

36th
ANNUAL REPORT
2020-2021



GUJARAT TERCE LABORATORIES LTD.

BOARD OF DIRECTORS

Mr. Natwarbhai P. Prajapati	[DIN 00031187]	Chairman & Managing Director (CEO)
Mr. Aalap Prajapati	[DIN 08088327]	Whole Time Director
Mr. Amritbhai P. Prajapati	[DIN 00699001]	Whole Time Director
Mr. Jayantibhai S. Prajapati	[DIN 02608139]	Independent Director (up to June 14, 2021)
Mrs. Chhayaben A. Shah	[DIN 01435892]	Independent Director
Mr. Viprav S. Khamar	[DIN 07859737]	Independent Director
Mr. Surendrakumar Sharma	[DIN 06430129]	Independent Director
Mr. Navinchandra Patel	[DIN 08702502]	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ashka Solanki

CHIEF FINANCIAL OFFICER

Mr. Bhagirath Ramhit Maurya

REGISTERED OFFICE & FACTORY

122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. Gandhinagar, Gujarat.
CIN: L24100GJ1985PLC007753
Email: ho@gujaratterce.com / gtl.factory@gmail.com
Web: www.gujaratterce.in

ADMINISTRATIVE OFFICE

Unit No. D-801-802, The First, B/h. Keshavbaug Party Plot, Vastrapur, Ahmedabad 380015, Gujarat

AUDITORS

M. A. Shah & Co.

CHARTERED ACCOUNTANTS

Navaliwala Building, Station Road, Anand – 388001, Gujarat

SECRETARIAL AUDITOR

GKV & Associates

Practicing Company Secretary

301-302, Sahjanand Complex, B/h Bhagwati Chambers, My-My Show Room, Swastik Cross Roads, Navrangpura, Ahmedabad- 380009.

BANKER

BANK OF BARODA

Ellisbridge Branch, Pritamnagar 1st Slop, Ellisbridge, Ahmedabad-380006, Gujarat

HDFC BANK LTD.

C.G. ROAD Branch, Ground Floor Silver Brooke-A Opp. Doctor House,
Nr. Parimal Cross Roads, C.G. Road, Ahmedabad – 380006, Gujarat

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai -400059, Maharashtra.

Index

Sr. No.	Particulars	Page No.
1	Notice	01
2.	Director's Report	09
3.	Management Discussion and Analysis Report	17
4.	Corporate Governance Report	34
5.	Independent Auditor's Report	51



NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held on Tuesday, 7th September, 2021 at 11:00 a.m. through video conferencing or other audio visual mode to transact the following business.

ORDINARY BUSINESS:

1. Adoption of Financial Statements

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

“RESOLVED THAT the Audited Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2021 along with the Directors’ Report and the Auditor’s Report thereon be and are hereby received, considered, approved and adopted.”

2. Appointment of Mr. Aalap Prajapati (DIN: 08088327), who retires by rotation and being eligible, offers himself for re-appointment:

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

“RESOLVED THAT pursuant to section 152(6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Aalap Prajapati (DIN: 08088327), Director of the Company, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

SPECIAL BUSINESS

3. Levy of Charges for delivery of any document to member through a particular mode requested by such member:

To consider and determine the fees for delivery of any documents through a particular mode of delivery to a member and in this regard, to consider and, if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as ‘the Act’), upon receipt of a request from a member for delivery of any document through either by registered post or by speed post or by courier or by such electronic or other mode prescribed under the Act, consent of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) to such Member by charging an amount of Rs.100/- (Rupees One Hundred Only) per each such document, over and above reimbursement

of actual expenses incurred by the Company, by way of fees for sending the document to him in the desired particular mode.”

“RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member 7 days in advance to the Company, before dispatch of such document.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or its duly constituted committee be and is hereby authorised to amend or alter such charges from time to time and to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. Re-appointment of Mr. Amritbhai Prajapati (DIN 00699001), as Whole-time Director of the Company.

Consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Amritbhai Prajapati, as Whole-time Director of the Company with effect from 24/06/2021 to 24/05/2024, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Amritbhai Prajapati.

RESOLVED FURTHER THAT the remuneration payable to Mr. Amritbhai Prajapati, shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V read with Section 196 and 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

GUJARAT TERCE LABORATORIES LTD.

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the physical attendance of Members is dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-Voting. Since the AGM will be held through VC/OAVM, the Route Map for AGM venue is not required to be annexed to the Notice.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing

facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gujaratterce.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday 4th September, 2021 at 09:00 A.M. and ends on Monday, 6th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 31st August, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 31st August, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

GUJARAT TERCE LABORATORIES LTD.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - Now, you will have to click on “Login” button.
 - After you click on the “Login” button, Home page of e-Voting will open.
- which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ipshah13@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsd.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
 - Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
 - Now you are ready for e-Voting as the Voting page opens.
 - Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for
- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@gujaratterce.com.
 - In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@gujaratterce.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).

GUJARAT TERCE LABORATORIES LTD.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in atleast 10 days mentioning their name demat account number/folio number, email id, mobile number at cs@gujaratterce.com. The same will be replied by the company suitably.



EXPLANATORY STATEMENT

[PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013]

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2, 3 and 4 of the accompanying Notice:

Agenda No. 2

Name	Mr. Aalap Prajapati
Age	32 years
Date of Birth	29/11/1988
DIN	08088327
Qualification	B.Tech in Electronics, MBA Marketing
Brief Profile including expertise	He is the promoter and Whole- Time Director of Gujarat Terce Laboratories Limited. He is a dynamic, young professional leader looking to steer the company into new horizons in the days to come. He started his carrier in company from grass root level and reached to top level management with his business acumen, entrepreneurial zeal, organizational skills and managerial abilities. He is having an experience of 9 years in the Company and pharmaceutical sector.
Directorship in other Companies	NIL
Names of listed Companies in which holds the directorship and the membership of Committees Board	NIL
Relationship with other Directors and KMP	He is the Son of Mr. Natwarbhai Prajapati
Shareholding in Gujarat Terce Laboratories Limited	35,395
Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance Report

Agenda No. 3

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served to any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 3 of the accompanying Notice for members approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Agenda No. 4

Name	Mr. Amritbhai Prajapati
Age	67 years
Date of Birth	24/05/1954
DIN	00699001
Qualification	Diploma in Textile
Brief Profile including expertise	He is the promoter and Whole- Time Director of Gujarat Terce Laboratories Limited. His association with the Company added immense value to Company’s Financial Stability.
Directorship in other Companies	NIL
Names of listed Companies in which holds the directorship and the membership of Committees Board	NIL
Relationship with other Directors and KMP	He is the brother of Mr. Natwarbhai Prajapati
Shareholding in Gujarat Terce Laboratories Limited	31510
Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance Report

*Note : The Directorship held by director mentioned above do not include directorship of Private Limited Company.

GUJARAT TERCE LABORATORIES LTD.

ITEM NO. 4

Mr. Amrit Prajapati was re-appointed as Whole-time Director of the Company at the 31st Annual General Meeting of the shareholders of the Company held on September 7, 2016, for a period of five years w.e.f. August 01, 2016. The Board of Directors of the Company in its meeting held on June 24, 2021, on recommendation of Nomination & Remuneration Committee, re-appointed Mr. Amrit Prajapati as Whole-time Director for a period of three years with effect from June 24, 2021 on the terms and conditions approved by the Nomination & Remuneration Committee as given herein below, subject to approval of the shareholders at this Annual General Meeting. In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on approving re-appointment of Mr. Amritbhai Prajapati, as Whole-time Director of the Company for a further period of three years with effect from 24/06/2021 to 24/05/2024. This is subject to the approval of the shareholders at this Annual General Meeting. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mr. Amritbhai Prajapati and the terms and conditions of the reappointment are given below:

- i. Salary: ₹ 33,000/- per month which is eligible for revision on a date to be determined by the Nomination & Remuneration Committee.
- ii. Perquisites: The salary of Whole-time Director excludes all the perquisites listed herein below and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable;

- a) Medical Re-imburement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- b) Leave Travel Concession: For self and family.
- c) Personal Accident Insurance/Group Life Insurance will be in accordance with the rules of the Company
- d) Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961.
- e) Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

Other terms and conditions:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable. No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof. He shall be liable to retire by rotation. All other existing terms and conditions for the re-appointment shall remain unchanged. The Board of Directors recommends the resolution in relation to the re-appointment of Whole-time Director, for the approval of the shareholders of the Company. Except Mr. Amritbhai Prajapati himself, and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

**By Order of the Board of Directors
For, Gujarat Terce Laboratories Ltd**

Place: Ahmedabad
Date: 24.06.2021

Sd/-
Ashka Solanki
Company Secretary & Compliance Officer
M. No. : A56817



DIRECTOR'S REPORT

To,
The Members of
GUJARAT TERCE LABORATORIES LIMITED

Your Directors have pleasure in presenting the 36th Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2021.

The Company's financial performance for the year ended on 31st March, 2021 is summarized below:

1. FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particulars	Current Year 2020-21	Previous Year 2019-20
Revenue from operation	2517.79	3754.38
Profit before Interest and Depreciation	(196.60)	96.91
Less: Interest	38.93	29.18
Profit Before Depreciation	(235.53)	67.73
Less: Depreciation	17.63	24.15
Profit Before Tax	(253.16)	43.58
Less/Add: Tax Expenses	-	-
Current Tax	-	20.64
Deferred Tax	(1.14)	(4.67)
Total Tax Expenses	(1.14)	15.96
Profit for the year	(252.02)	27.61
Income Tax Effect	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income	(252.02)	27.61

2. STATE OF COMPANY'S AFFAIRS

The operating income decreased to ₹ 2517.79 lakh from ₹ 3754.38 lakh in the previous year. The Profit before Tax for the year is ₹ (253.16) lakh as against ₹ 43.58 lakh in previous year. The net profit decreased to ₹ (252.02) lakh from ₹ 27.61 lakh in the previous year.

3. PERFORMANCE REVIEW:

The overall performance of the company was below expectation due to the corona virus effect. The lockdown had left a devastating impact on the economy of India. As the country implemented necessary lockdown and social distancing practices to prevent a pandemic, the whole world has been put in a Great Lockdown. Entire economic activity, trade and commerce were shut down for 2-3 months and even after relaxation economic activity was restricted.

Our stakeholders (Doctors) were not able to practice during this period. The OPD (outpatient department) were negligible during the lockdown and didn't improve much post relaxations. Our main brands, i.e., Acolate, Tynol, DFS, Resplash, Aziter are Acute brands. The major hit during the FY 20 was acute segment.

Our main brands didn't perform due to paucity of patients and subsequent prescription thus we registered de-growth over last FY.

Company during the year 2020-2021 earned revenue of ₹ 25.98 Crores as compared to previous year ₹ 37.54 Crore. It lost its revenue by approximately 31%.

Indian manufacturers rely heavily on APIs from China for the production of their medicine formulations, procuring around 70 percent from China, the top global producer and exporter of APIs by volume. Major portion of APIs were being imported from China. Indian pharma industries were mainly depended on inputs from China and due to restrictions on Import indigenous industry could not meet the demand of APIs of pharma sector and due to this cost of basic raw materials increased drastically. Not only were this supply of other basic raw materials badly affected due to lockdown. Availability of manpower, skilled and unskilled workers was hindered due to lockdown and fear of widespread infection of corona virus. Supply chain of product was also adversely affected by lockdown.

GUJARAT TERCE LABORATORIES LTD.

All this affected the production activity and cost of manufacturing rose approximately by 2%.

Looking to the situation company made immediate action plan to reduce the operational cost and expenses so that losses can be minimized. Strict control was imposed on each and every head of expenses and continuous corrections were made to reduce the expenses.

In spite of all our efforts company incurred Net Loss (before tax) of ₹ 2.53 Crore as compare to Net Profit (before tax) of ₹ 0.43 Crore during previous year.

We have learnt an expensive lesson and have made changes in our supply chain, processes, and human resource.

Thanks to the government's initiative "Vocal for Local" our dependency of APIs has reduced from China.

We are expecting strengthening growth during the financial year 2021-2022 and targeted revenue during the year 2021-2022 is ₹ 40 Crores.

The trend of Quarter 1 of FY 22 has been encouraging as per reported data already published and we are in line with the expected growth.

4. FINANCIAL ANALYSIS:

The COVID-19 pandemic has caused significant difficulties for business environments globally. The lockdown measures and reduction in mobility have created many obstacles within the supply chain and have threatened the continuity of all companies' activities.

Due to decline in sales and net profit of company the cash flow from operating activity was adversely affected. Cash flow from operating activity during the year 2020-2021 was ₹ (196.36) Lacs whereas during previous year it was 68.48 Lacs. Company has efficiently mobilized its working capitals viz. Trade Receivables & Trade Payables to meet the daily finance requirement.

5. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

As there was no adequate profit, therefore no amount has been transferred to General Reserve during the year.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

No company has become or ceased to be Subsidiary Company, Joint Venture Company or Associate Company during the year.

8. CHANGE IN THE NATURE OF BUSINESS

During the Financial Year 2020-2021 Company has not commenced any new business nor discontinued/sold or sold or disposed off any of its existing businesses or hived off any segment or division.

9. SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2021 was ₹ 7,42,03,000 comprising of 74,20,300 Equity Shares of ₹ 10.00 each. The Company has not issued any Equity Shares during FY 2020-21. There was no change in Share Capital during the year under review.

10. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial year five Board Meetings were held. For details of meetings of the Board of Directors with regard to the dates and attendance of each of the Directors thereat, please refer to the Corporate Governance Report, which is a part of this Report.

11. CORPORATE GOVERNANCE

As provided under Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the compliance with Corporate Governance as specified in Regulation 17,17A, 18, 19, 20, 21,22, 23, 24, 25, 26, 27 and 46(2)(b) to (i) & Para C, D & E of Schedule V are not applicable to the Company as paid up share capital doesn't exceed ₹ 10 Crore.

The Company has decided to maintain and adhere to the Corporate Governance requirements set out by SEBI voluntarily. The Report on Corporate Governance along with requisite Certificate from M/s. Pinakin Shah & Co., Practicing Company Secretary, Ahmedabad is annexed to this Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, forms part of this report and it deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, significant changes in key financial ratios etc. in **Annexure-A**.



13. DIVIDEND

The Company has not recommended any dividend for current year.

14. DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2021.

15. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

- **Commodity Price Risks**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact of price risk on finished goods.

- **Regulatory Risks**

The company is exposed to risks attached to various statues and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

- **Human Resources Risks**

Retaining the existing talent pool and attracting new talent are major risks. The company has initialed various measures including rolling out strategic talent management system, training and integration of learning and development activities.

- **Strategic Risks**

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Aalap Prajapati (DIN: 08088327) will retire by rotation at the ensuing Annual General Meeting and is being eligible for re-appointment. Pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015, details of Directors retiring by rotation is provided under explanatory statement of the Notice of the ensuing Annual General Meeting.

The Board of directors, on the recommendations of the Nomination and Remuneration Committee (NRC), had re-appointed Mr. Amritbhai Prajapati (DIN: 00699001) as an Whole-Time Director w. e. f. June 24, 2021 to May 24, 2024 for the term for 3 years, subject to the resolution to be passed by the Shareholders at the AGM.

Mr. Jayantibhai Prajapati, Independent Director of the Company had resigned from his position w.e.f 14th June, 2021 due to personal reasons and has stated that he do not have claim whatsoever against Gujarat Terce Laboratories Limited for loss of office, accrued remuneration or otherwise and also the Company has no claims whatsoever against him.

All Independent Directors (IDs) have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details terms of appointment of IDs are disclosed on the company's website with following link <http://gujaratterce.in/Codes-and-Policies>

17. NOMINATION AND 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 including criteria for determining qualifications, positive attributes, Independence of a director. The details of the Nomination and Remuneration Policy are covered in the Corporate Governance Report. The said policy has also been uploaded on the Company's website at <http://gujaratterce.in/Codes-and-Policies>

GUJARAT TERCE LABORATORIES LTD.

18. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Individual Directors pursuant to the requirements of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule prescribed thereunder.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the respective Committees were evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The above criteria are as per the Performance Evaluation Policy of the Company approved by the Board of Directors upon the recommendation of Nomination and Remuneration Committee.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on March 30, 2021 to evaluate the performance of the Chairman, Non- Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- Relevant Knowledge, Expertise and Experience.
- Devotion of time and attention to the Company's long term strategic issues.
- Addressing the most relevant issues for the Company.
- Discussing and endorsing the Company's strategy
- Professional Conduct, Ethics and Integrity.
- Understanding of Duties, Roles and Function as Independent Director.

Your Directors have expressed their satisfaction to the evaluation process.

19. AUDITORS

Statutory Auditors

At the 35th Annual General Meeting of the Company held on August 21, 2020 the Members approved appointment of M.A. Shah & Co., Chartered Accountants, (Firm Registration No.: 112630W) as Statutory Auditors of the Company to hold office for a period of five (5) years from the conclusion of that Annual General Meeting till the conclusion of the 40th Annual General Meeting.

Internal Auditors

On recommendation of Audit Committee the Board of Director has appointed M/s D V Shah & Associates, Chartered Accountants, Ahmedabad as Internal Auditor of the Company in terms of Section 138 of the Companies Act, 2013 and rules made thereunder, from Financial Year 2018-19 to 2022-23.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2021 was carried out by the Secretarial Auditors, Pinakin Shah & Co., Company Secretaries, Ahmedabad.

The Board of Directors of your Company has appointed GKV & Associates, Company Secretaries, Ahmedabad to carry out Secretarial Audit of your Company for FY 2021-22.

The Report of the Secretarial Audit is annexed herewith marked as **Annexure-B** to this Report. The Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

20. EXPLANATION OR COMMENTS ON DISQUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS IN THE AUDITOR'S REPORTS

The observations made in the Auditors' Report of M.A. Shah & Co., Chartered Accountants for the year ended March 31, 2021, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

21. REPORTING OF FRAUD BY AUDITORS:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section



143(12) of the Act details of which needs to be mentioned in this Report.

22. COMMITTEES OF THE BOARD

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on 31st March, 2021:

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Nomination and Remuneration Committee

The details with respect to the aforesaid Committees forms part of the Corporate Governance Report.

23. AUDIT COMMITTEE

A duly constituted Audit Committee consists of majority of Independent Directors with Mr. Surendrakumar Sharma, Independent Director, as the Chairman of the Committee. The other members of the Audit Committee are Mr. Viplav Khamar and Smt. Chhayaben Shah, Independent Directors. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members of the Audit Committee are set out in the Report on Corporate Governance, which forms part of this Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board.

24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

There were loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 are given in note 4 to the financial statements.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, the

Board of Directors hereby confirms that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2021 and of the profit or loss of the company for that period.
- iii. It has 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, to the best of its knowledge and ability.

- iv. It has 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 efficiently.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. EXTRACT OF ANNUAL RETURN

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 forms part of this report as **Annexure-C**.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members of the Company excluding the aforesaid information. Any Member interested in obtaining such information may write to the Company Secretary.

28. INSURANCE

All the insurable interests of the Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

29. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party

GUJARAT TERCE LABORATORIES LTD.

transactions entered with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. The transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company <http://gujaratterce.in/Codes-and-Policies>. Since all related party transactions entered into were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

30. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The Objective of a familiarization program is to ensure that the Independent Directors are updated on the business environment and overall operations of the Company. This enables the Independent Directors to make better informed decisions in the interest of the Company and its stakeholders.

In Compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of industry in which the Company operates, business model etc.

A familiarization program was conducted for Independent Directors on areas such as the core functions and operations of the Company, overview of the industry, financials and the performance of the Company by site visits to plant location.

31. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177 (9) of the Act, read with Regulation 22(1) of the SEBI Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behavior, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at http://gujaratterce.in/assets/upload/CodesandPolicies/Whistle_Blower_Policy_GTLL.pdf.

32. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

During the year under review, the Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India as approved by the Central Government.

33. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the year under review:

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- (iii) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (iv) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

34. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS ANDS OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-E**.

35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company remains committed to ensuring an effective Internal Control environment that, inter alia, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Company has an independent Internal Audit function with well-established Risk Management processes both at the business and corporate levels and provide assurance on the adequacy and effectiveness of Internal Controls, compliance with operating systems, internal policies and regulatory requirements.

The Audit Committee regularly reviews the major findings of the Internal Audits and corrective measures



taken thereon to ensure the efficacy of the Internal Control process. These reviews are done with respect to different locations and functions to help take effective steps for ensuring compliance.

The system of Internal Control is structured to verify that financial and other documents are accurate in compiling financial reports and other data, and in maintaining transparency for individuals. Statutory Auditors' Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Act, is annexed with the Independent Auditors' Report.

36. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

Pursuant to the requirement of Section 134(3)(q) of the Act, read with Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2020-21 there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

37. OCCURRENCE OF ACCIDENT IN FACTORY PREMISES

An accident took place in factory premises on 1st Floor in Beta-Lactum Tablet Section of Granulation Department on 9th October 2020 at approximately 23:18 hours. Due to gas forming in dryer chamber the internal pressure increased excessively and blast occurred. On subsequent inquiry it was found that due to oversight little more binding material i.e. water was used in this batch. So due to that at the time of drying process more pressure was built up and blast took place. The impact of blast was such massive that it damaged surrounding machineries, furniture & fixtures.

As there was no fire or incident taken place due to deliberate negligence by any personnel, it was not informed to Fire brigade and no FIR was launched.

The factory premises, plant and machineries are covered under Fire & Peril Insurance Policy so it was immediately brought to Insurance company i.e. Cholamandalam MS General Insurance Company and procedure for claiming loss was initiated.

The production of the said unit was affected for the first 15 to 20 days, but by now there is no such effect on production as we have moved the manufacturing of the products to other department and the production is being carried out smoothly.

The procedure for repair/replacement of plant and machinery is in process.

38. A STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. Your Company has constituted an Internal Complaints Committee to handle all clearing and forwarding Agency where our employees are working and Manufacturing site.

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

- a. number of complaints filed during the financial year : Nil
- b. number of complaints disposed of during the financial year :Nil
- c. number of complaints pending as on end of the financial year :Nil

39. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS

Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time was applicable to your company hence, your Company has maintained adequate cost records.

40. HUMAN RESOURCE

Your Company recognizes its employees as most valuable resource and ensures strategic alignment of Human Resource Initiatives and practices to business priorities and objectives. Its constant endeavor is to invest in Human Talent and Talent Management Processes to improve capabilities and potentials of human capital of the organization to cope with challenging business environment, varying needs of the customers and bring about customers delight by focusing on the Customers' needs. This approach has allowed the Company to

GUJARAT TERCE LABORATORIES LTD.

withstand and overcome the challenges posed by COVID -19. Attracting, developing and retaining the right talent and keeping them motivated will continue to be a key strategic initiative and the organization continues to be focused on building up the capabilities of its people to cater to the business needs. Given growth plans of the Company, an important strategic focus is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future.

The Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of quality, productivity, efficiency and customer delight. The Company always believes in maintaining mutually beneficial, healthy and smooth industrial relations with the employees and the Unions which is an essential foundation for the success of any organisation. The proactive initiatives combined with fair Wage Settlements at Manufacturing Plants have ensured healthier and more transparent Industrial Relations based on foundation of mutual trust and co-operation.

41. ACKNOWLEDGEMENT

Your Directors express their gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the commitment and contribution made by the employees at all levels.

Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support. We thank the Government of India, the State Governments and statutory authorities and other government agencies for their support and look forward to their continued support in the future.

**By Order of the Board of Directors
For, Gujarat Terce Laboratories Ltd**

Sd/-

Natwarbhai Prajapati

Chairman & Managing Director

DIN: 00031187

Place: Ahmedabad

Date: 24.06.2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

When any unprecedented global health challenges and large-scale shocks strike, resilience is in great demand. Importantly, it is needed by individuals, organizations, and society to survive and thrive in the face of the fight against the virus and the associated economic and societal shocks. In tackling a global health crisis, resilience requires not only psychological readiness but also organizational support and system-level preparation. Research has shown that occupational contexts can play an important role in enabling both individuals and organizations to build resilience and develop effective coping strategies. Healthcare professionals are on the frontline in delivering medical treatment to patients under enormous stress; thus, it is critical to prepare those professionals to build resilience in their interactions with patients and other stakeholders. Besides, the salience of cultural differences should be carefully considered and incorporated in the design of any interventions aimed at building resilience in individuals, organizations, and society at large. We need to collectively 'bounce back'; as a whole, we will become stronger in the process of combating COVID-19 and launching 'new norms' for our organizations and societies.

The pandemic brought about humungous social, monetary, and medical services difficulties. It tried the agility, versatility, and flexibility of our plan of action. We reacted to the emergency proactively and arose more grounded out of the battle. We focused on our representatives' wellbeing and security during the year and guaranteed improved usefulness and proficiency in our store network and activities. We put forth attempts to pervade development into our contributions and cycles, further broadened our portfolio, extended our presence, and developed connections with our esteemed clients. We are exploring the exceptional times by guaranteeing a vital spotlight on executing our development technique.

As indicated by the Financial Overview 2020-21, the homegrown market is expected to become 3x in the following decade. As per IBEF, India's homegrown drug market is assessed at US\$ 42 Billion out of 2021, prone to arrive at US\$ 65 Billion by 2024 and additionally extend to reach ~US\$ 120-130 Billion by 2030.

Indian pharmaceutical sector supplies over 50% of the global demand for various vaccines, 40% of the generic demand for US and 25% of all medicines for UK. India contributes the second-largest share of pharmaceutical and biotech workforce in the world.

Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units.

Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US\$ 24.44 billion in FY21.

India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion.

To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of ₹ 6,940 crore (US\$ 951.27 million) from FY21 to FY30.

Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated ₹ 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated ₹ 2,663 crore (US\$ 365.68 billion). The government allocated ₹ 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM Aatmanirbhar Swasth Bharat Yojana was allocated ₹ 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated ₹ 2,970 crore (US\$ 407.84 million), up from ₹ 2,122 crore (US\$ 291.39 million).

India plans to set up a nearly ₹ 1 lakh crore (US\$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

'Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The Indian drugs and pharmaceuticals sector has received cumulative FDI inflows worth US\$ 17.75 billion between April 2000 and December 2020.

