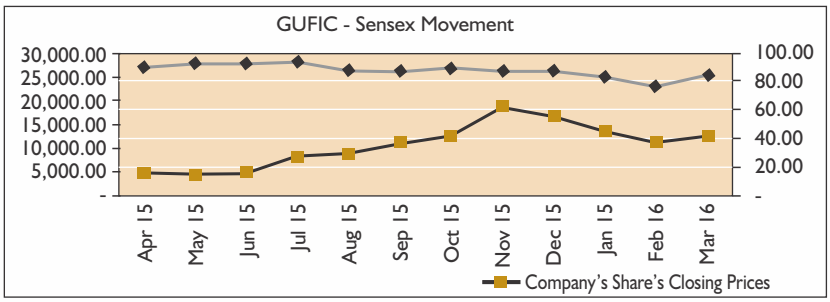
Registrar & Share Transfer Agent

M/s Link Intime India Private Limited,
C- 13, Pannalal Silk Milk Compounds, L.B.S Marg, Bhandup West, Mumbai – 400 078
Tel No: (022) 2594 6970 Fax No: (022) 2594 6969 • Email: rnt.helpdesk@linkintime.co.in

Company

M/s. Gufic Biosciences Limited
2nd floor, Dorr Oliver House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai -400 099
• Tel No : 022 67261000 • Email : corprelations@guficbio.com

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



K. SHARE TRANSFER SYSTEM :

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

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

L. DEMATERIALISATION OF SHARES AND LIQUIDITY

99.72 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2016. All shares of the Company are liquid and traded in normal volume on BSE & NSE. Shares held by Promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE742B01025.

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

The Company have not issued any of these type of securities as on date

N. PLANT LOCATION

The Company has a manufacturing plant located at Navsari, Gujarat. The full address of which can be stated as below:

National Highway No. 8, Near Grid, Kabilpore Navsari, Gujarat 396 424. Tel.: 91-02637-239946/3294254

O. OTHER DISCLOSURES:

i) During the year under review besides the transactions reported in Notes to Accounts (Refer note No.30) there were no other related transactions with the promoters, directors, management and subsidiaries that have potential conflict with the interest of the Company at large.

ii) During the last three years, there were no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority for non-compliance of any matter related to capital markets.

iii) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of vigil mechanism / whistle blower policy has been provided in the website of the Company www.gufic.com and have also been provided in the Directors' Report.

iv) The Company has complied with all the mandatory requirements of the Companies Act, 2013 as well as the SEBI Listing Regulations, including all the requirements of the Corporate Governance Report.

v) The Company has complied with the requirements of the corporate governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

vi) The Company has no subsidiary , associate or joint venture company, hence policy on material subsidiary is not applicable to the Company

vii) Details of Related Party Transactions and policy are provided in the Directors' Report. The policy is made available on the Company's website at the given link : http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf

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 results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

iii) The Chairperson & Managing Director and the Chief Executive Officer of the Company are separate individuals

iv) The internal auditors report to the Audit Committee.

CEO/CFO CERTIFICATION:

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the compliance made by them in Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II and the certificate forms part of the Annual Report.

DECLARATION ON CODE OF CONDUCT

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company www.gufic.com . All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place: Mumbai
Date: 30th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Pharma Industry – an overview

The Indian Pharmaceutical industry has been witnessing phenomenal growth in recent years, driven by rising consumption levels in the country and strong demand from export markets. In the current economic scenario, the Indian Pharmaceuticals market has seen double-digit growth in the last one year. The pharmaceutical industry in India is estimated to grow at an annual rate of 15% between 2015 and 2020. In world rankings, the Indian Pharmaceuticals industry stands 4th in terms of volume and 14th in value terms. The ranking in value terms may also be a reflection of the low prices at which medicines are sold in the country.

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

Major trends influencing the market include growing competition, maturing markets in the developed regions, higher disposable incomes leading to greater personal care in the developing markets, etc. Aging population, changing lifestyles, growing health care spending and rising interest towards self-medication and preventive healthcare have been the key market drivers in above markets. Developing markets are expected to grow faster in both production and consumption of pharmaceuticals, given the rapid pace of development of food and beverage, pharmaceutical, and nutritional industries in Asian and other emerging markets.

Market Size

According to IMS MAT (March 2016), the Indian Pharmaceutical Market (IPM) touched Rs. 1,04,633 crores, registering 14.4% growth in 2015-16. USA continues to dominate the market with 47% market share with growth of 10%. Amongst the top 15 market, India is ranked 11th and growing at 6% in the year ending in May 2016.

The Indian Pharmaceutical Market was valued at Rs. 1,046 billion (IMS, MAT March 2016) and is expected to grow at a CAGR of 12-14 per cent* over the next four years. It continues to be a highly fragmented and competitive market with a large number of players spread across therapeutic segments.

Indian companies hold 2.5% share in the global market and growing faster than the global market.

The Indian pharmaceuticals market increased at a CAGR of 17.46 per cent in 2015 from US$ 6 billion in 2005 and is expected to expand at a CAGR of 15.92 per cent to US$ 55 billion by 2020.

By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size.

India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15, an increase of 84% as per analysis by USFDA.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025. Bio pharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US$ 1.9 billion).

Investments

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

The drugs and pharmaceuticals sector attracted cumulative foreign direct investment (FDI) inflows worth US$ 13.85 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Growth Factor

CRISIL has projected India's pharmaceuticals sector growth of 11-12 per cent during 2015-16 led by domestic formulations and a rebound in exports and it is expected that the growth rate to sustain in the next fiscal as well. The domestic formulation sales are projected to increase by 13-14 per cent, propelled by continued high demand in chronic-care drugs such as anti-diabetics and cardiovasculars. The government notified the new National List of Essential Medicines 2015, bringing more drugs under price control. However, in value terms, the extent of control increases only from 17 per cent now to 18 per cent in terms of market value. Therefore, CRISIL believe this will have a negligible impact on growth.

Growth in formulations exports to the US will remain strong for players not facing regulatory scrutiny currently. Even in Europe and Latin America, high volume growth is likely to offset the impact of currency fluctuations leading to improvement in prospects. Bulk drug exports are projected to achieve growth by 7-9 per cent, driven largely by volumes, while domestic consumption of bulk drugs would expand by 11-13 per cent.

Large Indian formulation manufacturers will enjoy an EBITDA margin of 24-25 per cent in the current fiscal, as growth in the US market improves for few. Further uptick in profitability, though, will be offset by higher US FDA compliance costs and R&D expenses. On the other hand profitability for mid – and small-sized formulation manufacturers is estimated to witness greater improvement in 2015-16, aided by successful launches by a few companies and decline in raw material expenses. For bulk drug companies as well, declining crude oil prices and pricing of linked commodities will aid higher margin growth this fiscal. But margin growth for the industry is likely to remain range-bound in 2016-17 because of higher expenditure on R&D and regulatory compliance.

The sector witnessed increased scrutiny from the FDA in 2015 with the regulatory issuing warning letters and import alerts to several large Indian firms, including Sun Pharma, Dr Reddy's Laboratories and Ipca Laboratories. This is emerging as one of the key challenges as it can potentially delay approvals and product launches in the US. This is emerging as one of the key challenges as it can potentially delay approvals and product launches in the US.

The domestic market will remain exposed to any expansion of the price control regime by the national pharmaceutical pricing authority. Healthy volume growth, driven by increasing income levels and incidence of lifestyle diseases, will continue to translate in healthy cash flow for India-focused companies.

Large players have been active in the M&A space. While expansion to new geographies and access to the generic pipeline of mid-sized companies are the key drivers for inbound deals, outbound deals are driven by the need to thwart increasing competition, gain access to unpenetrated markets, acquire distribution networks and build a specialty product portfolio. CRISIL expect the sector to continue to be in the limelight in the next fiscal. Larger players have the wherewithal to absorb moderate-sized acquisitions given their steady cash flows and strong balance sheets.

The budget was largely neutral for the pharmaceutical industry. Reduction in weighted research and development (R&D) deduction to 150 % from fiscal 2018 is likely to increase the industry's tax outgo in the long run but not immediately. Nevertheless, companies will continue to spend on R&D as they focus on tapping lucrative export opportunity in regulated markets such as the US.

Some of the key credit metrics – such as interest coverage ratios, debt to EBIDTA ratio and capital structure – have remained steady for majority of the players in 2015-16, buoyed by a diverse revenue profile and healthy operating profitability. This is likely to continue in fiscal 2017 as well, except for players with significant exposure to the emerging markets.

Strong revenue growth, diversity in revenue profile and steady profitability, apart from robust financial profile, will continue to sustain ratings of large players, despite challenges on the export front. For mid-sized players, diversification of geographic reach, widening of customer base, while sustaining profitability and reducing working capital intensity, will drive rating upgrades.

Government Initiatives

The Indian Government is very proactive for boosting growth and investment in Indian pharmaceutical sector. It allows 100 per cent FDI under the automatic route in the drugs and pharmaceuticals sector.

The Government is also embarking on a major multi-billion dollar initiative with 50 per cent public funding through a public-private partnership (PPP) model to harness India's innovation capability. The vision is to catapult India into one of the top five pharmaceutical innovation hubs by 2020, targeting to achieve a global niche with one out of every five to ten drugs discovered worldwide by 2020 originating from India.