Then again, India's medications and drugs trades remained at US\$ 20.14 Billion during the year. The Dynamic Drug Fixings (Programming interface) market has generally been overwhelmed by hostile to infective furthermore, diabetes, cardiovascular, analgesics and torment the board drugs. Notwithstanding, passing by the Research and development patterns, request is moving toward creating complex APIs utilized in novel details, focusing on specialty helpful regions. The launch of new drugs and biological products, acquisitions, collaborations, and regional expansions are strategic initiatives to maintain stability in the market. This will likely fuel market growth.

GUJARAT TERCE LABORATORIES LTD.

The Government of India has taken active measures to reduce costs and bring down healthcare expenses. The speedy introduction of generic drugs into the market remained one of the key focus areas and is expected to benefit the Indian pharmaceutical industry. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines augurs well for the pharmaceutical companies in the country. In February 2021, the government approved a production-linked incentive (PLI) scheme for the pharmaceutical sector from FY 21 to FY 29. The scheme is expected to attract investments of ₹ 15,000 crores (US\$ 2.07 billion) into the sector. The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector stood at US\$ 17.75 billion between April 2000 and December 2020. The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions.

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

- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of ₹ 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.
- In April 2021, the Union Government decided to streamline and fast-track the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccines by India and encourage imports.
- In February 2021, the Punjab government announced to establish three pharma parks in the state. Of these, a pharma park has been proposed at Bathinda, spread across ~1,300 acres area and project worth ~₹ 1,800 crore (US\$ 245.58 million). Another medical park worth ₹ 180 crore (US\$ 24.56 million) has been proposed at Rajpura and the third project, a greenfield project, has been proposed at Wazirabad, Fatehgarh Sahib.

- Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated ₹ 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated ₹ 2,663 crore (US\$ 365.68 billion). The government allocated ₹ 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM Aatmanirbhar Swasth Bharat Yojana was allocated ₹ 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated ₹ 2,970 crore (US\$ 407.84 million), up from ₹ 2,122 crore (US\$ 291.39 million).

OPPORTUNITIES AND THREATS

COVID-19 has clearly highlighted the importance of a strong health care system, the lack of which can put an entire nation's economy and society at risk. As India continues to fight COVID-19 and stabilize its economic growth trajectory, it is the right time for the country to apply learnings from the challenges and best practices that emerged during the pandemic. There is a need to swiftly develop the required healthcare infrastructure and make it available to the entire population.

The Indian pharma industry has been a key contributor in improving the country's healthcare and economic outcomes. The pandemic has accelerated several opportunities and challenges for the industry. While the growing trust deficit with China presents an opportunity for India, there is increasing competition from other countries, such as Vietnam and Malaysia. India is also dependent on China for ~two third of its imports of bulk drugs or drug intermediaries.

To emerge as a winner in the post-pandemic world, the industry needs to continue building on its strength and at the same time make a giant leap towards innovation. New capabilities need to be introduced across the business functions to bring efficiencies and to help industry move up the value chain. Government also needs to provide the right enablers and business environment conducive for growth. The remaining chapters of the report discuss the opportunities, challenges and the way forward for the country to achieve the ambition of equitable and sustainable access to healthcare. It also provides an insight for the industry to achieve the ambition of becoming the preferred global supplier of innovative medicines.

This is an opportunity for the Indian pharma industry to consolidate on its advantages and undertake fundamental reforms to reignite innovation-led industrial growth to meet the target of US\$130b by 2030.

India has created a formidable infrastructure for manufacturing finished dosage forms (FDF). It has the distinction of having the largest number of U.S. Food and Drug Administration (USFDA) compliant pharma plants (more than 262 including APIs) outside of the US and has more than 2,000 World Health Organisation – Good Manufacturing Practice (WHO-GMP) approved pharma plants. It is a clear leader in providing generics to the world with almost a 20%



market share. Another notable aspect is a third of all vaccines produced in the world originate from India. This stupendous success has been largely built on the basis of significant cost advantage in producing drugs in India. With the geopolitical shift that the world is witnessing, this is the time when India needs to reconsider its position and push for an even larger role in the global formulations trade based on the value and not the cost play. While the opportunity beckons India to take further lead, there are threats with many countries realizing the importance of self reliance and therefore, the tone going forward has to be on building capabilities in complex and synthetic drugs, bio-similars, cell and gene therapies, etc. Given the existing momentum and capabilities built, there are ample opportunities for us to further grow the formulation supply of drugs in the world.

Manufacturing and end-to-end supply chain management are critical components in the pharmaceutical industry. In today's competitive world, success is defined by managing manufacturing operations and supply chain costs most optimally to keep the cost to serve and inventory levels lowest while maintaining highest levels of service. In addition to these three difficult to balance levers, managing product quality, compliance to relevant regulatory frameworks, and safety of products, assets and people are additional responsibilities that leaders of supply chain and manufacturing in pharmaceutical firms need to meet. The COVID-19 crisis has created significant amount of disruption in the pharma supply chain, both on the demand and the supply side. Key impacts were felt in terms of manpower availability, packaging/ancillary material availability and logistics operations continuity. Discontinuation of international passenger traffic reduced availability of flights to North America and Europe, making the pharma industry to rely on freight operations alone. Availability of APIs sourced from countries like Italy, Spain and China, who were strongly affected during the start of the pandemic, was also a sporadic concern. However, with proactive measures from the central government as well as state and local authorities, operations have mostly come back to normal with large part of the industry operating with activity similar to pre-COVID-19 level. Over the last few decades, India has done exceedingly well in the pharmaceutical industry by developing an impressive manufacturing infrastructure especially for the formulations segment. We have achieved a good scale and competitive cost to serve within the global industry. However, the industry is at a cusp today wherein not only would we need to protect and continue to strengthen our position in the formulations business but also regain our strength in the API business.

For a completely new industry and one that did not require huge amount of assets or capital, India could seize the opportunity in the information technology sector. It was able to attain world leadership on the strength of its knowledgeable workforce. However, in case of the pharmaceutical industry, plenty of challenges remain. First and foremost being capital and technology intensive industry, and the advancement

in thought capital led by the developed world. Secondly, pharmaceuticals is an old industry and developed countries have set up very sophisticated infrastructure. India would need to catch up with the best in the world in this regard. Thirdly, pharmaceutical manufacturing requires acquiring land, construction and commissioning of plant and machinery, all of which requires significant amount of capital, that is a scarce resource for a country like India. Finally, manufacturing in India is not a sought after field for the best talent in the country. With all the above factors and more, for the country to achieve the target, a well thought out strategy needs to be executed in a proper manner over the next decade.

To realize the potential, there is a need for Indian pharma companies aided by the government and regulatory bodies to concentrate on their supply chain and manufacturing operations, amongst other areas. However, the current government realizes the importance of manufacturing in the economy and over the last five to six years, a lot of focus has been dedicated to the sector to provide jobs to our vast workforce. Pharmaceutical industry is well poised to fulfil that promise. It has already employed an estimate of 2.7 million people, most of them deployed across a massive network of thousands of plants within the country. The industry is therefore perceived as a potential job creator. Though the shop-floor would need to become much more productive and leaner in terms of manpower deployment, but given the growth ambition, manufacturing would still hold lots of promise to fulfil the "Make in India" initiative.

OUTLOOK

The sector in which the Company has been operating is developing faster and provides ample growth opportunities. India is now among the top 5 pharmaceutical emerging markets. On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to grow India's economic growth is expected to accelerate, backed by improved investor confidence and better policy reforms. The Company is positive of increasing its market share through long-term growth opportunities in its existing products, acquisition of new customers and introduction of new products. We expect to grow at market rates in the near future. The Company boosts its capabilities and products portfolio which will result in more opportunities for growth the market.

RISKS AND CONCERNS

Quality risk

In case of discrepancies during packaging/ manufacturing, patient safety may be endangered due to failure of collection, review, follow up, or report adverse events from all potential sources. Constant Quality Improvements incorporated throughout the organization and team committed to quality standards and procedures.

GUJARAT TERCE LABORATORIES LTD.

Competitive Dynamics

Adverse global and domestic demand-supply dynamics and unfair trade practices can pose competitive risks. The Company has continuously monitor and evaluate the market development and competitive landscape.

Environment, Health, Safety and Sustainability

Any shortcoming in compliance with Company policies on maintaining Environment, Health, Safety and Sustainability standards can erode the brand image and trust. The Company has greater focus and increased regulatory activity on environmental issues.

Intellectual property

The Company may run the risk of running into litigation if company's products and processes infringe trademark held by other manufacturers. The Company has create a vigilance mechanism via an IPR department to check for possible infringement of intellectual property rights of trademark proprietor.

New Product risk

New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure.

New capital investments

The Company continuously adds capacity to meet the increasing demand of pharma products from various markets. The Company faces risks arising out of delay in implementation, cost overrun and inappropriate implementation. The capacities are built in anticipation of demand and the Company runs the risk of under-utilization of capacities resulting in high manufacturing cost. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all the assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances are meant to ensure that all transactions are authorized, recorded and reported correctly.

The Company has appointed D.V. SHAH & ASSOCIATES, as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review. The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and sufficient deviations are brought to

notice of the audit Committee of the Board following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps with no monetary loss.

We continue to build our team with high quality talent, and put thrust on providing continuous training to be competitive. We continuously strive to integrate the entire organization from strategic support functions like finance, 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. Adherence to statutory compliance is a key focus area for entire leadership team of the Company.

FINANCIAL PERFORMANCE

Company during the year 2020-2021 earned revenue of ₹ 25.98 Crores as compared to previous year ₹ 37.54 Crore. It lost its revenue by approximately 31%.

Indian manufacturers rely heavily on APIs from China for the production of their medicine formulations, procuring around 70 percent from China, the top global producer and exporter of APIs by volume. Major portion of APIs were being imported from China. Indian pharma industries were mainly depended on inputs from China and due to restrictions on Import indigenous industry could not meet the demand of APIs of pharma sector and due to this cost of basic raw materials increased drastically. Not only were this supply of other basic raw materials badly affected due to lockdown. Availability of manpower, skilled and unskilled workers was hindered due to lockdown and fear of widespread infection of corona virus. Supply chain of product was also adversely affected by lockdown.

All this affected the production activity and cost of manufacturing rose approximately by 2%. Looking to the situation company made immediate action plan to reduce the operational cost and expenses so that losses can be minimise. Strict control was imposed on each and every head of expenses and continuous corrections were made to reduce the expenses.

In spite of all our efforts company incurred Net Loss (before tax) of ₹ 2.53 Crore as compare to Net Profit (before tax) of ₹ 0.43 during previous year.

Thanks to the government's initiative "Vocal for Local" our dependency of APIs has reduced from China. We are expecting wholesome growth during the financial year 2021-2022 and targeted revenue during the year 2021-2022 is ₹ 40 Crores.

The trend of Quarter 1 of FY 22 has been encouraging as per reported data already published and we are in line with the expected growth.



HUMAN RESOURCES

At Gujarat Terce Laboratories Limited, we are aware that our employees power the success of our Company and in turn, we are committed to empowering theirs. We believe that People management is probably one of the most important leadership skills, as it directly influences productivity, morale and motivation throughout the organization. In line with this strategy, we have structured ground-breaking and game-changing innovations for our employees. In order to make the organisation strong, progressive and dynamic; our Company focusses on organisational development, employee engagement and talent management and retention. During the year, we focused on improving productivity, people management skills, engagement and leadership skills of our employees, to make them leaders of tomorrow. Our approach to reward and recognition is quite transparent, meritocratic and market competitive, built on an ethical and values based performance culture which aligns the interests of our employees, shareholders and customers. The total employee strength of the Company at the end of financial year 2020-21 is 302 against 329 as at the end of financial year 2019-20. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

SEGMENT WISE PERFROMANCE

Our Company's operations belong to a Single Segment and therefore no segment wise performance given.

The Sector in which the Company been operating is developing faster and provides ample opportunities. Further due to rise in foreign direct investment in the sector, Company will be able to develop projects at fast pace and looking forward for better development and high investment returns.

CAUTIONARY NOTE

The Management Discussion & Analysis Report may contain certain statement that might be considered forward looking within the meaning of applicable securities, laws and regulations. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operations such as Government policies, tax laws, political and economic development.

**By Order of the Board
For, Gujarat Terce Laboratories Ltd.**

Sd/-

Natwarbhai P. Prajapati

Chairman & Managing director

DIN: 00031187

Place : Ahmedabad

Date : 24.06.2021

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

To,
The Members,
Gujarat Terce Laboratories Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Terce Laboratories Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – (not applicable);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Based on our verification, we have observed that the SEBI Regulations mentioned at (c), (d), (e), (g) and (h) are not applicable to the Company during the year as it has not:

- i. Issued further Share Capital;
 - ii. Listed Debt Capital;
 - iii. Proposed to Delist its Equity Shares;
 - iv. Proposed to Buy Back any of its Securities.
6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
- Drugs and Cosmetics Act, 1940 and Rules 1945, The Drug Price Control Order, 2013; Food Safety and Standards Act, 2006, The Trade Marks Act, 1999, Sales Promotion Employees (Conditions and Services) Act, 1976, Importer Code (IEC Code), The Narcotic Drugs and Psychotropic Substances Act, 1985; The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954; Uniform Code for Pharmaceutical Marketing Practices (UCPMP) and Labour Laws, etc.
- We have also examined compliance with the applicable clauses/regulations of the following:
- a) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS 1) and General Meeting (SS 2).
 - b) Clauses of Listing Agreements (applicable till November 30, 2015) entered into by the Company



with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 2015).