The Government has also been taking various policy initiatives for the pharmaceutical sector. These include tax-breaks to the pharmaceutical sector and weighted tax deduction at 150% for the R&D expenditure incurred. Steps have also been taken to streamline procedures covering development of new drug molecules, clinical research etc. Indian Government has launched two schemes—New Millennium Indian Technology Leadership Initiative and the Drugs and Pharmaceuticals Research Programme—specially targeted at drugs and pharmaceutical research.

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

- Government of India's decision to increase Foreign Direct Investment (FDI) in existing pharmaceuticals companies to 74% is expected to boost Mergers and Acquisitions (M&As) and Private Equity (PE) investments in the pharmaceuticals sector in the country.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.

Road Ahead

According to the consulting firm Grant Thornton, the country will also see the largest number of merger and acquisitions (M&A) in the pharmaceutical and healthcare sector in the coming years. The Indian pharmaceutical market size is expected to grow to US$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

Going forward, the expanding medical infrastructure, increasing awareness and detection of chronic diseases and a fast expanding health insurance cover will drive the pharma sector's growth. McKinsey suggests a health insurance penetration of 45% by 2020. The government sponsored schemes, particularly the Rashtriya Swasthya Bima Yojana is expected to contribute 22% of the overall health insurance coverage.

Although the growth may slowdown slightly in the remaining part of 2016, it is expected to remain steady throughout the forecast period. India's consistent economic growth and rapid increase in chronic diseases will contribute to steady market growth. The market will continue to be regulated to ensure promulgation of most effective medicines.

Pharmaceutical Exports

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

Highlights

- The Indian pharmaceutical sector accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms.
- Attracted 5 percent of the total FDIs into India from April 2000 to September 2015.
- Globally, India ranks third in terms of volume of production and fourteenth largest by value and is also expected to move up to eleventh place by 2017.
- Indian pharma sales stood at US$ 22.6 billion in 2012 and is expected to register US$ 27 billion by 2016 growing at a rate of 14.4 percent.
- The Country's pharmaceutical industry is expected to expand at a CAGR of 12.89% over 2015-20 to reach USD 55 billion.

Key Markets and Exports

- The bio-pharmaceutical sector accounts for the largest share of the biotech industry with a share of 62% of total revenues in 2015.
- India exports to more than 200 countries; its share of exports is expected to grow manifold.
- India accounts for 20% of global exports in generics. In FY 15, pharmaceuticals industry of India exported products worth USD 15 billion and the exports are expected to reach USD 40 billion by 2020.
- Indian Pharma companies are capitalising on export opportunities in regulated and semi-regulated markets.

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

BUSINESS REVIEW

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

Total revenues of the Company increased by 33.35%
Sales of Formulation Division increased by 57.45%
Sales of Consumer Division increased by 63.60%

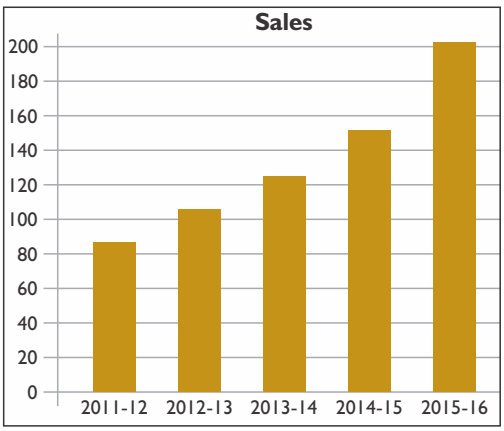


Chart to be added

Financial performance with respect to operational performance :

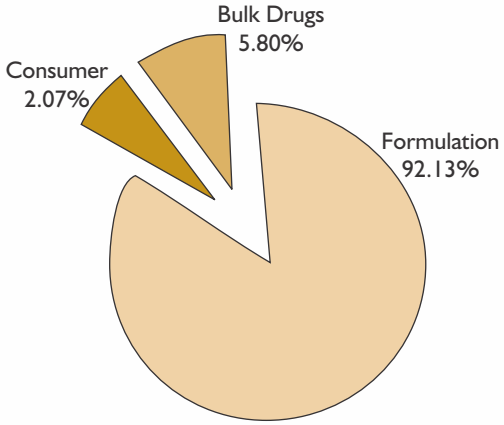
During the year under review, the total revenue increased to Rs. 20,286.01 Lacs in comparison to previous year's Rs. 15212.32 Lakhs and net profit after tax increased to Rs. 732.43 from Rs. 415.75 lakhs, in previous year.

The increase in revenue was due to many factors viz., launch of a new segment called CRITICARE, the sales of which during the financial year 2015-16 was more than Rs. 20.00 crores, the pharma segment also experienced a growth of 56.45 % thus making the revenue of more than Rs. 11.00 crores and the growth in Ayurveda segment was recorded at 53.88 %.

With the increase of sale and introduction of new division, human resources have also been increased in the financial year 2015-16, hence there was increase in employee benefit expenses by 55.47 % and many other factors led to the increase in the expenditure of the Company.

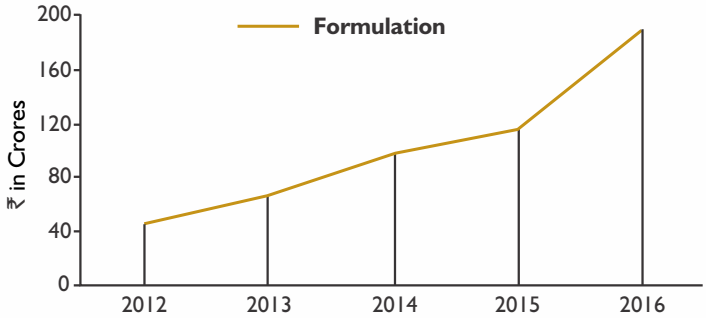
The Company aims to become best in class pharmaceutical company, at both national and international level.

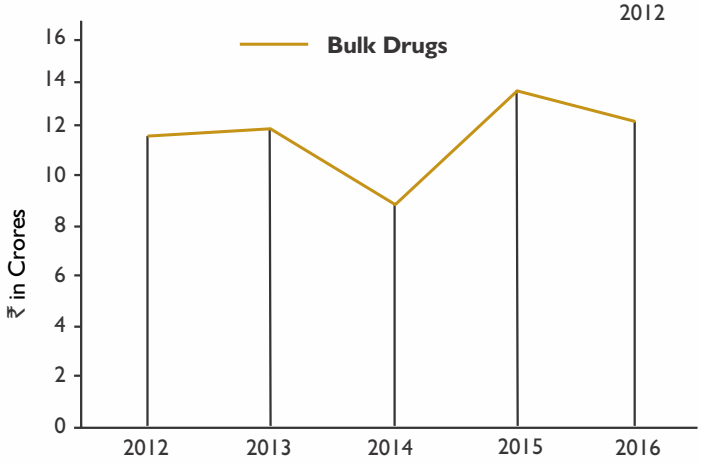
SEGMENT WISE PERFORMANCE

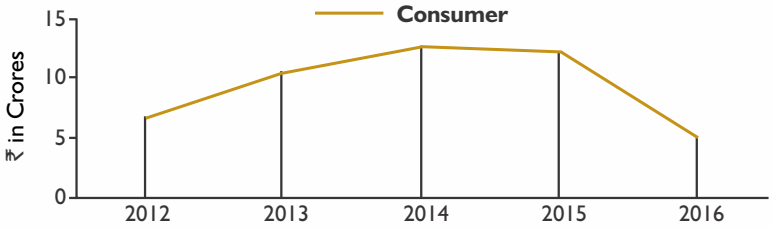


Sales ₹ in Crores

Segment	2016	2015	2014
Pharma			
A. Formulation	197.11	125.18	102.10
B. Bulk Drugs	12.40	14.04	8.40
Consumer	4.43	12.19	12.40
Total	**213.95**	**151.41**	**122.90**







HUMAN RESOURCES DEVELOPMENT







"Great vision without great people is irrelevant"

– Jim Colloins

The backbone of any successful company is the HR department, and without a talented group of people to hire, culture, and inform employees, the company is doomed for failure. Gufic is built on the strong foundation of its people. In a knowledge driven pharmaceutical industry, people are the most critical drivers of growth. Throughout our journey, we have sought to build an organization through individual and team contributions - an organization which values respect and delivery. One of the cornerstones of this strategy has been to create a strong Employee Value Proposition.

Gufic is committed to provide an enriching career path, collaborative and autonomous work environment to attract, retain, and develop the best-in-class talent. The employees are the biggest strength of the Company. The Company is committed to build the best-in-class team led by exceptional individuals to build a globally respected organisation. The company attempts to provide the most conducive environment for its employees this along with training and career-development in order that people are able to learn and apply best-in-class business concepts and practices in their work. This application of learning to business practice is what enriches the Company in being a learning organisation.

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

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

During the year under review, the employees' strength of your Company increased to 846 as compared to 720, in the previous year.

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

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

Internal Control Framework

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

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

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

Risk Management

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

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

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





CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

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

(a) We have reviewed financial statements and cash flow statement for the year and that to the best of our knowledge and belief:

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

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

(b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

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

(d) We have indicated to the auditors and the Audit Committee:

i) significant changes in internal control over financial reporting during the year;

ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

iii) during the year there were no instances of fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system.

For and on behalf of the Board of Directors

Pranav J. Choksi

Chief Executive Officer &
Whole Time Director

For and on behalf of the Board of Directors

Hemal M. Desai

Chief Financial Officer &
Whole Time Director

Place : Mumbai
Date : May 30, 2016

AUDITORS' REPORT ON CORPORATE GOVERNANCE

Certificate on Compliance with Clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 by Gufic Biosciences Limited

To,

The Members of Gufic Biosciences Ltd.,

We have examined the compliance by Gufic Biosciences Limited ('the Company') with the requirements under Clause 49 of the erstwhile Listing Agreement entered into by the Company with the Stock Exchanges and under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on March 31, 2016.

The compliance of condition of corporate governance is the responsibility of the management of the company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under clause 49 and under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the Listing Regulations.

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

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 30th May, 2016

INDEPENDENT AUDITORS' REPORT

To;

To the Members of Gufic Biosciences Limited

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Gufic Biosciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

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

Auditors Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

7. *We are unable to express our opinion on recoverability of debts of Rs. 185.45 lakhs (2014 – 2015: Rs. 151.48 lakhs) and advances of Rs. 68.46 lakhs shown under the head long term loans and advances as at Balance sheet date (2014 - 2015: Rs. 52.26 lakhs), which are outstanding for more than one year. In the absence of appropriate evidences, we are unable to ascertain its recoverability and its impact on the accounts of the company. However, in the opinion of the management no provision is required in respect of such debts since they are good and recoverable in nature. (Refer Note 54).*

8. *Company has not made any provision for Rs. 124.04 lakhs (2014 – 2015: Rs. 123.80 lakhs) on account of misappropriation done by the marketing employee of the company in FY 2014 – 2015. In our opinion said amount is doubtful of recovery, as a result the profit is over stated by Rs. 124.04 lakhs (2014 – 2015: Rs. 123.80 lakhs) with consequential impact on Shareholders Fund and other non-current assets which are over stated by the said amount. The management has initiated necessary steps for the recovery of the said amount and is confident of recovery, as a result, the said amount has been shown as recoverable under the head other non-current assets. (Refer Note 55)*

Qualified Opinion

9. *In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter specified in para 7 and effects of the matter specified in para 8 in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements, read together with notes to the accounts thereon, give*

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in case of balance sheet of the state of affairs of the Company as at March 31, 2016,
b. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

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

11. The company has implemented an ERP system and only certain modules are operational. The audited financial amounts for year ended March 31, 2016 has been compiled from various sources by the management, including ERP Modules. We have relied on management representation that it has taken enough care and diligence to ensure that the presented data and accounts, so compiled, are true & correct. (Refer Note No. 56)

12. We did not participate in physical counting of the Inventory and its valuation. The Company has appointed an internal auditor, an independent firm of Chartered Accountants to carry out physical verification and valuation of inventories and also to conduct audit of stock records maintained by the company. We have relied upon certificate issued by them in this regard. (Refer Note No. 49)

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    (a) We have sought and except for the matters described in the para 7 of the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) *The matter described in the Basis for Qualified Opinion paragraph 7 & 8 above in our opinion, may have an adverse effect on the functioning of the Company.*

    (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 33 to the financial statements.

        (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 30th May, 2016

ANNEXURE TO THE AUDITOR'S REPORT

Annexure Referred to in Paragraph 13 Of Our Report of Even Date On The Standalone Financial Statements For The Year Ended March 31, 2016 Of Gufic Biosciences Limited:

i. In respect of Fixed Assets :

(a) The company has updated its records showing quantitative details and situation of the fixed assets.

(b) According to information and explanations provided to us, the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of five years which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year. We have been informed that necessary adjustments in respect of discrepancies if any between physical asset and book record have already be made in the books upon reconciliation.

(c) According to information and explanations provided to us there are no immovable properties in the name of the company and as regards the building shown in fixed asset schedule represents capital expenditure incurred on extension/renovation of factory building acquired on lease. Hence question of title deeds of immovable properties in the name of the company does not arise.

ii. In respect of Inventories:

As explained to us, inventory have been physically verified by the management during the year. The discrepancies if any between physical verification of inventory as compared to book records have been be adjusted in the books of account.

iii. In respect of Granting of Loan:

According to the information and explanations given to us, the Company has not granted any loans to parties covered in the register maintained u/s. 189 of the Companies Act, 2013 ("The Act"). *(other than interest free security deposits or advances given for its business purpose. Refer Note No. 52 & 53)* Thus the clause relating to terms and conditions of grant of loan, schedule repayment of principal and interest and amount overdue are not applicable to the company.

iv. In our opinion and according to information and explanations provided to us, the company has not granted any loan, made any investment or provided any securities covered under section 185 and 186 of the Act during the year under review, except loans to employees as part of condition of services. In respect of guarantees given the company has complied with the provision of section 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Companies Act and the rule framed there under during the year. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.

vi. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.

vii. In respect of Statutory dues:

(a) According to the information and explanations given to us and according to the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues in respect of excise duty and custom duty with appropriate authorities. *However, we have observed delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and Profession tax applicable to it with the appropriate authorities*. According to the information and explanations given to us, there are no statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date they became payable *except the Income Tax – Dividend Distribution Tax Rs. 7.87 lakhs, Income Tax Rs. 230.82 lakhs, Profession Tax Rs. 13.41 lakhs, ESIC Rs. 5.49 lakhs and Provident Fund Rs. 46.85 lakhs*.

(b) According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax, Customs Duty or Cess outstanding on account of any dispute except following dues have not been deposited with appropriate authorities on account of dispute:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961	Income Tax - TDS	63.67	Prior Years	Departmental Authority
		62.22	2011 – 2012 to 2014 – 2015	Departmental Authority
	Income Tax	45.82	1999 – 2000 to 2009 – 2010 & 2012 – 2013	Departmental Authority
		282.91	2010 – 2011 & 2011 – 2012	Appeal preferred by the company to the Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Central Excise Duty	8.21	2000	Departmental Authority
		86.61	2001 – 2008	Appeal preferred by the company to the Tribunal
		14.04	2008 – 2009	Appeal preferred by the company to the Commissioner Appeal
Gujarat Value Added Tax Act, 2003	Sales Tax	29.15	2010 – 2011	Appeal preferred by the company to the Commissioner Appeal

viii. We have relied on the representation and confirmation received from the bank that the company has not defaulted in repayment of dues to a bank.

ix. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. The company has not raised any moneys by way of further public offer (including debt instruments).

x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees or by the Company have been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

For S H R & Co.

Chartered Accountants
FRN : 120491W

Deep N. Shroff

Partner
Membership No. 122592
Mumbai : 30th May, 2016

ANNEXURE: B REFERRED TO IN PARA 14(g) OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF GUFIC BIOSCIENCES LIMITED

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

1. We have audited the internal financial controls over financial reporting of **Gufic Biosciences Limited** (the "Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**: The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. **Auditors' Responsibility**: Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects to the extent applicable. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

   Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the Company's internal financial controls system over financial reporting.

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

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

6. **Qualified opinion:** According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

   The company did not have an appropriate internal control system:

   a) for review of debtors, other recoverable including loans and advances and creditors outstanding balances, obtaining their confirmations and reconciliation of their outstanding balances with the books of accounts. This could potentially affect the balance in the trade receivable, other recoverable, trade payable, income and expenses account balances.

   b) for timely payment of statutory due, which could potentially give rise to liabilities.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

7. Opinion: In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

8. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2016 and these material weaknesses do not affect our opinion on the standalone financial statements of the Company, *other than qualification reported by us in our Independent Audit Report.*

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 30th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

		Note No.	₹ in Lakhs	As at 31.3.2016 ₹ in Lakhs	As at 31.3.2015 ₹ in Lakhs
I.	**EQUITY AND LIABILITIES**				
(1)	**SHAREHOLDERS' FUNDS**				
	a) Share Capital	2	773.50		773.50
	b) Reserves and Surplus	3	2,622.38		1,936.5
				3,395.88	2,710.00
(2)	**NON-CURRENT LIABILITIES**				
	a) Long-term Borrowings	4	766.40		1,150.34
	b) Deferred Tax Liabilities (Net)	5	112.11		154.73
	c) Other Long Term Liabilities	6	438.87		212.27
	d) Long-term Provisions	7	139.05		140.50
				1,456.43	1,657.84
(3)	**CURRENT LIABILITIES**				
	a) Short-term Borrowings	8	3,228.20		1,790.42
	b) **Trade Payables**	9			
	(A) Total Outstanding due of micro and small enterprise		8.94		28.08
	(B) Total Outstanding dues of creditors other than micro and small enterprise		5,253.30		4,925.25
	c) Other Current Liabilities	10	1,409.97		1,301.23
	d) Short-term Provisions	11	467.20		315.97
				10.367.61	8,360.95
		TOTAL		**15,219.92**	**12,728.79**
II.	**ASSETS**				
1)	**NON-CURRENT ASSETS**				
	a) Fixed Assets	12			
	i) Tangible Assets		2,212.54		2,507.51
	ii) Intangible Assets		2.13		3.19
			2,214.67		2,510.70
	b) Non-current Investments	13	0.93		0.93
	c) Long-term Loans and Advances	14	729.93		800.78
	d) Other Non-current Assets	15	309.49		268.48
				3,255.02	3,580.89
2)	**CURRENT ASSETS**				
	a) Inventories	16	5,026.31		3,680.14
	b) Trade Receivables	17	5,622.80		3,338.40
	c) Cash and Cash Equivalents	18	615.90		620.65
	d) Short-term Loans and Advances	19	699.89		1,508.71
				11,964.90	9,147.90
		TOTAL		**15,219.92**	**12,728.79**
Notes to Accounts		1			