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

We further report that:

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;

We further report that:

Compliances of applicable Financial Laws including, Direct & Indirect Tax Laws by the Company has not reviewed in this

Audit Report; since the same has been subject to reviewed by the Statutory Auditor & other Designated Professionals.

We further report that:

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

We further report that:

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, etc. referred above.

Pinakin Shah & Co.
Company Secretaries

Sd/-
Pinakin Shah
Proprietor
FCS: 2562; COP: 2932
UDIN: F002562C000472781

Date: 16.06.2021
Place: Ahmedabad

GUJARAT TERCE LABORATORIES LTD.ANNEXURE-C
Form No. MGT-9**Extract of Annual Return****As on the financial year ended on 31st March, 2021**[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:**

CIN	L24100GJ1985PLC007753
Registration Date	28/03/1985
Name of the Company	Gujarat Terce Laboratories Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	122/2 Ravi Estate, Bileshwarpura, Chhatral Gandhinagar, Gujarat – 382729 Telephone No.- 079-48933706 Email ID: ho@gujaratterce.com , cs@gujaratterce.com
Whether listed company	Yes (BSE)
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Bigshare Services Pvt. Ltd. 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East Mumbai 400059 Phone: 022 – 62638200 Email: sandeep@bigshareonline.com / investor@bigshareonline.com

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 / services	NIC Code of the Product / service	% to total turnover of the company
1.	Medical and Pharmaceutical Preparations	*24	100

*As per National Industrial Classification 2004

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES/LLP

Sr. No.	Name and Address of the Company/LLP	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	-	-	-	-	-

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
1) Indian									
a) Individual / HUF	1570905	-	1570905	21.17	1575976	-	1575976	21.24	0.07
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
f) Any Other...	-	-	-	-	-	-	-	-	-
1) Group Companies	1075900	-	1075900	14.50	1075900	-	1075900	14.50	-
2) Trust	-	-	-	-	-	-	-	-	-
3) Director Relatives	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	2646805	-	2646805	35.67	2651876	-	2651876	35.74	0.07
2) Foreign									
NRIs-Individuals	-	-	-	-	-	-	-	-	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2646805	-	2646805	35.67	2651876	-	2651876	35.74	0.07
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
- Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
- Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1) :-	-	-	-	-	-	-	-	-	-
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	46185	1800	47985	0.65	47118	1800	48918	0.66	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 1 lakhs for Financial Year 2020-21	1473413	1218800	2692213	36.28	1481016	1217800	2698816	36.37	0.09
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs for Financial Year 2020-21	1697989	-	1697989	22.88	1690274	-	1690274	22.78	(0.10)
c) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
d) NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
e) Others (specify)									
Trusts	-	-	-	-	-	-	-	-	-
Custodians / Clearing member	12138	-	12138	0.16	2739	-	2739	0.04	(0.13)
Directors Relatives	8800	500	9300	0.13	8800	500	9300	0.13	-
HUF	224213	-	224213	3.02	232604	-	232604	3.13	0.11
NRIs (REPAT)	88263	-	88263	1.19	82929	-	82929	1.12	(0.07)
NRIs (Non REPAT)	1394	-	1394	0.02	2844	-	2844	0.04	0.02
Sub-total(B)(2) :-	3552395	1221100	4773495	64.33	3548324	1220100	4768424	64.26	(0.07)
Total Public Shareholding (B)= (B)(1)+(B)(2)	3552395	1221100	4773495	64.33	3548324	1220100	4768424	64.26	(0.07)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	6199200	1221100	7420300	100	6200200	1220100	7420300	100	-

GUJARAT TERCE LABORATORIES LTD.

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Abundant Trade Link Private Limited	1075900	14.50	-	1075900	14.50	-	-
2	Shobhanaben N. Prajapati	16173	0.22	-	16173	0.22	-	-
3	Natwarbhai Purshottamdas Prajapati	595872	8.03	-	595872	8.03	-	-
4	Amritbhai Purshottamdas Prajapati	31510	0.42	-	31510	0.42	-	-
5	Manjulaben S. Prajapati	927150	12.49	-	927150	12.49	-	-
6	Aalap Natubhai Prajapati	200	0.0027	-	5271	0.07	-	0.07
TOTAL		2646805	35.67	-	2651876	35.74	-	0.07

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

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of 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	2646805	35.67	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease	*As per notes below Increase:		5071	0.07
	At the End of the year	-	-	2651876	35.74

***Notes:**

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	AALAP PRAJAPATI						
	At the beginning of the year	01.04.2020		200	0.0027	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease	22.09.2020	Acquisition	3071	0.04	3271	0.04
		28.09.2020	Acquisition	2000	0.07	5271	0.07
	At the end of the year	31.03.2021				5271	0.07

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

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Increase/Decrease in shareholding during the Year			Shareholding at the end of the year	
		No of shares	% of total shares of the Company	Date	Increase/Decrease in Shareholding	Reason	No of shares	% of total shares of the Company
1	Neepaben Pareshbhai Patel	168206	2.27				168206	2.27
2	Pareshkumar Dayaljibhai Patel	159968	2.16				159968	2.16
3	Arvindbhai Chaudhari	114800	1.55				114800	1.55
4	Shailesh Prajapati	96525	1.30				96525	1.30
5	Mohammad Ali	76593	1.03				76593	1.03
6	Rashmi Navinbhai Mehta	51628	0.70				51628	0.70
7	Dharmesh Bhailal Vaghela	50000	0.67		No Changes		50000	0.67
8	Jinal Bhavikbhai Vora	49979	0.67				49979	0.67
9	Rajshree Tarun Shah	49242	0.66				49242	0.66
10	Jyotsana P Vora	36250	0.49				36250	0.49
11	Pranav Prafulchandra Vora (HUF)	36250	0.49				36250	0.49
12	Prafulchand Chimanlal Vora	36250	0.49				36250	0.49
13	Bhavik Prafulchandra Vora (HUF)	36250	0.49				36250	0.49
TOTAL		961941	12.97				961941	12.97

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Change during the year	* Shareholding at the end of the year	
		No of shares	% of total shares of the Company	No of shares	No of shares	% of total shares of the Company
1	Natwarbhai Purshottamdas Prajapati	595872	8.03	-	595872	8.03
2	Aalap Natubhai Prajapati	200	0.0027	5071	5271	0.07
3	Amritbhai Purshottamdas Prajapati	31510	0.42	-	31510	0.42
4	Chhayaben Ashwinbhai Shah	-	-	-	-	-
5	Navinchandra Patel	-	-	-	-	-
6	Jayantibhai Shankarlal Prajapati	8500	0.11	-	8500	0.11
7	Viplav Suryakant Khamar	-	-	-	-	-
8	Surendra Kumar Sharma	300	0.004	-	300	0.004
10	Bhagirath Ramhit Maurya	-	-	-	-	-
11	Ashka Solanki	-	-	-	-	-

GUJARAT TERCE LABORATORIES LTD.**(vi) 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	25659190	300000	8700000	34659190
ii) Interest due but not paid	-	-	372600	372600
iii) Interest accrued but not due				
Total (i+ii+iii)	25659190	300000	9072600	35031790
Change in Indebtedness during the financial year				
Addition	353785465	-	-	353785465
Reduction	332372496	-	572600	332945096
Net Change	21412969	-	- 572600	20840369
Indebtedness at the end of the financial year				
i) Principal Amount	47072159	300000	8500000	55872159
ii) Interest due but not paid	-	-	284172	284172
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47072159	300000	8784172	56156331

(vii) Remuneration of Directors and Key Managerial Personnel:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(Amount in Rupees.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Natwarbhai P. Prajapati	Amritbhai P. Prajapati	Aalap N. Prajapati	
1.	Gross Salary	18,00,000	3,96,000	12,00,000	33,96,000
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- Others, specify.....				
5.	Others, please specify	-	-	-	-
	Total (A)	18,00,000	3,96,000	12,00,000	33,96,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Independent and Non – Executive Directors				Total Amount
		Chhayaben Ashwinbhai Shah	Jayantibhai Shankarlal Prajapati	Surendrakumar Prakashchandra Sharma	Viplav Suryakantbhai Khamar	
1	Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	NIL				
2	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 					
3	Total					
4	Total Managerial Remuneration	NIL				

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total Amount
1.	Gross Salary <ul style="list-style-type: none"> a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 	4,58,670	3,45,102	8,03,772
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission <ul style="list-style-type: none"> - as % of profit - others, specify..... 	-	-	-
5.	Others, please specify	-	-	-
	TOTAL	4,58,670	3,45,102	8,03,772

GUJARAT TERCE LABORATORIES LTD.**V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)
A. COMPANY				
Penalty			NIL	
Punishment				
Compounding				
B. DIRECTORS				
Penalty			NIL	
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty			NIL	
Punishment				
Compounding				

By Order of the Board
For, Gujarat Terce Laboratories Ltd

Sd/-
Natwarbhai P. Prajapati
Chairman & Managing Director
DIN: 00031187

Place: Ahmedabad
Date: 24.06.2021



ANNEXURE-D

STATEMENT OF DISCLOSURE OF REMUNERATION
UNDER SECTION 197 OF THE COMPANIES ACT 2013 AND RULE 5(1) OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. PARTICULARS OF REMUNERATION

- I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2020-21, the percentage increase in remuneration of Chairman & Managing Director, Executive Directors, Company Secretary and CFO during the financial year 2020-21:

Sr. No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage (%) increase in Remuneration
1	Natwarbhai P Prajapati	Chairman and Managing Director	1:8.05	Nil
2	Amritbhai P Prajapati	Whole Time Director	1:1.77	Nil
3	Aalap N. Prajapati	Whole Time Director	1:5.36	Nil
4	Bhagirathi R. Maurya	Chief Financial Officer	1:1.87	Nil
5	Ashka Solanki	Company Secretary	1:1.61	Nil

Note:

- a) The Non-Executive Directors of the Company are entitled for sitting fees. The detail of remuneration of Non-Executive Directors is provided in the Report on Corporate Governance and is governed by the Nomination and Remuneration Policy, as stated herein below. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not considered for the purpose above.
- II.

Sr. No.	Particulars	Details
1	% increase in the median remuneration of employee in the financial year 2020-21	Nil
2	Total number of permanent employees on the rolls of the Company as on 31 st March, 2021 (on standalone basis)	302
3	The median remuneration of employees of the Company during the year under review.	₹ 2.23 Lakhs
4	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 thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the remuneration of all employees was NIL for the FY 2020-21. The average percentile increase in the remuneration of Managerial Personnel was NIL for the FY 2020-21. The comparison of increase in average percentiles between employees and Managerial was NIL.

- III. The Company affirms remuneration is as per the Remuneration Policy of the Company.

B. PARTICULARS OF EMPLOYEES

RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. Particulars of top Ten Employee in terms of remuneration drawn

Sr. No.	Name & Designation of Employee	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment	Age	Name of Previous Employment	% of Equity Shares held	Relative of Director or Manager
1	Natwarbhai Prajapati	18	Permanent	B.Sc, D.Pharma	36	28/03/1985	69	-	8.03	Managing Director
2	Aalap Prajapati	12	Permanent	B. Tech Electronic, MBA	9	01/02/2012	32	-	0.07	Son of Managing Director
3	Sunitha R. Ajmeer	10.8	Permanent	B.Sc	11	01/10/2010	51	FIRST EMPLOYMENT	NIL	NA
4	Deepak Bhatnagar	14.22	Permanent	B. Sc	27	01/05/1994	49	NOEL PHARMACEUTICALS	NIL	NA
5	Rajendra Joshi	10.26	Permanent	B.Sc, MBA Marketing	23	01/07/1998	45	BOMBAY TABLET MANUFACTURING PVT LTD.	NIL	NA
6	Ravikant Saini	9.60	Permanent	B.Sc	27	01/05/1994	58	MARDIA COPPER EXTENSIONS PRIVATE LIMITED	NIL	NA
7	Shashi Prakash	8.40	Permanent	B.Sc	21	01/01/2000	51	AGLOWMED LIMITED	NIL	NA
8	Nirmal Kant Sharma	7.68	Permanent	M.Sc. in organic chemistry	17	01/05/2004	47	Dura tax lab. Ltd	NIL	NA
9	Narayanlal suthar	7.68	Permanent	B.Sc. and Diploma in Pharmacy	4	01/05/2017	47	Ozone Pharmaceutical Ltd	NIL	NA
10	Sanjay Jain	7.08	Permanent	B.com	27	01/05/1994	56	GROUP PHARMACEUTICALS	NIL	NA

ii. Employees who are employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per year: Nil

iii. Employees who are employed part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- per month: Nil

By Order of the Board
For, Gujarat Terce Laboratories Ltd

Sd/-
Natwarbhai P. Prajapati
Chairman & Managing Director
DIN: 00031187

Place: Ahmedabad
Date: 24.06.2021



ANNEXURE-E

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(i) **The steps taken or impact on conservation of energy;**

Electricity	Current Year	Previous Year
Unit Consumption	102399	104250
Total Amount	546265	848354
Average Cost	5.33	7.65
Own generation:	N.A.	N.A.

(ii) The steps taken by the company for utilising alternate sources of energy: Nil

(iii) The capital investment on energy conservation equipments: Nil

B. TECHNOLOGY ABSORPTION

a) **The efforts made towards technology absorption:** The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products.

b) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The Company has not made any investment and taken any specific measure to reduce energy cost per unit. However, it intends to conserve energy for future generation.

c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** There is no technology imported during last three years as The Company's operations do not require significant import of technology.