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

As per our Report of even date attached

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

Deep N Shroff
Partner
Membership No. 122592

Mumbai - May 30th, 2016

For and on behalf of the Board of Directors

Jayesh P. Choksi
Chairman & Managing Director

Pranav J. Choksi
Chief Executive Officer & Whole Time Director

Hemal Desai
Chief Financial Officer & Whole Time Director

Ami Shah
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	₹ in Lakhs	Year Ended 31.3.2016 ₹ in Lakhs	Year Ended 31.3.2015 ₹ in Lakhs
INCOME				
Revenue from oprations	20		20,219.88	15,155.16
Other Income	21		66.13	57.16
Total Revenue			**20,286.01**	**15,212.32**
EXPENDITURE				
a) Cost of Materials Consumed	22	7,626.86		6,579.76
b) Purchase of Stock-in-Trade	23	4,280.95		1,670.77
c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	(1,709.85)		(130.68)
d) Employee Benefits Expenses	25	3,197.53		1,922.73
e) Finance Costs	26	536.84		446.08
f) Depreciation and Amortisation Expenses		378.68		385.21
g) Other Expenses	27	4,855.90		3,685.85
Total Expenses			**19,166.91**	**14,559.72**
Profit Before Tax			1,119.10	652.60
Tax Expense				
a) Current Tax		429.30		278.61
b) Deferred Tax		(42.63)		(48.84)
c) Tax adjustments of earlier years		-		7.08
			386.67	236.85
Profit for the Year			**732.43**	**415.75**
Earnings per equity share Basic & Diluted (Refer Note 33)			0.95	0.54
Notes to Accounts	1			

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

As per our Report of even date attached

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

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman & Managing Director

Pranav J. Choksi
Chief Executive Officer & Whole Time Director

Hemal Desai
Chief Financial Officer & Whole Time Director

Ami Shah
Company Secretary

Mumbai - May 30th, 2016

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE PERIOD YEAR ENDED MARCH 31, 2016

		Year Ended ₹ in Lakhs	31.03.2016 ₹ in Lakhs	Year Ended ₹ in Lakhs	31.03.2015 ₹ in Lakhs
A.	**Cash flow from operating Activities**				
	Net Profit Before tax		1,119.10		652.60
	Adjustment for:				
	Depreciation	378.68		385.21	
	Interest	536.84		446.08	
	Profit on Sale of Assets	(5.65)		(0.83)	
	Dividend	(0.04)		(0.03)	
	Interest Received	(25.62)		(10.99)	
			884.22		819.44
	Operating profit before Working Capital Changes		**2,003.31**		**1,472.04**
	Adjustment for:				
	Inventories	(1,346.17)		(1,068.60)	
	Trade Receivables	(2,284.40)		(503.59)	
	Loans and Advances	838.66		(187.69)	
	Trade Payables & Provisions	660.45		1,599.53	
			(2,131.46)		(160.35)
	Cash Generated from Operations		**(128.15)**		**1,311.69**
	Income Tax Paid		(265.34)		(196.34)
	Dividend Tax Paid		(38.24)		-
	Net Cash Generated from Operating Activity (A)		**(431.73)**		**1,115.35**
B.	**Cash Flow From Investing Activities**				
	Interest Received		25.62		10.99
	Sale of Fixed Assets		20.08		0.83
	Purchase of Fixed Assets		(97.08)		(251.25)
	Dividend Received		0.04		0.03
	Net Cash From Investing Activities (B)		**(51.34)**		**(239.40)**
C.	**Cash Flow from Finance Activities**				
	Long-term Borrowings (Net)		(383.94)		(338.47)
	Short-term Borrowings (Net)		1,437.78		313.78
	Dividend Paid		(38.68)		(38.68)
	Interest Paid		(536.84)		(446.08)
	Net Cash From Finance Activity (C)		**478.32**		**(509.44)**
	Net Increase in Cash or Cash equivalent (A+B+C)		**(4.75)**		**366.50**
	Cash and Cash Equivalent at Beginning of the year		620.65		254.15
	Cash and Cash Equivalent at the end of the year		**615.90**		**620.65**

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

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman & Managing Director

Pranav J. Choksi
Chief Executive Officer & Whole Time Director

Hemal Desai
Chief Financial Officer & Whole Time Director

Ami Shah
Company Secretary

Mumbai - May 30th, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

NOTE PARTICULARS

1 SIGNIFICANT ACCOUNTING POLICIES :

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

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

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

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

1.4 INVESTMENTS :

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

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

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

(i) Raw-materials and packing materials are valued on First in First Out basis.

(ii) Work-in process and Finished Goods are valued at cost and includes element of production overheads.

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

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

1.6 REVENUE RECOGNITION :

(i) Sale is recognised on despatch of goods. Export sales are accounted for on basis of the dates of bill of lading. Sales are net of trade discounts, sales tax, sales returns and remissions. Excise Duty recovered is presented as reduction from gross turnover.

(ii) Provision is made for the non salable returns of goods from the customers estimated on the basis of historical data of such returns. Such provision for non salable returns is reduced from sales for the year.

(iii) Export benefits under duty exemption scheme is being accounted in the year of exports.

(iv) Revenues from services are recognized when such services are rendered.

(v) Dividend is accounted when right to receive is established.

(vi) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

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

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

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

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

1.9 EMPLOYEE BENEFITS :

i) **Defined Contribution Plan:**

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

ii) Defined Benefit Plan:

Gratuity

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

iii) Other Long Term Benefits:

Compensated Absences

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

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

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

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

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

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

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

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

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

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

1.14 PROVISION AND CONTINGENT LIABILITIES :

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
(a) AUTHORISED:		
10,00,00,000 Equity Shares of ₹1 Each	1,000.00	1,000.00
(Previous Year 10,00,00,000 Equity Shares of ₹1 Each)	**1,000.00**	**1,000.00**
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP:		
7,73,50,000 Equity Shares of ₹1 Each, Fully Paid Up.	773.50	773.50
(Previous Year 7,73,50,000 Equity Shares of ₹1 Each)		
	773.50	**773.50**

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

Equity Shares	31st March, 2016		31st March, 2015	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
Shares outstanding at the Beginning of the year	77,350,000	773.50	77,350,000	773.50
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	77,350,000	773.50	77,350,000	773.50

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

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

Name of Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	%	No of Shares	%
a) Zircon Finance and Leasing Pvt. Ltd.	20,523,330	26.53%	20,523,330	26.53%
b) Jayesh Pannalal Choksi	18,010,259	23.28%	18,010,259	23.28%
c) Sambhav Properties Pvt Limited	7,745,949	10.01%	7,741,550	10.01%
d) Pranav Jayesh Choksi	6,975,826	9.02%	6,975,826	9.02%
e) Gufic Private Limited	5,330,957	6.89%	5,330,957	6.89%

NOTE 3 : RESERVE AND SURPLUS :

Particulars		As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
a) General Reserve :	A	134.71	134.71
b) Capital Reserve	B	12.50	12.50
c) Surplus in the Statement of Profit and Loss			
Balance at the beginning of the Year		1,789.29	1,700.16
Add : Profit for the Year		732.43	415.75
Less : Appropriations			
(a) Proposed Dividend		38.68	38.68
(b) Dividend Tax		7.87	7.87
(c) Adjustments of Earlier year		-	280.07
Balance at the end of the Year	C	2,475.17	1,789.29
	TOTAL (A+B+C)	**2,622.38**	**1,936.50**

The Board of Directors at its meeting held on May 30, 2016 has recommended a final dividend of Rs. 0.05 per equity shares. This proposal is subject to approval of shareholders at the ensuing Annual General Meeting

Notes forming part of the Financial Statements for the year ended on March 31, 2016

NOTE 4 : LONG-TERM BORROWINGS

Particulars	As at March 31,2016		As at March 31,2015	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
I. Secured				
(A) From Bank				
(a) Term Loan	428.21	257.46	725.69	262.65
(b) Vehicle Loans	37.49	17.34	56.91	21.40
(B) From Other				
(a) Term Loan From a Company	-	-	77.33	56.42
(b) Vehicle Loans	1.37	0.70	2.16	0.63
TOTAL (I)	**467.07**	**275.50**	**862.09**	**341.10**
II. Long term maturies of finance lease Obligations				
Finance Lease from a Company	17.05	5.62	-	-
TOTAL (II)	17.05	5.62	-	-
III. Unsecured				
From Directors	282.28	-	288.25	-
TOTAL (III)	**282.28**	**-**	**288.25**	**-**
TOTAL (I+II+III)	**766.40**	**281.12**	**1,150.34**	**341.10**

4.1 : Additional information to secured / unsecured

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

4.2 : Details of securities and Terms of payment

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

	Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
		1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i)	Term Loan	226.65	118.26	83.30	-	428.21
(ii)	Rate of Interest	13.65%				
(iii)	**Details of Security**				**TOTAL**	**428.21**
(a)	Secured by way of hypothecation of plant & machineries/ equipments / air conditioners / computers / electric installation and furniture and fixture to the Bank.					
(b)	The facilities granted to the company are further secured by Legal mortgage of land and factory building of Gufic Private Limited - company in which directors are interested, situated at Navsari, against the credit facilities sanctioned to the company.					
(c)	The loans are secured by personal guarantee of Managing Director and Executive Director.					
(d)	Further the loan are secured by a corporate guarantee of Gufic Private Limited.					
(iv)	**Other Terms:**					
	Amount disbursed under the term loan shall be repaid in monthly installements varying from Rs. 62,500/- to Rs.11,60,000/-, over a period of 1 to 46 months.					

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

	Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
		1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i)	Vehicle Loan	19.31	15.70	2.48	-	37.49
(ii)	Rate of Interest	8.90% to 11.47%				
(iii)	**Details of Security**				**TOTAL**	**37.49**
	Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					
(iv)	**Other Terms:**					
	Amount disbursed under the term loan shall be repaid in monthly installments varying from ₹. 7,850/- to ₹. 82.000 (including Interest), over a period of 1 to 47 months.					

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

	Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
		1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(I)	Vehicle Loan	0.99	0.38	-	-	1.37
(ii)	Rate of Interest	22.30%				
(iii)	**Details of Security**				**TOTAL**	**1.37**
(i)	Secured against the Assets specifically purchased against the said loan.					
(iv)	**Other Terms**					
	Amount disbursed under the term loan shall be repaid in 28 monthly installments of Rs. 9,950/-.					

4. Term Loan From Company : 4 (II)

Particulars		Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
		1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(I)	Finance Lease	6.27	6.99	3.79	-	17.05
(ii)	Rate of Interest	11.07%				
(iii)	**Details of Security**				**TOTAL**	**17.05**
(i)	Secured against the Assets specifically purchased against the said loan.					
(iv)	**Other Terms**					
	Amount disbursed under the term loan shall be repaid in 14 quaterly installments of Rs. 1,97,543/- (Including interest)					

5. Unsecured Loans :

Unsecured loans from Directors & Related Parties are interest free and repayable after March 2016 or any period there after as mutually decided.

Notes forming part of the Financial Statements for the year ended on March 31, 2016

Particulars		As at March 31,2016 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 5 : DEFERRED TAX LIABILITIES (NET)			
Opening Balance		242.19	369.85
Difference Between book and income tax depreciation		(13.58)	(127.66)
	Total (A)	**228.61**	**242.19**
Deferred Tax Assets:			
Expenses Disallowes			
a) Gratuity		47.12	47.53
b) Leave Encashment		18.78	18.49
c) Other Disallowances		46.65	19.29
d) Rent		3.95	2.15
	Total (B)	**116.50**	**87.46**
Deferred Tax Liability (Net)	**Total (A - B)**	**112.11**	**154.73**
NOTE 6 : OTHER LONG TERM LIABILITIES			
(a) Trade Payable		72.47	52.26
(b) Others - (UnSecured)			
(i) Security and Trade Deposits from Agents and Stockists		355.00	153.50
(ii) Other		11.40	6.51
		438.87	**212.27**
NOTE 7 : LONG-TERM PROVISION			
Provision for employee benefits (Refer Note 28)			
i) Gratuity		96.54	94.38
ii) For Compensated Absences		42.51	46.12
		139.05	**140.50**
NOTE 8 : SHORT-TERM BORROWINGS			
Secured			
Loans repayble on Demand			
From Bank			
(i) Rupee Loan		3,055.13	1,725.95
(ii) Foreign Currency Loan-Buyers Credit		173.07	64.47
		3,228.20	**1,790.42**

8.1: Details of Security: For Rupee Loan

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

The Rupee Loan Carries interest @ 14.00% and Foreign Currency Loan Carries interest @ 2M LIBOR+0.55 %

NOTE 9 : TRADE PAYABLES	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
Trade payables (Refer Note 52):		
(A) Total Outstanding Due to Micro, Small and Small Enterprises	8.94	28.08
(B) Total Outstanding dues of creditors other than micro and small enterprise	5,253.30	4,925.25
	5,262.24	**4,953.33**

Sundry Creditors - Dues to Micro and Small Enterprises

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers. Based on the information available with the company regarding total amount due to supplier as at March 31, 2016 covered under MSMED Act, amounts to Rs. 8.94 lacs (2014 - 15 : Rs. 28.08 lacs). The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise.

Particulars	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 10 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long-Term Debt (Refer Note 4)	275.50	341.11
b) Current Maturities of Finance Lease Obligation	5.62	-
c) Interest accrued bu not due on Borrowings	0.42	1.40
d) Interest accrued and due on Borrowings	8.17	12.03
e) Unpaid Dividends	4.52	7.43
f) Other Payables		
(i) Tax Deducted at Source and Other Statutory Dues	331.24	253.46
(ii) Interest payable on Security Deposit	13.48	12.07
(iii) Advances from Customer	64.42	77.52
(iv) Unpaid Dividend Distribution Tax	8.59	52.27
(v) Employee Related Liabilities	681.45	519.14
(vi) Others	16.56	24.80
TOTAL	**1,409.97**	**1,301.23**
NOTE 11 : SHORT-TERM PROVISIONS		
a) Provision for Employee Benefits (Refer Note 28) :		
(i) Gratuity	39.32	35.38
(ii) For Compensated Absences	9.12	9.79
TOTAL (A)	**48.44**	**45.17**
b) Others:		
(i) Provision for Income Tax (Net)	372.21	224.25
(ii) Proposed Dividend to Equity Shareholders @ ₹ 0.05 Per Share	38.68	38.68
(iv) Tax on Proposed Dividend	7.87	7.87
TOTAL (B)	**418.76**	**270.80**
TOTAL (A+B)	**467.20**	**315.97**

GUFIC BIOSCIENCES LIMITED

NOTE 12 : FIXED AND INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK						Accumulated Depreciation & Impairment					NET BLOCK	
	Balance as at April 1, 2015 (₹)	Additions (₹)	Disposals/ Adjustments (₹)	Borrowing Cost Capitalised (₹)	Effect of foreign currency exchange (₹)	Balance as at March31, 2016 (₹)	Balance at at April 1, 2015 (₹)	Depreciation /amortisation expense for the year (₹)	Eliminated on disposal of assets (₹)	Prior Period Adjustment (₹)	Balance as at March 31, 2016 (₹)	Balance as at March31, 2016 (₹)	Balance as at March 31, 2015 (₹)
A. TANGIBLE ASSETS													
(a) Factory Building not Owned by the	408.53	-	–	–	–	408.53	275.96	33.08	–	–	309.04	99.49	132.57
(b) Plant and Equipment	3,181.51	9.76	–	–	–	3,191.27	1,310.65	237.76	–	–	1,548.41	1,642.86	1,870.86
(c) Plant and Equipment (R & D)	93.07	33.69	–	–	–	126.76	8.45	5.97	–	–	14.42	112.34	84.62
(d) Furniture and Fixtures	59.37	0.89	–	–	–	60.26	35.33	5.49	–	–	40.82	19.44	24.04
(e) Vehicles	263.96	-	47.97	–	–	215.99	89.27	32.79	33.54	–	88.52	127.47	174.69
(f) Office Equipment	407.96	5.63	–	–	–	413.60	298.58	26.61	–	–	325.19	88.41	109.38
(g) Other													
(1) Electrical Installations	145.19	–	–	–	–	145.19	51.33	18.72	–	–	70.05	75.14	93.86
(2) Computers	107.71	47.11	–	–	–	154.82	90.22	17.21	–	–	107.43	47.39	17.49
TOTAL Tangible Assets	**4,667.30**	**97.08**	**47.97**	**–**	**–**	**4,716.42**	**2,159.79**	**377.62**	**33.54**	**–**	**2,503.88**	**2,212.54**	**2,507.51**
B. INTANGIBLE ASSETS													
Computer Software	26.28	–	–	–	–	26.28	26.28	–	–	–	26.28	–	–
Brand	249.25	–	–	–	–	249.25	249.25	–	–	–	249.25	–	–
Technical Know How	138.56	–	–	–	–	138.56	135.37	1.06	–	–	136.43	2.13	3.19
TOTAL Intangible Assets	**414.09**	**–**	**–**	**–**	**–**	**414.09**	**410.90**	**1.06**	**–**	**–**	**411.96**	**2.13**	**3.19**
TOTAL Fixed Assets	**5,081.39**	**97.08**	**47.97**	**–**	**–**	**5,130.51**	**2,570.69**	**378.68**	**33.54**	**–**	**2,915.84**	**2,214.67**	**2,510.70**
C. Capital Working Progress													
(a) Capital Work in Progress	–	–	–	–	–	–	–	–	–	–	–	–	–
(b) Capital Work in Progress R&D	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Working Progress	–	–	–	–	–	–	–	–	–	–	–	–	–
											TOTAL	**2,214.67**	**2,510.70**

(*) - Note: Building shown in above schedule represents capital expenditure incurred on extension/renovation of factory building acquired on lease.