(iv) The expenditure incurred on Research and Development: Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO

(Amount in Lakhs)

Particulars	2020-21	2019-20
Earning: Export in terms of actual inflows	-	2.95
Outgo: Imports in terms of actual outflows	----	-----

By Order of the Board
For, Gujarat Terce Laboratories Ltd

Sd/-
Natwarbhai P. Prajapati
Chairman & Managing Director
DIN: 00031187

Place: Ahmedabad
Date: 24.06.2021

CORPORATE GOVERNANCE REPORT

At Gujarat Terce Laboratories Limited, the Corporate Governance is about creating the value of all stakeholders, accountability and fairness towards stakeholders. This section on Corporate Governance forms part of the Annual Report to the shareholders. It is not mandatory to give this report in terms of Regulation 15(2) of the SEBI (LODR) Regulations, 2015. Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the company to protect the best interests of all stakeholders. However, in the harsh realities of day to day economic stress and competitive growth, corporate governance can only deliver on an avowed philosophy if there is a strong and sustainable framework.

1. COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

Gujarat Terce Laboratories Limited believes that Corporate Governance is the set of processes, customs, policies, rules, regulations and laws, by which companies are directed, controlled and administered by the management in the best interest of the Stakeholders. It ensures fairness, transparency, accountability and integrity of the management. It is a way of life rather than a mere legal compulsion. Corporate Governance is adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders including customers, employees and society at large. Corporate Governance is compliance of law, rules & regulations in true letter and spirit. Corporate Governance gives standards against which clearly defined standards against which performance of responsibilities can be measured.

Gujarat Terce Laboratories Limited is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS**A. COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors ('Board') along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholders value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility.

Apart from that, the Board also discharges its responsibilities / duties as mentioned under the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013 ("Act").

The Board, as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Board of the Company is having an optimum combination of Executive and Non-Executive Directors. The Board consists of 7 Directors out of which, 3 are Executive Directors and 4 are Non-Executive Independent Directors. Mr. Jayantibhai Prajapati has resigned from his position as the Independent Director of the Company w.e.f June 14, 2021. The Chairman of the Company is a Executive Director and Promoter of the Company and hence the requirement that at least one-half of the Board shall consist of Independent Directors is complied with as the Company has 4 Independent Directors. All of the Independent Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

As on March 31, 2021, the composition of the Board is as under which is in conformity with the Listing Regulations and the Act:

Category	Name of Directors	No. of Directors	% of No. of Directors
Promoter & Executive Directors	Mr. Natwarbhai Prajapati (Chairman & Managing Director) Mr. Aalap Prajapati (Whole-Time Director) Mr. Amritbhai Prajapati (Whole-Time Director)	03	42.86
Non-Executive & Independent Directors	Mr. Surendrakumar Sharma Mr. Viplav Khamar Smt. Chhayaben Shah Mr. Navinchandra Patel	04	57.14
Total		07	100.00

*Mr. Jayantibhai Prajapati ceases to be the Independent Director of the Company w.e.f 14th June, 2021.

Composition/Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other Companies as on 31st March, 2021:

Sr. No.	Name of Director	Category	Relationships between directors inter-se	Attendance of Meetings during 2020-21		Last Annual General Meeting Attended	Other Directorships/Board Committees (Numbers)			List of Directorship held in Other Listed Companies and Category of Directorship
				Board Meeting held during his/her tenure	Board Meeting attended during his/her tenure		Directorships in Other Cos.	Committee membership	Committee Chairmanship	
1	Mr. Natwarbhai Prajapati	Promoter, Non – Independent and Executive director	-	5	5	Yes	-	-	-	-
2	Mr. Aalap Prajapati	Promoter, Non-Independent and Executive Director	Son of Natwarbhai Prajapati	5	5	Yes	-	1	-	-
3	Mr. Amritbhai Prajapati	Promoter, Non – Independent and Executive director	Brother of Natwarbhai Prajapati	5	5	No	-	-	-	-
4	Mrs. Chhayaben Ashwinbhai Shah	Independent and Non-Executive Director	-	5	5	No	-	2	-	-
5	*Mr. Jayantibhai S. Prajapati	Independent and Non-Executive Director	-	5	1	No	-	-	-	-
6	Mr. Viplav Khamar	Independent and Non-Executive Director	-	5	5	Yes	-	2	1	-
7	Mr. Surendrakumar Sharma	Independent and Non-Executive Director	-	5	5	Yes	-	1	1	-
8	Mr. Navinchandra Patel	Independent and Non-Executive Director	-	5	4	No	-	-	-	-

*Mr. Jayantibhai Prajapati, Independent Director of the Company resigned from his position w.e.f 14th June, 2021.

Note:

- This excludes Directorship held in Private & Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013 as per the Regulation 26 of the Listing Regulations.
- Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company

GUJARAT TERCE LABORATORIES LTD.

None of the Directors is a director in more than 20 Companies and more than 10 public limited Companies, in terms of Section 165 of the Companies Act, 2013. Also, none of the Directors is a member of neither more than 10 Committees, nor acts as Chairman of more than 5 Committees across all Companies in which they are Directors, as required under Regulation 26 of the Listing Regulation. The Independent Directors fulfill the requirements stipulated in Regulation 25(1) of the Listing Regulations.

B. BOARD MEETINGS

The gap between two Board meetings did exceed 120 days due to prevailing Covid- 19 restrictions laid down by the government, but the Board Meetings were held within the prescribed time limit mentioned by the Ministry of Corporate Affairs by its time to time circulars. The schedule of Board/Committee meetings are communicated in advance to the directors/committee members to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

The Board met Five times in financial year details of which are summarized as below:

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	05.06.2020	8	7
2	29.06.2020	8	7
3	08.08.2020	8	7
4	07.11.2020	8	7
5	05.02.2021	8	7

- C. Relationship between Directors: Mr. Amritbhai Prajapati and Mr. Aalap Prajapati are related as Brother and son respectively with Mr. Natwarbhai Prajapati. No other Director is related to any other Director on the Board.

D. No. of Securities held by non-executive director as on 31st March, 2021

Mr. Jayantibhai Prajapati – 8500 equity shares

Mr. Surendrakumar Sharma – 300 equity shares

Mrs. Chhayaben Ashwinbhai Shah – Nil

Mr. Viplav Suryakantbhai Khamar – Nil

Mr. Navinchandra Patel- Nil

E. Independent Directors:

The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.gujaratterce.in

F. Separate Meeting of Independent Directors:

During the year under review, the Independent Directors met on March 30, 2021, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the

Listing Regulations, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity 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 effectively.

All the Independent Directors were present at the Meeting.

G. Board Procedure:

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, and capital investment along with strategic decisions. With an objective to ensure maximum presence of Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual Directors and consideration of their convenience. The Agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In case of a special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board Meeting. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Board also reviews the declarations made by the Chairman & Managing Director, Factory Manager, Accounts Head, CFO and Company Secretary of the Company regarding compliance with all applicable laws, on a quarterly basis.

H. Formal annual evaluation:

The Board of Directors, Nomination & Remuneration Committee and Independent Director has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Natwarbhai Prajapati	General Corporate Management
Mr. Aalap Prajapati	Marketing, Entrepreneur, Business & Corporate Planning and Strategy
Mr. Amritbhai Prajapati	Factory Management
Mrs. Chhayaben Ashwinbhai Shah	Marketing and Capital Markets
Mr. Viplav Khamar	Marketing and Production
Mr. Navinchandra Patel	Marketing and Production
Mr. Surendrakumar Sharma	Communication and Capital Markets

I. Web link

<http://gujaratterce.in/Codes-and-Policies> - For below Policies:

- Code of conduct for director and senior management
- Criteria of making payments to non-executive directors
- Policy on Related Party Transaction
- Policy on Familiarization Programme for Independent Directors
- Policy on Materiality
- Preservation of Documents and Archival Policy
- Terms and condition for Appointment of Independent Director
- Nomination and Remuneration Policy
- Policy on code of fair Disclosures
- Policy and Procedures for inquiry in case of leak of UPSI
- Risk Management Policy
- Whistle Blower Policy
- Code of conduct as per SEBI (PIT) Regulations, 2015
- Policy on Prevention of Sexual Harassment

GUJARAT TERCE LABORATORIES LTD.

J. Matrix setting out the core skills/expertise/competence of the board of directors

The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the board along with availability assessment is as under:

Core Skills/Experience/Competence	Actual Availability with current board
Industry knowledge/experience	
(a) Healthcare Industry Knowhow	Available
(b) Creating value through Intellectual Property Rights	Available
(c) Global Operations	Available
(d) Value Spotting and Inorganic Growth	Available
Technical skills/experience	
(a) Strategic planning	Available
(b) Risk and compliance oversight	Available
(c) Marketing	Available
(d) Policy Development	Available
(e) Accounting, Tax, Audit and Finance	Available
(f) Legal	Available
(g) Sales/ Customer Engagement	Available
(h) Public Relations and Liasoning	Available
(i) Information Technology	Available
Behavioural Competencies	
(a) Integrity & ethical standards	Available
(b) Mentoring abilities	Available
(c) Interpersonal relations	Available

K. Confirmation on the independence of the Independent Directors

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

COMMITTEES OF BOARD OF DIRECTORS

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the directors set up for the purpose. These specialist committees prepare the groundwork for decision making and report at the subsequent Board meeting.

Presently the Board is assisted by various Committees - Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Details on the role and composition of these committees including the number of meetings held during the financial year and the related attendance are provided below:

(i) AUDIT COMMITTEE

The Company is having a duly constituted Audit Committee and as on March 31, 2021, all the of the members of Audit Committee are Independent Directors having expertise in financial and accounting areas. Audit Committee of the Board has been constituted as per Section 177 of the Act read with Regulation 18 of the Listing Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the



Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Terms of reference

The terms of reference of Audit Committee as per Provisions of Companies Act, 2013 read with Listing Regulations inter alia includes the following:

i. Financial Statements

- a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Discussion and review, with the management and auditors, the annual/ quarterly financial statements before submission to the Board, with particular reference to:
 - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of sub-section 3(c) of section 134 of the Companies Act, 2013.
 - Disclosure under 'Management Discussion and Analysis of Financial Condition and Results of Operations.'
 - Any changes in accounting policies and practices and reasons for the same.
 - Major accounting entities involving estimates based on exercise of judgement by management.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transaction.
 - Disclosure of contingent liabilities.
 - Scrutinize inter corporate loans and investments.
 - To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

ii. External Audit

- To have timely discussions with external auditors.
- To recommend the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fee and also approval for payment for any other services rendered by the external auditors.
- To evaluate auditor's performance, qualification and independence.

iii. Internal Audit

- To review on a regular basis the adequacy of internal audit function.
- To review the appointment, removal, performance and terms of remuneration of the Internal Auditor.
- To review the regular internal reports to management prepared by the internal auditor, as well as management's response thereto.
- To review the findings of any internal investigation by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with internal auditors any significant findings and follow-up thereon.
- To review internal audit reports relating to the internal control weaknesses.

GUJARAT TERCE LABORATORIES LTD.

iv. Internal Control

To review with the management, external and internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues.

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the 35th Annual General Meeting held on 21st August, 2020 to answer the shareholders' queries. The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Regulation 18 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

During the period under review, the Audit Committee met Four times on 29.06.2020, 08.08.2020, 07.11.2020, and 05.02.2021.

Composition of Audit Committee and attendance of each member during the meetings held in FY 2020-2021 are given below:

Name	Designation	Category	No of meetings attended during the year 2020-21
Mr. Surendrakumar Sharma	Chairman	Non- Executive Independent Director	4
Mr. Viplav Khamar	Member	Non- Executive Independent Director	4
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	4

(ii) NOMINATION AND REMUNERATION COMMITTEE

The Company has complied with the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Nomination and Remuneration Committee.

Terms of reference

The role of the Nomination and Remuneration Committee is to recommend to the Board, the remuneration package for the Managing/ Executive Directors and senior officials just one level below the Board. The committee functions as follows:

- i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. To formulate criteria for evaluation of Independent Directors and the Board.
- iii. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- iv. To carry out evaluation of every Director's performance.
- v. To recommend to the Board the appointment and removal of Directors and Senior Management.
- vi. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To devise a policy on Board diversity.
- ix. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- x. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Regulation 19 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.



The Committee has held Four Meetings during the FY 2020-21 i.e. 29.06.2020, 08.08.2020, 07.11.2020, and 05.02.2021.

Composition of Nomination and Remuneration Committee and attendance of each member during the meetings held in FY 2020-21 are given below:

Name	Designation	Category	No of meetings attended during the year 2020-21
Mr. Surendrakumar Sharma	Chairman	Non- Executive Independent Director	4
Mr. Viplav Khamar	Member	Non- Executive Independent Director	4
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	4

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company has been posted on the website of the Company at www.gujaratterce.in. The said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industry practice. The key factors considered in formulating the Policy are as under:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and one level below Chief Executive Officer/Managing Director/Whole-time Director involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

(iv) REMUNERATION TO DIRECTORS

- Pecuniary Relationship with Non-Executive Directors: None of the Non-executive Directors has any pecuniary relationship or transactions with the company except as per requirements of Accounting Standard 24 are disclosed in the notes to accounts annexed to the financial statements.