Particulars		As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 13 : NON-CURRENT INVESTMENTS			
A. Non - Trade			
Unquoted			
(i) Investment in Equity Instruments :			
4990 (2014 - 2015 : 4990) shares of ₹10 each, full paid up in Saraswat Co-op Bank Ltd.		0.50	0.50
(ii) Investment in Government Securities :			
National Savings Certificate		0.43	0.43
Aggregate Value of Unquoted Investments	**TOTAL**	**0.93**	**0.93**
NOTE 14 : LONG-TERM LOANS AND ADVANCES			
(Unsecured Considered good)			
a) Capital Advances		48.69	69.45
b) Deposits			
(i) Others		189.27	233.25
(ii) Related Parties (Refer Note 53)		420.00	420.00
c) Other Loans and advances			
(i) Advance Tax		2.79	2.79
(ii) Loans to Employee		-	6.11
(iii) DEPB Licences Receivable		28.15	28.15
(iv) Sales tax		41.03	41.03
	TOTAL	**729.93**	**800.78**
NOTE 15 : OTHER NON-CURRENT ASSETS			
(i) Trade Receivables (Refer Note 55)		185.45	144.68
(ii) Others (Refer Note 56)		124.04	123.80
	TOTAL	**309.49**	**268.48**
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)			
(As verified, valued and certified by the Management)			
a) Raw Materials		1,931.39	2,382.25
b) Work-in-Process		1,662.66	545.28
c) Finished Goods		535.78	202.40
d) Packing Materials		508.14	420.96
e) Stock-in-Trade		388.34	129.25
	TOTAL	**5,026.31**	**3,680.14**
NOTE 17 : TRADE RECEIVABLES			
(Unsecured, Considered Good) (Refer Note 52 & 55)			
Outstanding exceeding six months		264.06	323.24
Other		5,358.74	3,015.16
		5,622.80	**3,338.40**
NOTE 18 : CASH AND CASH EQUIVALENTS			
(i) Cash and Cash Equivaients			
a) Balances with banks			
In Current Accounts		209.18	318.81
b) Other Bank Balance			
Cheques in Hand		180.39	132.94
c) Cash on Hand		38.71	23.74
	A	**428.28**	**475.49**
(ii) Earmarked Balances with Banks:			
In Unclaimed Dividend Accounts		4.52	7.57
In Fixed Deposit (Pledged against LCs and guarantees)		183.10	137.59
	B	**187.62**	**145.16**
	TOTAL (A+B)	**615.90**	**620.65**

Particulars	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Loans and Advances to Related Parties (Refer Note 54)	262.79	1,100.45
b) Others		
(i) Advance to Suppliers	214.21	92.39
(ii) Loan to Employees	126.87	50.06
(iii) Prepaid Expenses	22.88	21.66
(iv) Cenvat Recoverable	54.97	234.25
(v) Duty Drawback Receivable	8.54	7.45
(vi) Others	9.63	2.45
TOTAL	**699.89**	**1,508.71**

	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 20 : REVENUE FROM OPERATIONS		
a) Sale of Products (Net of Returns and Sales Tax)	20,752.62	15,408.59
b) Processing Charges	643.08	570.85
c) Other Operating Revenues	14.72	12.55
Less: Excise Duty Collected	(1,190.54)	(836.83)
TOTAL	**20,219.88**	**15,155.16**
NOTE 21 : OTHER INCOME		
a) Interest Income	25.62	10.99
b) Dividend Received	0.04	0.03
c) Other Non-operating Income		
i) Scrap Sales	11.89	19.98
ii) Sundry Balances Written Back (Net)	14.49	-
iii) Miscellaneous Income	4.01	25.33
iv) Profit on Sale of Asset	5.65	0.83
TOTAL	**66.13**	**57.16**
NOTE 22 : COST OF MATERIALS CONSUMED		
A). Consumption of Raw Material		
Opening stock	2,382.25	1,671.35
Add: Purchases	6,062.66	6,518.16
Less: Closing stock	1,931.39	2,382.25
TOTAL (A)	**6,513.52**	**5,807.26**
(B). Consumption of Packing Material		
Opening stock	420.96	193.94
Add: Purchases	1,200.52	999.52
Less: Closing Stock	508.14	420.96
TOTAL (B)	**1,113.34**	**772.50**
TOTAL (A+B)	**7,626.86**	**6,579.76**

Particulars	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 23 : PURCHASE OF STOCK-IN-TRADE		
PURCHASE OF STOCK-IN-TRADE	4,280.95	1,670.77
	4,280.95	**1,670.77**
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year :		
Finished Goods	535.78	202.40
Work-In-Process	1,662.66	545.28
Stock-In-Trade	388.34	129.25
	2,586.78	**876.93**
Inventories at the Beginning of the year :		
Finished Goods	202.40	235.81
Work-In-Process	545.28	416.99
Stock-In-Trade	129.25	93.45
	876.93	**746.25**
	(1,709.85)	**(130.68)**
NOTE 25 : EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	2,569.76	1,652.88
b) Contribution to Provident and Other Funds	100.35	83.01
c) Staff Welfare Expenses	527.42	186.85
	3,197.53	**1,922.73**
NOTE 26 : FINANCE COSTS		
(a) Interest Expenses		
i) Interest on Term Loan	124.07	161.25
ii) Interest on OD Facility	340.50	235.56
iii) Interest to Others	64.76	46.30
TOTAL (A)	**529.33**	**443.10**
(b) Other Borrowing Costs	7.51	2.97
TOTAL (B)	**7.51**	**2.97**
TOTAL (A+B)	**536.84**	**446.08**

Particulars	As at March 31,2016		As at March 31,2015	
	₹ Lakhs	₹ Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 27 : OTHER EXPENSES				
Consumable Stores		50.25		61,74
Power and Fuel		357.40		316.33
Labour Charges		778.20		466.65
Factory Expenses		4.47		9.74
Rent		1.91		2.33
Rates and Taxes (Excluding Taxes on Income)		1.66		3.79
Repairs and Maintenance				
Building	53.95		30.76	
Machinery	57.74		72.42	
Others	33.93		26.43	
		145.62		129.61
Sales Tax Expenses		19.57		126.59
Printing and Stationery		51.56		40.71
Communication Expenses		83.85		39.96
Office Rent		123.83		121.71
Director Sitting Fees		0.60		0.95
Insurance Charges		33.42		23.05
Travelling, Conveyance and Vehicle Expenses		1,280.87		800.60
Legal & Professional Fees		478.23		322.76
Miscellanous Expenses		283.13		265.53
Net loss on Foreign Currency Transaction and Translation		51.41		24.77
Testing and Laboratory Expenses		194.15		81.98
Transport and Forwarding		351.58		267.89
Commission and Brokerage		285.43		166.04
Marketing Expenses		-		-
Sales Promotion Expenses		19.61		15.93
Advertisement		37.72		58.68
Discount		105.30		242.45
Donation		1.17		0.11
Research & Development Expenses (Refer Note No. 47)		67.76		25.81
Corporate Social Responsibility Activity (Refer Note No. 48)		18.83		-
Bad Debts		28.37		70.14
		4,855.90		**3,685.85**

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

(I) Defined Contribution Plan

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

	For the year ended 31.3.2016 ₹ in Lakhs	For the year ended 31.3.2015 ₹ in Lakhs
Employer's contribution to Provident fund & ESIC Fund	100.35	83.01

(ii) Defined Benefit plan

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

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

	For the year ended 31.3.2016	For the year ended 31.3.2015
I. Actuarial assumptions		
Discount rate	8.06%	8.00%
Expected return on plan assets	8.06%	8.00%
Salary escalation	5.00%	5.00%
Attrition Rate	3.00%	3.00%

	Particulars	For the year ended 31.3.2016 ₹ in Lakhs	For the year ended 31.3.2015 ₹ in Lakhs
II.	**Components of employer expense**		
	Current service cost	12.70	11.63
	Interest cost	10.38	15.43
	Expected return on plan assets	-	(3.41)
	Actuarial losses/(gains)	(38.08)	(20.98)
	Total expense recognised in the Statement of Profit and Loss	**14.99**	**2.66**
III.	**Net asset / (liability) recognised in the Balance Sheet**		
	Present value of defined benefit obligation	156.28	169.72
	Fair value of plan assets		
9		(41.51)	39.96
	Funded status [Surplus / (Deficit)]	(114.77)	(129.76)
	Net asset / (liability) recognised in the Balance Sheet	**(114.77)**	**(129.76)**
IV.	**Change in defined benefit obligations (DBO) during the year**		
	Present value of DBO at beginning of the year	169.72	165.71
	Interest Cost	13.58	15.43
	Current service cost	12.70	11.63
	Liability Transfer in	-	-
	Benefit Paid	-	-
	Actuarial (gain)/loss on obligations	(39.73)	(23.04)
	Present value of DBO at the end of the year	**156.28**	**169.73**
V.	**Change in fair value of assets during the year**		
	Plan assets at beginning of the year	39.96	36.61
	Expected Return on Plan Assets	3.20	3.41
	Contributions	-	2.00
	Transfer from other Company	-	-
	Benefit Paid	-	-
	Actuarial gain/(loss) on Plan Assets	(1.65)	(2.06)
	Plan assets at the end of the year	**41.51**	**39.96**
VI.	**Actual Return on Plan Assets:**		
	Expected Return on Plan Assets	3.20	3.41
	Actuarial gain/(loss) on Plan Assets	(1.65)	(2.06)
	Actual Return on Plan Assets	**1.55**	**1.35**
	Composition of the plan assets is as follows:		
	Government bonds	-	-
	PSU bonds	-	-
	Equity mutual funds	-	-
	Others - Insurer Managed Funds	100%	100%

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

Experience Adjustments		
Present value of Defined Benefit Obligation as at March 31, 2016	156.28	169.73
Fair Value of Plan Assets as at March 31, 2016	41.51	39.96
Funded status [Surplus/(Deficit)]	(114.77)	(129.76)
Experience adjustment on Plan Liabilities	(39.21)	(35.54)
Experience adjustment on Plan Assets Gain / (Loss)	(1.65)	(2.06)

(iii) Other Long Term Benefits:

Compensated Absences (Unfunded)

The company has made provision of ₹ 51.62 lacs on March 31, 2016 (2014-15: ₹ 55.91) based on independent actuarial valuation report.

NOTE 29 : SEGMENT REPORTING AS - 17

₹ in Lakhs

Sr. No.	Particulars	Formulations		Bulk Drugs		Consumer		Total	
		For the year ended 31.3.2016	For the year ended 31.3.2015	For the year ended 31.3.2016	For the year ended 31.3.2015	For the year ended 31.3.2016	For the year ended 31.3.2015	For the year ended 31.3.2016	For the year ended 31.3.2015
1	**SEGMENT REVENUE**								
	Sales and Services (Net of returns)	19,711.12	12,518.61	1,240.62	1,404.34	443.96	1,219.66	21,395.70	15,142.61
	Add: Unallocated Income (Including other Income)							80.85	69.71
	TOTAL SEGMENT REVENUE	**19,711.12**	**12,518.61**	**1,240.62**	**1,404.34**	**443.96**	**1,219.66**	**21,476.55**	**15,212.32**
2	**SEGMENT RESULTS**	3,892.95	2,449.29	217.11	251.76	42.18	136.97	**4,152.23**	**2,383.08**
	Less: Unallocated Expenses							2,117.61	1,354.15
	Financial Charges							536.84	446.08
	Depreciation							378.68	385.21
	Tax Provision							386.67	236.85
	PROFIT AFTER TAX							**732.43**	**415.74**
3	**OTHER INFORMATION**								
	Segment Assets	11,707.18	7,677.61	835.90	1,302.90	637.76	590.80	13,180.84	9,571.31
	Add: Unallocated Assets							2,039.08	3,157.47
	Total Assets							**15,219.92**	**12,728.78**
	Segment Liabilities	4,968.44	4,254.48	98.30	235.52	29.26	168.40	5,096.00	4,658.40
	Add: Unallocated Liabilities							6,728.04	5,490.24
	Total Liabilities							**11,824.04**	**10,148.64**
	Capital Expenditure								
	Capital Expenditure Incurred	93.08	48.30	4.00	28.19	--	--	97.08	76.49
	Unallocated Capital Expenditure							--	174.75
	Depreciation	263.84	179.74	66.84	68.92	46.94	14.45	377.62	263.11
	Unallocated Depreciation							1.06	122.10

₹ in Lacs

4	ADDITIONAL INFORMATION	In India		Out of India		Total	
		For the year ended 31.3.2016	For the year ended 31.3.2015	For the year ended 31.3.2016	For the year ended 31.3.2015	For the year ended 31.3.2016	For the year ended 31.3.2015
	a. Revenue by Location of Customer	20,424.57	13,967.13	971.13	1,175.48	21,395.70	15142.61
	b. Segment Assets by Location of the Supplier	15,087.65	12,627.19	132.27	101.59	15,219.92	12,728.78
	c. Capital Expenditure by Location of the Supplier	97.08	230.18	--	21.09	97.08	251.27

NOTE 30: RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

Related party transactions

A. Details of related parties

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Jayesh P. Choksi (Chairman & Managing Director) Pranav J. Choksi (Whole-time Director & CEO) Pankaj Gandhi (Whole-time Director) Hemal Desai (Chief Financial Officer & Whole-time Director)
Relatives of KMP	Vipula J. Choksi Parth Gandhi
Company in which KMP / Relatives of KMP can exercise influence	Comfrey Pharmaceuticals Private Limited Foxglove Securities Private Limited Gufic Chem Private Limited Gufic Lifesciences Private Limited Gufic Stridden Bio-Pharma Private Limited Jal Private Limited Motif Hotels Private Limited Zircon Finance and Leasing Private Limited Zire Realty Limited Zire Rushi Construction Manshi Gandhi Enterprises Path Gandhi Enterprises

B. Related Party Transactions		2015 - 16 ₹ in Lakhs	2014 - 15 ₹ in Lakhs
(I) Key Management Personnel & Relatives			
(a) Remuneration		68.56	34.42
(b) Reimbursement of Expenses		24.11	25.12
(c) Payment of Services		1.42	3.51
Outstanding balance as on March 31, 2016	Cr.	286.13	283.75
Outstanding balance as on March 31, 2016	Dr.	4.44	0.64
(ii) Enterprises in which Key Management Personnel have significant influence			
(a) Payment for Services		737.70	356.46
(b) Purchase of Goods & Reimbursement of Expenses		1,142.87	56.46
(c) Payment of Rent / Rates & Taxes		1.20	-
(d) Sale of Goods		342.62	41.00
(e) Services Rendered		21.94	56.18
(f) Guarantee Given		450.00	450.00
Outstanding balance as on March 31, 2015	Cr.	46.89	19.13
Outstanding balance as on March 31, 2015	Dr.	826.26	1637.99

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

NOTE 31 : LEASE TRANSACTIONS

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

The total future minimum lease payments under non-concellable leases for:	**(₹ in Lakhs)**
(i) Not later than one year	121.60
(ii) later than one year but not later than five years	167.20

NOTE 32 : EARNINGS PER SHARE

Particulars	For the year ended 31.3.2016	For the year ended 31.3.2015
Earnings per share		
Net profit for the year attributable to the equity shareholders (₹. in Lacs)	732.43	415.75
Weighted average number of equity shares	77,350,000	77,350,000
Par value per share ₹	1	1
Basic and diluted Earning per share ₹	0.95	0.54

NOTE 33 : CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

		As at 31.3.2016 ₹ in Lakhs	As at 31.3.2015 ₹ in Lakhs
(a)	Other money for which the Company is contingently liable		
	(i) Letter of Credit	1,458.68	1,001.68
	(ii) Bank Guarantee	9.82	3.49
	(iii) Excise Duty	108.86	108.86
	(iv) Income Tax	454.62	509.58
	(v) Sales Tax	29.15	29.15
	(vi) Labour Cases	0.76	0.76
(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	76.88

		As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 34 : OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY :			
Opening Stocks as at April 1, 2015			
Tablets		27.04	32.45
Capsules		10.42	4.22
Ointments		23.65	18.02
Syrups/Suspension		16.21	11.07
Injection		45.62	89.75
Powder		2.43	1.70
Lotion		7.75	4.74
Bulk Drugs		69.02	46.85
Sanitary Napkins		0.26	27.01
	TOTAL	**202.40**	**235.81**
Closing Stocks as at March 31, 2016			
Tablets		79.75	27.04
Capsules		14.01	10.42
Ointments		34.77	23.65
Syrups/Suspension		27.29	16.21
Injection		279.09	45.62
Powder		3.59	2.43
Lotion		25.41	7.75
Bulk Drugs		55.84	69.02
Sanitary Napkins		16.04	0.26
	TOTAL	**535.78**	**202.40**
NOTE 35 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS			
Opening Stocks as at April 1, 2015			
Formulation		533.75	400.79
Bulk Drug		11.53	16.2
	TOTAL	**545.28**	**416.99**
NOTE 36 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS			
Closing Stocks as at March 31, 2015			
Formulation		1,474.02	533.75
Bulk Drug		188.64	11.53
	TOTAL	**1,662.66**	**545.28**
NOTE 37 : OPENING & CLOSING STOCKS OF STOCK IN TRADE			
Opening Stocks as at April 1, 2015			
Tablets		106.76	64.57
Capsules		3.16	9.73
Ointments		-	-
Syrups/Suspension		14.56	10.52
Injection		4.09	8.17
Powder		0.68	0.18
Sanitary Napkins		-	0.28
	TOTAL	**129.25**	**93.45**
Closing Stocks as at March 31, 2016			
Tablets		93.01	106.76
Capsules		39.32	3.16
Lotions		20.52	-
Syrups/Suspension		15.97	14.56
Injection		219.52	4.09
Powder		-	0.68
	TOTAL	**388.34**	**129.25**

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

	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
Manufacturing		
Tablets	2,312.01	1,499.35
Capsules	330.83	202.75
Ointments	346.57	290.44
Syrups/Suspension	221.00	187.26
Injection	12,037.82	8,040.62
Powder	27.00	20.34
Lotion	504.61	601.21
Bulk Drugs (Manufacturing)		
Chemicals	759.36	1,528.26
Sanitary Napkins (Manufacturing)	397.63	630.49
	16,936.83	**13,000.72**
Less : Excise Duty	1,190.54	836.83
TOTAL (A)	**15,746.29**	**12,163.89**
SALE OF GOODS TRADED BY THE COMPANY:		
Tablets	623.65	952.53
Capsules	60.32	55.43
Syrups/Suspension	126.38	102.94
Injections	614.87	357.92
Powder	-	5.24
Others	2,390.57	933.81
TOTAL (B)	**3,815.79**	**2,407.87**
TOTAL (A+B)	**19,562.08**	**14,571.76**