- The criteria for making payments to non- executive director:

Mentioned in the below link of the Company website <http://gujaratterce.in/Codes-and-Policies>

- Disclosures with respect to remuneration:

Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company if any. Perquisites, retirement benefits and performance pay are also paid/ provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions. Presently, the Company does not have a stock options scheme for its Directors.

GUJARAT TERCE LABORATORIES LTD.

Name of the director	service contracts (Term of Appointment)	Remuneration & Perquisites and other allowance (Amt. in ₹)	Commission	Sitting Fees	Notice Period & Severance Fees	Total
Mr. Natwarbhai P. Prajapati	upto 10/01/2022	18,08,670	0	0	30 days	18,08,670
Mr. Amritbhai P. Prajapati	upto 24/05/2024	4,04,670	0	0	30 days	4,04,670
Mrs. Chhayaben A. Shah	upto 29/06/2025	0	0	0	30 days	0
Mr. Surendrakumar P. Sharma	upto 09/08/2023	0	0	0	30 days	0
Mr. Viplav S. Khamar	upto 26/06/2022	0	0	0	30 days	0
Mr. Aalap N.Prajapati	upto 31/03/2023	12,08,670	0	0	30 days	12,08,670
Mr. Navichandra Prajapati	Upto 31/03/2025	0	0	0	30 days	0

Remuneration is within limits specified under section 197 of the Companies Act, 2013 and rules made thereunder.

(v) STAKEHOLDER RELATIONSHIP COMMITTEE

The Company has complied with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Stakeholders Relationship Committee.

Terms of reference

The terms of reference of the Committee include reviewing and redressing complaints from shareholders such as non-receipt of annual report, transfer of shares, issue of duplicate share certificates, etc.; to oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities; to oversee the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services; and to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, BSE and any other regulatory authority or under any applicable laws, as amended from time to time.

The Committee has held Four Meetings during the FY 2020-21 i.e. 29.06.2020, 08.08.2020, 07.11.2020 and 05.02.2021.

The Composition of Stakeholders Relationship Committee and attendance of each member during the meetings held in financial year 2020-21 are given below.

Name	Designation	Category	No of meetings attended during the year 2020-21
Mr. Viplav Khamar	Chairman	Non- Executive Independent Director	4
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	4
Mr. Aalap N. Prajapati	Member	Executive Whole Time Director	4

In addition, Details of Shareholders' Complaints received during the year are as follows:

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2020	0
Investor complaints received during the year ended on March 31, 2021	0
Investor complaints resolved during the year ended March 31, 2021	0
Investor complaints pending as on March 31, 2021	0

The Committee considers and resolves the grievances of the security holders. The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc., and the responses thereto.

Ms. Ashka Solanki, Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for the compliance of capital market related laws.

(vi) GENERAL BODY MEETINGS:

1. SPECIAL RESOLUTIONS PASSED AT THE LAST 3 ANNUAL GENERAL MEETINGS

Year	Venue of AGM	Date & Time	No. of special resolutions passed
2017-18	Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	24/09/2018 at 10.00 a.m.	<ul style="list-style-type: none"> Regularisation of Mr. Aalap Prajapati as Director Appointment of Mr. Aalap N. Prajapati (DIN: 08088327) as Whole Time Director Appointment of Mr. Surendra Kumar Sharma as Independent Director of the Company
2018-19	Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar	20/09/2019 at 10.00 a.m	<ul style="list-style-type: none"> Re-appointment of Mr. Jayantibhai Shankarlal Prajapati (DIN:02608139), as an Independent Director of the Company. To advance loan or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested. To approve the exemption in respect of loan to directors given in section 185(2) of The Companies Act, 2013 and rules made thereunder. Re-appointment of statutory auditor M/s. USS & Associates for financial year from 01/04/2019 to 31/03/2020. Alteration in the main object clause of memorandum of association of the company. Deletion of the other objects clause of the Memorandum of Association. Amendment of the Liability Clause of the Memorandum of Association. Amendment of the Capital Clause of the Memorandum of Association. Adoption of New Set of Articles of Association
2019-20	Through Video Conferencing/Other Audio Visual Means ('VC'/'OAVM')	21/08/2020 at 11:00 a.m.	<ul style="list-style-type: none"> Appointment of Mr. Navinchandra Patel (DIN: 08702502), as an Independent Director Re-appointment of Smt. Chhayaben Ashwinbhai Shah (DIN: 01435892), as an Woman Independent Director of the Company

2. Passing of Resolution by Postal Ballot: None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2021. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

(vii) MEANS OF COMMUNICATION

Quarterly and Annual Financial Results of the Company were submitted to the Stock Exchanges immediately after the Board approves them. Thereafter, the same were published in The Business Standard-English, Jai Hind- Gujarati and also put the same on its website at www.gujaratterce.in Disclosures pursuant to various clauses of the Listing obligations and disclosure requirements are promptly communicated to Bombay Stock Exchange.

No formal presentation was made to the institutional investors or to the analysts during the year under review. Management Discussion and Analysis forms Part of the Annual Report, which is sent to the Shareholders of the Company.

GUJARAT TERCE LABORATORIES LTD.

(viii) GENERAL SHAREHOLDER INFORMATION

a. Exclusive e-mail id for investor grievances

Pursuant to Regulation 13(3) of the SEBI (LODR) Regulations, 2015, the following email id has been designated for communicating investor grievances: cs@gujaratterce.com

Person in-charge of the Department: Ms. Ashka Solanki

b. Annual General Meeting

The 36th Annual General Meeting will be held on Tuesday, 7th September, 2021 at 11:00 a.m. through video conferencing mode.

Financial Year : **2021-22**

First quarter results : July/August 2021

Second quarter results : October 2021

Third quarter results : February 2022

Annual results : April/May/June 2022

Annual General Meeting : August/September 2022

c. Book Closure

The Register of Members and the Share Transfer Register will be closed from Wednesday, 1st September, 2021 to Tuesday, 7th September, 2021 (both days inclusive).

d. Dividend Payment Date - Not applicable

e. The equity shares of the Company are listed at: Bombay Stock Exchange Limited (BSE)

f. Annual Listing fees for the year 2021-22 have been paid to the stock exchange.

The Company has also paid the Annual Custodial fees to both the depositories.

g. Stock Codes: 524314

h. High/Low of monthly Market Price of the Company's Equity Shares

Month	Bombay Stock Exchanges(BSE) (In ₹ Per share)	
	High Price	Low Price
April, 2020	9.41	6.05
May, 2020	10.27	9.10
June, 2020	9.89	7.39
July, 2020	9.01	7.50
August, 2020	9.15	7.66
September, 2020	8.80	6.79
October, 2020	9.32	7.33
November, 2020	9.00	7.01
December, 2020	8.76	6.80
January, 2021	8.75	6.89
February, 2021	8.20	6.84
March, 2021	8.00	6.70

i. International Securities Identification Number (ISIN) : INE499G01013

j. Corporate Identity Number (CIN) : L24100GJ1985PLC007753

k. Registrar & Transfer Agent

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road Marol, Andheri East Mumbai 400059
 Tel: 022 62638200 • Fax: 022 62638299
 E-mail:- sandeep@bigshareonline.com, Investor@bigshareonline.com
 Website-www.bigshareonline.com

l. Share Transfer System

As per the SEBI guidelines, the Registry and Share transfer activity is being handled by Big Share Services Private Limited, Mumbai. The Share Transfer requests received in physical form are normally registered within 15 days from the date of receipt.

m. Distribution of Shareholding (As on March 31, 2021)

On the basis of Share held:

SHAREHOLDING	NO OF SHAREHOLDER	% OF HOLDERS	SHARES	% OF HOLDING
1-500	12681	94.85	1551931	20.91
501-1000	320	2.40	275270	3.71
1001-2000	123	0.92	199446	2.69
2001-3000	46	0.34	114536	1.54
3001-4000	31	0.23	111208	1.50
4001-5000	53	0.40	254318	3.43
5001-10000	49	0.37	351849	4.74
100001-999999999	66	0.49	4561742	61.48
Total	13369	100	74203000	100

On the basis of category:

Category	No of Shares Holder	% of Shareholders	No. of shares	% of Holding
Clearing Members	5	0.04	2739	0.04
Corporate Bodies	24	0.18	48918	0.66
Non Resident Indian	11	0.08	85773	1.15
Other Directors	3	0.02	9300	0.13
Group Companies	1	0.01	1075900	14.50
Promoter	6	0.05	1575976	21.24
Public	13319	99.62	4621694	62.28
Total	13369	100	7420300	100

n. Dematerialization of Shares And Liquidity

Shares of the Company are traded compulsorily in dematerialized form and are available for trading with both the depositories with whom the Company has established direct connectivity. The Demat requests received by the Company are continually monitored to expedite the process of dematerialization. The Demat requests are confirmed to the depositories within 15 working days of receipt.

During the year, the Company has electronically confirmed Demat requests for 1000 equity shares. As on March 31, 2021, 83.57% of the total shares issued by the Company were held in dematerialized form.

- Liquidity: The Company's Shares are liquid on BSE.

- o.** In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer

GUJARAT TERCE LABORATORIES LTD.

deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from a Company Secretary-in-Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- p. Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31st March-2021: There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2021
- q. **Plant Location:** 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar 382729
- r. **Compliance Officer:** Ms. Ashka Solanki
- s. **Address for Correspondence:**
All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.
 - 1) **Gujarat Terce Laboratories Limited**
D-802, The First, B/h Keshavbaug Party Plot, Vastrapuar Ahmedabad-380051
Tel – 079-48933706 • E-mail:cs@gujaratterce.com, ho@gujaratterce.com
- t. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: Not Applicable

(ix) OTHER DISCLOSURES

a. Related Party Transactions

Transactions with related parties, as per requirements of Indian Accounting Standards, are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company is obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis Policy on dealing with Related Party Transactions can be viewed in the Company's website at www.gujaratterce.com and the same has been amended on 13th February, 2020.

- b. Details of non-compliance by the Company, penalties and structures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years: No strictures or penalties have been imposed on the Company.
- c. Whistle Blower Policy/ Vigil Mechanism: The Company has formulated Whistle Blower Policy in conformity with the Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013, the same has been hosted on the company website at <http://gujaratterce.in/Codes-and-Policies> to provide a mechanism for directors and employees of the company to approach the Ethics Counselor/ Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organization: No personnel have been denied access to the Audit Committee, if any, during the year.
- d. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 is given in the Directors' report.
- e. web link where policy for determining 'material' subsidiaries is disclosed: <http://gujaratterce.in/Codes-and-Policies>

- f. web link where policy on dealing with related party transactions: <http://gujaratterce.in/Codes-and-Policies>
- g. Commodity Price Risk and Hedging activities: Not Applicable
- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable
- i. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority: The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: Not Applicable
- k. Total fees for all services paid by the listed entity, on a standalone basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the Statutory Auditors are given in Note 30 to the Standalone Financial Statements.

(x) Non Mandatory Requirements:

The Company has adopted following Non Mandatory requirements of C & E of the Non-Mandatory requirements as provided in Part E of Schedule II of the Listing Regulations and not adopted A & B since they are discretionary requirements.

Discretionary Requirements:

- The Company does not maintain a separate office for the Non-Executive Chairman as Chairman
- There is no separate Posts of Chairman & CEO
- The quarterly financial results are published in the newspapers of wide circulation and are not sent to individual shareholders. Further, the financial results are available on the website of the Company and of the Stock Exchange where the shares of the Company are listed, i.e. BSE Ltd.
- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports to the Audit Committee.

(xi) Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements of Listing Regulation:

Mandatory Requirements:

During the year, The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

(xii) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes

GUJARAT TERCE LABORATORIES LTD.

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	NA
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Website	46(2)(b) to(i)	Yes

DECLARATION OF COMPLIANCE WITH THE GENERAL TO CODE OF CONDUCT OF THE COMPANY

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare as follows:

1. The Company does have a General Code of Conduct approved by its Board of Directors, which is posted on its website www.gujaratterce.in and
2. All the members of the Board of Directors and Senior Management of the Company have individually submitted statements of affirmation of compliance with the said Code of Conduct for the financial year ended 31st March, 2021.

**By Order of the Board
For, Gujarat Terce Laboratories Ltd.**

Sd/-

Natwarbhai P. Prajapati
Chairman & Managing Director
DIN: 00031187

Place: Ahmedabad
Date: 24.06.2021



MD / CEO & CFO CERTIFICATION

Mr. Natwarbhai P. Prajapati (CMD), and Mr. Bhagirath R. Maurya (CFO) of the Company hereby certify to the Board that:

- a) We have reviewed the Financial Statements for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
 - i. The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
 - ii. The said 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) We further state that 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 internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year, if any;
 - ii. Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 24.06.2021

Sd/-
Natwarbhai P. Prajapati
Chairman & Managing Director

Sd/-
Bhagirath R. Maurya
Chief Financial Officer

CERTIFICATE

Based on our verification of the registers, records, forms, returns and disclosures received from the Directors of Gujarat Terce Laboratories Limited having CIN L24100GJ1985PLC007753 and having registered office at 122/2 Ravi Estate, Bileshwarpura, Chhtral, Gandhinagar 382729, Gujarat (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date: 22.07.2021
Place: Ahmedabad

Sd/-
Pinakin Shah & Co.
Practising Company Secretary
FCS 2562, C.P. NO 2932
UDIN: F002562C000670405

GUJARAT TERCE LABORATORIES LTD.