NOTE 39 : RAW MATERIALS AND COMPONENTS CONSUMED

RAW MATERIALS		
Chemicals	5,622.28	4,804.88
Chemicals (Bulk Drugs)	682.14	682.68
Others	209.10	319.73
TOTAL (A)	**6,513.52**	**5,807.26**
PACKING MATERIAL		
Cartons / Boxes	292.18	154.70
Vial	270.55	182.31
Rubber stopper	225.22	144.12
Bags	30.07	37.49
Tray	40.27	61.41
Bottel	28.45	24.04
Foil	21.40	28.52
Label	49.87	32.59
Tube	18.21	31.12
Others	137.12	76.19
TOTAL (B)	**1,113.34**	**772.49**
TOTAL (A+B)	**7,626.86**	**6,579.78**

	As at March 31,2016 ₹ in Lakhs	As at March 31,2015 ₹ in Lakhs
NOTE 40 : DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS		
Imported *	3,426.94	2,175.81
% to Total Consumption	**44.93**	**33.07**
Indigenous *	4,199.92	4,403.95
% to Total Consumption	**55.07**	**66.93**
TOTAL	**7,626.86**	**6,579.78**
NOTE 41: PURCHASE OF GOODS TRADED BY THE COMPANY		
Tablets	431.23	310.21
Capsules	54.36	16.42
Syrups/Suspension	119.45	48.70
Injection	1,874.96	363.39
Powder	2.97	2.11
Sanitary Napkins	3.47	-
Others	1,794.51	929.94
TOTAL	**4,280.95**	**1,670.77**
NOTE 42 : VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Materials / Merchant Goods	3,420.23	2,175.81
Finished Goods	11.55	49.76
Capital Goods	33.69	21.06
TOTAL	**3,465.47**	**2,246.63**
NOTE 43 : EXPENDITURE IN FOREIGN CURRENCY		
Foreign Traveling	70.42	16.40
Commission	10.40	4.42
Profession	217.48	77.44
Other Expenses	-	26.38
TOTAL	**298.29**	**124.63**
NOTE 44 : EARNINGS IN FOREIGN CURRENCY		
Export of goods calculated on FOB basis	909.58	1,175.48
NOTE 45 : PAYMENTS TO AUDITORS		
As Auditors		
(i) Audit Fees	7.25	7.25
(ii) Tax & Domestic Transfer Pricing Audit	0.70	0.70
(iii) Limited Review	0.80	0.80
In other Capacity		
(i) Certification Work & Other Capacity	0.25	0.25
(ii) Representation before Statutory Authority	2.20	1.38
Reimbursement of Expenses & Service Tax	2.08	1.72
TOTAL	**13.28**	**12.10**

NOTE 46

In compliance with Accounting Standard-2 (AS-2) revised, excise Duty liability estimated at Rs. 42.30 lakhs (Previous year R s. 22.42 lakhs) on finished goods lying in factory premises has been loaded on the valuation of Finished goods. However, it has no impact on the Profit and Loss Account. The Excise duty of Rs. 13.51 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

NOTE 47

The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research. During the year it has incurred expenditure of Rs. 101.45 lakhs (including fixed assets of Rs. 33.69 lakhs) (Previous Year : Rs. 25.81 lakhs) and the same has been shown under the head other expenses.

NOTE 48

CSR Expenditure

(a) Gross amount required to be spent by the company during the Financial Year 2015-16: Rs.18.83 Lakhs

(b) Amount spent during the year

Particulars	In cash	Yet to be paid	Total
(I) On Construction / Acquisition of any assets	-	-	-
(ii) On purposes other than (I) above	18.83	-	18.83
Total	18.83	-	18.83

NOTE 49

Capital expenditure incurred on the building constructed in leasehold land by the company are capitalised in the books of accounts and are amortised over a period of 5 years

NOTE 50

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

NOTE 51

In the opinion of the management inventories of Rs.5026.21 lakhs (Previous year Rs. 3680.14 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 52

Balance of Trade Receivable, loans & advances, Trade Payable and security and Trade Deposits from Agents and Stockists balance are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmation, if any, it is shown as good in nature.

NOTE 53

The company has given security deposit of Rs. 300 lakhs to Gufic Private Limited towards the use of its factory

premises at Navsari for its manufacturing activities. Accordingly an amount of Rs.300 lakhs has been shown under the head long term loans and advances.

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

NOTE 54

The company has entered into strategic arrangement with one of its group company for increasing its additional production capicity of manufacturing injectiable vials, having a better quality and low cost of production to fulfill the demand. The company has granted advances of Rs. 250 lakhs (2013 - 2014 : Rs 1100 lakhs) under the said arrangement. The production under the said arrangement have already been commenced. Accordingly the same has been shown as loans and advance under the head short term loans and advance.

NOTE 55

In view of management debts of Rs. 185.45 lakhs (Previous Year : 151.48) and advances of Rs. 68.46 lakhs (Previous Year : 52.26) outstanding for more than one year are good and recoverable in nature. Management is taking necessary steps for recovery of the said amount.

NOTE 56

The company had in the earlier year unearthed fraud committed by one of its marketing employee who has misappropriated amount of Rs. 124.04 lakhs (Previous Year : Rs. 123.80 lakhs). The management has taken necessary steps including leagl action and is hopeful of recovering the said amount. Accordingly it has been shown the amount of Rs. 124.04 lakhs under the head other non-Current Assets (other).

NOTE 57

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

NOTE 58

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

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

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman & Managing Director

Pranav J. Choksi
Chief Executive Officer & Whole Time Director

Hemal Desai
Chief Financial Officer & Whole Time Director

Ami Shah
Company Secretary

Mumbai - May 30th, 2016

NOTES

NOTES

PHARMA DIVISION PRODUCTS











HERBAL DIVISION PRODUCTS

























GUFIC FertiCare

A Comprehensive Fertility Care



GUFIC BIOSCIENCES LIMITED

CIN: L65990MHI984PLC033519

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

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

Tel.: (91-22) 6726 1000 Fax : (91-22) 6726 1068 • Email : gufic@guficbio.com • www.guficbio.com

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lacs)
	1.	Turnover / Total income	20,286.01	20,286.01
	2.	Total Expenditure	19,166.58	19,290.95
	3.	Net Profit/(Loss)	732.42	608.39
	4.	Earnings Per Share	0.95	0.79
	5.	Total Assets	15,219.91	15,095.88
	6.	Total Liabilities	15,219.91	15,095.88
	7.	Net Worth	3,395.87	3,271.84
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification :**

As per Audit Report :

1. We are unable to express our opinion on recoverability of debts of Rs. 185.45 lakhs (2014 – 2015: Rs. 151.48 lakhs) and advances of Rs. 68.46 lakhs shown under the head long term loans and advances as at Balance sheet date (2014 - 2015: Rs. 52.26 lakhs), which are outstanding for more than one year. In the absence of appropriate evidences, we are unable to ascertain its recoverability and its impact on the accounts of the company. However, in the opinion of the management no provision is required in respect of such debts since they are good and recoverable in nature.

2. Company has not made any provision for Rs. 124.04 lakhs (2014 – 2015: Rs. 123.80 lakhs) on account of misappropriation done by the marketing employee of the company in FY 2014 – 2015. In our opinion said amount is doubtful of recovery, as a result the profit is over stated by Rs. 124.04 lakhs (2014 – 2015: Rs. 123.80 lakhs) with consequential impact on Shareholders Fund and other non-current assets which are over stated by the said amount. The management has initiated necessary steps for the recovery of the said amount and is confident of recovery, as a result, the said amount has been shown as recoverable under the head other non-current assets.

b. **Type of Audit Qualification** : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion : *Qualified Opinion*

c. **Frequency of qualification** : Whether appeared first time / repetitive / since how long *continuing : Note (a) (1) above is appearing for last several years and Note (a)(2) appearing* for last 2 years.

c. **Frequency of qualification :** Whether appeared first time / repetitive / since how long continuing : Note (a) (1) above is appearing for last several years and Note (a)(2) appearing for last 2 years.

d. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification:

Management Response:

Point II(a)(2) above

The Company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of ` 124.04 lacs in the financial year 2014-15. The said employee is under police custody. The case is still pending before the Court of law. Company is expecting to recover the amount from the employee and hence in view of the management no provision is required.

(ii) If management is unable to estimate the impact, reasons for the same :

Management Response :

Point II(a)(1) above

Advances and Debts recoverability is a common feature of any running business. The amount mentioned in II(a)(1)keeps varying depending on the strategies adopted for the year for growth of company as a whole.

Company has already initiated process of identifying Trade Receivable and Advances which are non-recoverable in nature and will make necessary provision upon completion of process. However during the Financial Year 2015 – 16, it has made necessary provision or transferred amount to bad debts in respect of debtors which are not recoverable in nature amounting to Rs. 28,37,409.30.

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

In 2014-15, the trade receivables for more than six months were 2.13 % to the sales revenue whereas, in 2015-16, the ratio decreased to 1.31%. The decrease reflects the efforts taken by the Management to reduce the debts.

(iii) **Auditors' Comments on *(i)* or *(ii)* above:**

(i) **In respect of Point (i) above:**
Refer our comment in para (a) point 2 above. We make no further observations *with respect to management estimation to the above point.*

	(ii)	*In respect of Point (ii) above:* Refer to our comment in para (a) point 1 above. The above said amounts are subject to confirmation and reconciliation.
	Signatories : • Mr. Jayesh P. Choksi - Managing Director • Hemal Desai –CFO • Mr. Sharat Gandhi -Audit Committee Chairman • Mr. Deep Shroff -Statutory Auditor FOR SHR & CO Chartered Accountants Partner M.NO. 122592 FRN : 120491W Place: Mumbai Date: September 9, 2016	