AUDITORS CERTIFICATE ON COMPLIANCE

I have examined compliance of conditions of Corporate Governance by Gujarat Terce Laboratories Limited (the Company), for the year ended 31st March, 2021, as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015 of the said Company with stock exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015.

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

Date: 22.07.2021
Place: Ahmedabad

Sd/-
Pinakin Shah & Co.
Practising Company Secretary
FCS 2562, C.P. NO 2932
UDIN: F002562C000670460



INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Terce Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Gujarat Terce Laboratories Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw attention to Note 33 to the financial statements, which describes the effects of a fire in the Company's facilities. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

GUJARAT TERCE LABORATORIES LTD.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
 - e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
 - 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 details of pending litigations of the Company have been disclosed in Note 35 to the financial statements. However, no impact of the same has been determined on its financial position, as the matter is pending before the respective authorities.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Shah & Co.
Chartered Accountants
FRN: 112630W

Sd/-
CA Parag Patel
(Partner)

Membership No.: 155916
UDIN: 21155916AAAADS8904

Place: Anand
Date: 24-06-2021

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

1. a. The company has not maintained records showing full particulars, including quantitative details and situation of its fixed assets. However, the required details have been examined to the extent available in the books of accounts and ledgers maintained by the company.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and, on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
4. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
6. The company is required to maintain cost records as prescribed under section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2018 for the current financial year. As per the explanation given by the management, the audit of records for the current period is pending.
7. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March 2021 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable in respect of income tax goods and services tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
8. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, government or debenture-holders, as applicable to the company.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
10. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.



-
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
 15. The company has not entered into non-cash transactions with directors or persons connected with him.
 16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. A. Shah & Co.
Chartered Accountants
FRN: 112630W

Sd/-
CA Parag Patel
(Partner)

Membership No.: 155916
UDIN: 21155916AAAADS8904

Place: Anand
Date: 24-06-2021

Annexure 'B'**Report on Internal Financial Controls with reference to financial statements****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gujarat Terce Laboratories Limited ("the Company") as of 31st March 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the 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 Institute of Chartered Accountants of India. 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.

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 audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- ii. 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
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. A. Shah & Co.
Chartered Accountants
FRN: 112630W

Sd/-
CA Parag Patel

(Partner)

Membership No.: 155916
UDIN: 21155916AAAADS8904

Place: Anand
Date: 24-06-2021

GUJARAT TERCE LABORATORIES LTD.

Balance Sheet as at 31st March, 2021

Figures in Rs. Thousand

Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	24,546.36	22,931.28
(b) Capital Work-in-Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Intangible Assets under development		-	-
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets			
(i) Investments	3	2,714.05	2,692.67
(ii) Trade Receivables		-	-
(iii) Loans	4	23,344.02	21,508.51
(iv) Others (to be specified)	5	482.63	823.11
(i) Deferred Tax Assets (net)	6	1,747.43	1,633.82
(j) Other Non-current Assets	7	45,672.55	56,351.59
		98,507.04	105,940.98
2 Current Assets			
(a) Inventories	8	37,394.61	34,331.89
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	51,047.68	70,069.79
(iii) Cash and Cash Equivalents	10	12,864.36	417.47
(iv) Bank balances other than (iii) above		-	-
(v) Loans	11	1,750.00	2,150.00
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (net)	12	263.33	-
(d) Other Current Assets	13	16,211.27	12,152.14
		119,531.25	119,121.29
		218,038.29	225,062.27
TOTAL			
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	74,203.00	74,203.00
(b) Other Equity	15	2,416.94	36,906.57
		76,619.94	111,109.57
LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,248.10	1,552.32
(ii) Trade Payables			
(A) Total outstanding dues of Micro enterprises and Small enterprises		-	-
(B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		-	-
(iii) Other Financial Liabilities	17	8,673.00	8,873.00
(b) Provisions	18	12,079.44	10,643.71
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non-current Liabilities		-	-
		25,000.54	21,069.03
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	41,439.84	23,753.55
(ii) Trade Payables	20	-	-
(A) Total outstanding dues of Micro enterprises and Small enterprises		3,971.53	5,208.27
(B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		24,514.11	26,681.31
(iii) Other Financial Liabilities	21	7,782.60	9,589.88
(b) Other Current Liabilities	22	2,165.97	1,515.37
(c) Provisions	23	36,543.76	24,070.56
(d) Current Tax Liabilities (net)	24	-	2,064.73
		116,417.81	92,883.67
		218,038.29	225,062.27
TOTAL			

As Per Our Audit Report of Even Date Attached
For, **M. A. Shah & Co.**
Chartered Accountants
Sd/-
CA Parag Patel
Partner
Membership No.: 155916
Firm Registration No.: 112630W

Place : Anand
Date : 24-06-2021
UDIN : 21155916AAAADS8904

For and on behalf of the Board of Directors

Sd/-
N. P. Prajapati
Chairman & Managing Director
DIN: 00031187

Sd/-
Bhagirath Maurya
Chief Finance Officer (CFO)

Sd/-
Aalap Prajapati
Whole-time Director
DIN: 08088327

Sd/-
CS Aashka Solanki
Company Secretary



Statement of Profit and Loss for the year ended 31 March, 2021

Figures in Rs. Thousand

Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
I Revenue from Operations	25	251,779.36	375,438.75
II Other Income	26	8,020.91	2,861.08
III Total Income (I + II)		259,800.27	378,299.83
IV Expenses			
(a) Cost of Materials Consumed	27	34,401.08	51,695.65
(b) Purchases of Stock-in-Trade		68,091.50	91,105.66
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	-2,578.73	-3,749.32
(d) Employee Benefits Expenses	29	129,670.50	151,281.26
(e) Finance Costs	30	3,892.97	2,917.86
(f) Depreciation and Amortization Expenses	1	1,762.68	2,415.24
(g) Other Expenses	31	49,876.25	78,274.93
Total Expenses (IV)		285,116.25	373,941.28
V Profit/(Loss) before Exceptional Items and Tax (I - IV)		-25,315.98	4,358.55
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V - VI)		-25,315.98	4,358.55
VIII Tax Expenses			
1 Current Tax		-	2,064.73
2 Deferred Tax		-113.61	-467.91
Total Tax Expenses (VIII)		-113.61	1,596.82
IX Profit/(Loss) for the period from Continuing Operations (VII - VIII)		-25,202.37	2,761.73
X Profit/(Loss) from Discontinued Operations		-	-
XI Tax Expense of Discontinued Operations		-	-
XII Profit/(Loss) from Discontinued Operations (after tax) (X - XI)		-	-
XIII Profit/(Loss) for the period (IX + XII)		-25,202.37	2,761.73
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (XIV)		-	-
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		-25,202.37	2,761.73
XVI Earnings per Equity Share (for Continuing Operations) (Figures in Rs.)	32		
1 Basic		-3.40	0.37
2 Diluted		-3.40	0.37
XVII Earnings per Equity Share (for Discontinued Operations) (Figures in Rs.)			
1 Basic		-	-
2 Diluted		-	-
XVI Earnings per Equity Share (for Discontinued and Continuing Operations) (Figures in Rs.)			
1 Basic		-3.40	0.37
2 Diluted		-3.40	0.37

As Per Our Audit Report of Even Date Attached
For, **M. A. Shah & Co.**
Chartered Accountants
Sd/-
CA Parag Patel
Partner
Membership No.: 155916
Firm Registration No.: 112630W

For and on behalf of the Board of Directors

Sd/-
N. P. Prajapati
Chairman & Managing Director
DIN: 00031187

Sd/-
Aalap Prajapati
Whole-time Director
DIN: 08088327

Place : Anand
Date : 24-06-2021
UDIN : 21155916AAAADS8904

Sd/-
Bhagirath Maurya
Chief Finance Officer (CFO)

Sd/-
CS Aashka Solanki
Company Secretary

GUJARAT TERCE LABORATORIES LTD.**Statement of Cash Flow for the period ended 31st March, 2021**

Figures in Rs. Thousand

Particulars	31st March 2021	31st March 2020
A. Cash Flow from Operating Activities		
Net Profit before tax (as per Statement of Profit and Loss)	(25,315.97)	4,358.55
Adjustments for non-cash/non-trade items:		
Depreciation & Amortization Expenses	1,762.68	2,415.24
Finance Costs	3,892.97	2,917.86
Adjustments for unrealised foreign exchange Losses/(Gains)	-	(33.65)
Loss on Sale of Assets	1,666.31	-
Interest received	(3,020.91)	(2,810.09)
Increase in long-term provisions	1,435.73	-
Income Tax paid for previous years	(57.24)	-
Operating profits before Working Capital Changes	(19,636.43)	6,847.91
Adjusted For:		
(Increase)/Decrease in trade receivables	18,995.71	(24,758.86)
Increase/(Decrease) in trade payables	(3,403.93)	3,782.59
(Increase)/Decrease in inventories	(3,062.71)	3,449.78
Increase/(Decrease) in other current liabilities	10,320.51	2,812.25
(Increase)/Decrease in short term loans & advances	400.00	(1,900.00)
(Increase)/Decrease in other current assets	(3,880.12)	(5,098.86)
Cash generated from Operations	(266.97)	(14,865.18)
Income Tax (Paid)/Refund	(1,481.98)	(1,025.04)
Net Cash flow from Operating Activities(A)	(1,748.95)	(15,890.22)
B. Cash flow from investing activities		
Purchase of tangible assets	(5,044.07)	(4,813.58)
Non-current Investments (Purchased)/Sold	(155.69)	218.02
Interest Received	387.31	2,810.09
Cash advances and loans made to other parties	(1,025.00)	(916.17)
Cash advances and loans received back	1,600.00	-
Net Cash used in Investing Activities(B)	(4,237.46)	(2,701.64)
C. Cash flow from financing activities		
Finance Cost	(2,771.54)	(2,917.86)
Increase in/ (Repayment of) Short-term Borrowings	17,686.30	18,522.63
Increase in/ (Repayment of) Long-term borrowings	3,726.67	1,569.68
Net Gain/(Loss) on Foreign Currency Transactions	(8.13)	7.55
Repayment of Security Deposits	(200.00)	-
Net Cash used in Financing Activities(C)	18,433.30	17,182.00
D. Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	12,446.89	(1,409.86)
E. Cash & Cash Equivalents at Beginning of period	417.47	1,827.33
F. Cash & Cash Equivalents at End of period	12,864.36	417.47
G. Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	12,446.89	(1,409.86)

As Per Our Audit Report of Even Date Attached
For, M. A. Shah & Co.
Chartered Accountants
Sd/-
CA Parag Patel
Partner
Membership No.: 155916
Firm Registration No.: 112630W

Place : Anand
Date : 24-06-2021
UDIN : 21155916AAAADS8904

For and on behalf of the Board of Directors

Sd/-
N. P. Prajapati
Chairman & Managing Director
DIN: 00031187

Sd/-
Bhagirath Maurya
Chief Finance Officer (CFO)

Sd/-
Aalap Prajapati
Whole-time Director
DIN: 08088327

Sd/-
CS Aashka Solanki
Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March, 2021

A Equity Share Capital

Balance at the beginning of the reporting period		Changes in Equity Share Capital during the year		Balance at the end of the reporting period	
Equity Shares of INR 10.00 each, Issued and Subscribed					
No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
7,420,300.00	74,203,000.00	-	-	7,420,300.00	74,203,000.00

B Other Equity

Figures in Rs.

	Share Application Money pending Allotment	Equity component of Compound Financial Instruments	Reserves and Surplus			Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash-flow Hedges	Revaluation Surplus	Exchange differences on translating financial statements of a Foreign Operation	Other items of Comprehensive Income	Money received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves								
Balance at the beginning of the reporting period	-	-	15,000,000.00	4,175,632.00	20,750,037.00	-	-	-	-	-3,019,091.00	-	-	36,906,578.00
Changes in Accounting Policy or Prior-period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-stated balance at the beginning of the reporting period	-	-	15,000,000.00	4,175,632.00	20,750,037.00	-	-	-	-	-3,019,091.00	-	-	36,906,578.00
Total Comprehensive Income for the year	-	-	-	-	-25,202,359.84	-	-	-	-	-	-	-	-25,202,359.84
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in respect of discontinued operations	-	-	-	-	-9,279,474.00	-	-	-	-	-	-	-	-9,279,474.00
Other Adjustments	-	-	-	-	-7,805.00	-	-	-	-	-	-	-	-7,805.00
Balance at the end of the reporting period	-	-	15,000,000.00	4,175,632.00	-13,739,601.84	-	-	-	-	-3,019,091.00	-	-	2,416,939.16

As Per Our Audit Report of Even Date Attached
For, M. A. Shah & Co.

Chartered Accountants

Sd/-

CA Parag Patel
Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place : Anand

Date : 24-06-2021

UDIN : 21155916AAAAADS8904

For and on behalf of the Board of Directors

Sd/-

N. P. Prajapati
Chairman & Managing Director
DIN: 00031187

Sd/-

Aalap Prajapati
Whole-time Director
DIN: 08088327

Sd/-

Bhagirath Maurya
Chief Finance Officer (CFO)

Sd/-

CS Aashka Solanki
Company Secretary



Notes to Financial Statements for the period ended 31st March 2021

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

Note No. 1:**Statement of Compliance**

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, and relevant provisions of the Companies Act, 2013. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss for the year ended 31st March 2021, the Statement of Cash Flows for the year ended 31st March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

Basis of preparation of financial statements:

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value.
- Assets held for sale – measured at fair value less cost of sale.
- Plan assets under defined benefit plans – measured at fair value.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of thousands, unless otherwise stated.

Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

- Defined Benefit Obligation – Note 18
- Current tax expense and current tax payable – Notes 12 & 24
- Deferred tax assets for carried forward tax losses – Note 6

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

1. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Subsequent expenditure and componentisation

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment, arising on account of capital improvement or other factors, are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

2. Impairment

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

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

An impairment loss is recognised immediately in the Statement of Profit and Loss.

3. Inventories**Raw Materials**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases.

Work-in-Progress and Finished Goods

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to the individual items in a group of inventories on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated

selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Stores and Spares

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories. Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

4. Non-current Assets held-for-sale and Discontinued Operations**Non-current Assets held-for-sale**

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Such assets or disposal groups are classified only when both the conditions are satisfied:

- The sale is highly probable; and
- The asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued Operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

5. Revenue Recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

Interest Income

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

6. Foreign Exchange Translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for

future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

7. Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

8. Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a

qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

9. Provisions

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

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

10. Employee Benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

Short-term Employee Benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount



of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Post-employment Benefits

- **Defined Benefit Plan**

Defined benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings

in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

11. Earnings per Share

Basic Earnings per Share

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

Diluted Earnings per Share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

Notes forming part of the financial statements (Contd...)

Note No. 2: Property, Plant and Equipment as at 31st March 2021

Figures in Rs.

Assets	Useful Life (In Years)	Gross Block			Accumulated Depreciation/ Amortisation			Net Block	
		Balance as at 1st April 2020	Additions during the year	Deletion during the year	Balance as at 31st March 2021	Provided during the year	Deletion/ adjustments during the year	Balance as at 31st March 2021	Balance as at 31st March 2020
Land:									
Factory Land		309,909.00	-	-	309,909.00	-	-	309,909.00	309,909.00
Buildings:									
Factory Building	30	10,037,058.36	-	340,692.00	9,696,366.36	268,264.00	168,003.00	1,788,384.36	2,229,337.36
Godown	30	6,559,365.50	-	-	6,559,365.50	198,645.00	-	5,024,571.50	5,223,216.50
Plant and Equipment:									
Block & Design	20	3,289,229.99	-	-	3,289,229.99	71,248.00	-	134,301.99	205,549.99
Electric Installation	20	1,910,547.00	39,100.00	418,507.00	1,531,140.00	23,195.00	300,448.00	82,697.00	184,851.00
Laboratory Equipment	20	3,627,039.00	-	-	3,627,039.00	35,221.00	-	468,763.00	503,984.00
Machinery	20	18,411,627.07	3,110,850.00	3,158,067.00	18,364,410.07	262,008.00	1,848,563.00	8,946,676.07	7,407,338.07
Furniture and Fixtures:									
Furniture	10	9,567,624.59	47,672.00	461,409.00	9,153,887.59	593,110.00	395,354.00	3,727,331.59	4,338,824.59
Vehicles:									
Vehicles	10	4,516,034.89	1,588,151.11	-	6,104,186.00	200,161.00	-	3,475,898.00	2,087,907.89
Office Equipment:									
Computer	3	2,470,717.47	100,700.69	-	2,571,418.16	69,799.00	-	311,193.16	280,291.47
Communication Appliances	3	278,459.00	157,600.00	-	436,059.00	41,028.00	-	276,639.00	160,067.00
Grand Total		60,977,611.87	5,044,073.80	4,378,675.00	61,643,010.67	1,762,679.00	2,712,368.00	24,546,364.67	22,931,276.87



Notes forming part of the financial statements (Contd...)

Note No. 3 Non- Current Investment

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Investment (At Cost)		
Fixed Deposits with Bank	2,714,051.00	2,692,674.00
Total	2,714,051.00	2,692,674.00

Note No. 4: Loans (Non-Current)

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Advances Recoverable in cash or kind or for value to be received		
(i) Other Loans		
(a) Unsecured, Considered Good	23,344,022.00	21,508,505.00
Total	23,344,022.00	21,508,505.00

Notes:

- All the above loans have been given for business purpose as well as revenue generation from spare fund.
- All the above Loans are repayable within a period of 3 to 5 years.
- All of the above loans are interest bearing @ 12% p.a., except loans to Ketan N. Shah and Dipal J. Desai.

Note No. 5: Other Financial Assets

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Security deposits		
Unsecured, considered good	482,626.00	823,106.00
Total	482,626.00	823,106.00

Note No. 6: Deferred Tax Assets

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Deferred Tax Assets (Net)	1,747,431.49	1,633,824.00
Total	1,747,431.49	1,633,824.00

Particulars	As at 1 st April 2020	Current Year Difference	As at 31 st March 2021
Details of Timing Difference (Asset):			
1. Provision for Unpaid Gratuity (Net of Gratuity paid during the year)	13,174,647.00	2,124,759.00	15,299,406.00
2. Provision for Unpaid Bonus (Net of Bonus paid during the year)	-	1,038,562.00	1,038,562.00
	13,174,647.00	3,163,321.00	16,337,968.00
Gross Deferred Tax Assets (A)	3,425,408.00		4,247,871.68
Details of Timing Difference (Liability):			
1. Depreciation provided on Fixed Assets	6,890,707.69	2,726,369.98	9,617,077.67
	6,890,707.69	2,726,369.98	9,617,077.67
Gross Deferred Tax Liabilities (B)	1,791,584.00		2,500,440.19
Deferred Tax Assets (Net) (A-B)	1,633,824.00		1,747,431.49

GUJARAT TERCE LABORATORIES LTD.**Note No. 7: Other Non-Current Assets****(Figures in ₹)**

Particulars	As at 31st March, 2021	As At 31st March 2020
Loans and advances recoverable in cash or kind or for value to be received		
Unsecured, Considered Good	120,000.00	2,247,404.00
Balances with Statutory Authorities	1,537,678.00	774,957.00
Sterling Resort Time Share	70,650.00	70,650.00
Non-current Assets of Discontinued Operations held for sale (Refer Note 33)	43,944,218.00	53,258,582.00
Total	45,672,546.00	56,351,593.00

Note No. 8: Inventories**(Figures in ₹)**

Particulars	As at 31st March, 2021	As At 31st March 2020
(a) Raw Materials (At cost)	4,084,487.00	3,235,116.00
(b) Work-in-Progress (At cost)	2,053,497.00	1,070,393.00
(c) Finished Goods (other than those acquired for trading) (At cost or net realisable value w.e. is lower)	5,899,884.55	7,085,373.00
(d) Stock-in-Trade (acquired for trading) (At cost or net realisable value w.e. is lower)	19,031,272.45	16,250,158.00
(e) Stores, Spares & Other Items (At cost)	4,700,312.00	4,719,913.00
(f) Advertisement Articles Stock (At cost)	1,625,152.00	1,970,940.00
Total	37,394,605.00	34,331,893.00

The above includes goods in transit as under:

(Figures in ₹)

Particulars	As at 31st March, 2021	As At 31st March 2020
Raw Material	-	1,210.00
Stock in Trade	-	55,201.00
Finished Goods	117,316.00	-
Packing Material	32,425.00	125,000.00
Total	149,741.00	181,411.00

Note 9 Trade receivables**(Figures in ₹)**

Particulars	As at 31st March, 2021	As At 31st March 2020
Outstanding for more than Six Months		
Secured, Considered Good		
Unsecured - Considered Good	75,055.28	6,721,800.00
Doubtful		
Less: Allowance for Doubtful Receivables		
	75,055.28	6,721,800.00
Outstanding for less than Six Months		
Secured, Considered Good		
Unsecured - Considered Good	50,972,625.19	63,347,985.00
Doubtful		
Less: Allowance for Doubtful Receivables		
	50,972,625.19	63,347,985.00
Total	51,047,680.47	70,069,785.00



Notes forming part of the financial statements (Contd...)

Note No. 10: Cash and Cash Equivalents

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
(a) Cash on hand	290,217.35	329,248.00
(b) Balances with banks		
(i) In current accounts	12,574,141.28	88,221.00
Total	12,864,358.63	417,469.00

Notes:

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Balances with Banks include:		
(i) Balance in unclaimed dividend accounts	-	-
(ii) Balance to the extent held as margin money deposit against guarantee	-	-
Total	-	-

(i) There are no amounts of cash and cash equivalents held by the entity that are not available for use.

Note No. 11: Loans (Current)

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Advances given to Employees (Interest Free)		
Unsecured, Considered Good	1,750,000.00	2,150,000.00
Total	1,750,000.00	2,150,000.00

Note No. 12: Current Tax Assets (Net)

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Income Tax Refundable	263,330.25	-
Total	263,330.25	-

Current Tax Assets comprise of tax credit receivable at the end of the year, net of any tax liabilities, where the company has a legal right to set off such assets and liabilities.

Note No. 13: Other Current Assets

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Balances with Statutory Authorities	9,829,902.78	9,549,109.75
Insurance Claim Receivable	5,000,000.00	-
Prepaid Expenses	1,381,372.00	2,603,035.00
Total	16,211,274.78	12,152,144.75

Note No. 14: Share Capital

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Authorised:		
11000000 Equity shares of ₹ 10.00 at par value	110,000,000.00	110,000,000.00
Issued, Subscribed and Paid-up:		
7420300 Equity shares of ₹ 10.00 at par value	74,203,000.00	74,203,000.00
Total	74,203,000.00	74,203,000.00

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (Contd...)**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Class of shares / Name of shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	7,420,300.00	74,203,000.00	7,420,300.00	74,203,000.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	7,420,300.00	74,203,000.00	7,420,300.00	74,203,000.00

Right, Preferences and Restrictions attached to Shares

Equity Shares

The company has only one class of Equity having a par value ₹ 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the company

Class of shares / Name of shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Natwarbhai P Prajapati	595,872.00	8.03%	595,872.00	8.03%
Manjulaben Prajapati	927,150.00	12.49%	927,150.00	12.49%
Abundant Tradelink Private Limited	1,075,900.00	14.50%	1,075,900.00	14.50%

Note No. 15: Other Equity

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Securities premium*		
Opening balance	15,000,000.00	15,000,000.00
	-	-
Closing balance	15,000,000.00	15,000,000.00
General reserve*		
Opening balance	4,175,632.00	4,175,632.00
	-	-
Closing balance	4,175,632.00	4,175,632.00
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	17,730,946.00	14,969,218.00
Adjustments through Other Comprehensive Income	-	-
Reversal of Interest Provision on Outstanding Balances of MSMEs	49,433.00	-
Income Tax Paid for Previous Years	-57,238.00	-
Net amount of impairment losses recognised in respect of discontinued operations (Note 33)	-9,279,474.00	-
Loss for the year	-25,202,359.84	2,761,728.00
Closing Balance	-16,758,692.84	17,730,946.00
Total	2,416,939.16	36,906,578.00



Notes forming part of the financial statements (Contd...)

Note No. 16: Borrowings

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Term Loans		
From Banks		
(i) Secured	3,948,100.51	1,252,319.00
Loans & Advances from Directors & Related Parties		
Loans & Advances from Others		
(i) Unsecured	300,000.00	300,000.00
Total	4,248,100.51	1,552,319.00

1. Auto Loan from HDFC Bank is repayable in 60 monthly equal instalments of ₹ 33268 starting from 07/01/2018. The total outstanding as at March 31st 2021 is ₹ 6,48,463.52.
2. Auto Loan from HDFC Bank is repayable in 36 monthly equal instalments of ₹ 32544 starting from 07/12/2019. The total outstanding as at March 31st 2021 is ₹ 6,03,855.04.
3. Loan from Bank of Baroda is repayable in 36 monthly instalments, after an initial moratorium period of 12 months, i.e. starting from July 2021. The total outstanding as at 31st March 2021 is ₹ 43,80,000.00.

Note No. 17: Other Financial Liabilities

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Trade/Security Deposits received from Distributors	8,673,000.00	8,873,000.00
Total	8,673,000.00	8,873,000.00

Note No. 18: Provisions

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Long Term Provisions		
Provision for Gratuity	12,079,447.00	10,643,714.00
Total	12,079,447.00	10,643,714.00

Particulars	As at 31 st March, 2021	As At 31 st March 2020
a) Amount recognized in the balance sheet:		
Opening Net Liability		
Current Provision of Gratuity	2,530,933.00	2,321,411.00
Long Term Provision of Gratuity	10,643,714.00	9,047,148.00
Total Opening Liability	13,174,647.00	11,368,559.00
Expenses Recognized in the Statement of Profit and Loss	2,563,391.00	2,419,778.00
Less: Employee Benefits paid directly by the employer	-438,632.00	-613,690.00
Liabilities/(Assets) recognized in the Balance Sheet	15,299,406.00	13,174,647.00
b) Expense/ (income) recognized in the statement of Profit & Loss account		
Current Service Cost	1,127,658.00	1,277,507.00
Interest Cost on Net Benefit Obligation	1,046,479.37	885,611.00
Past Service Cost - Vested Benefits recognized during the period	-	-
Net Actuarial (Gain)/Loss in the year	-389,253.63	-256,660.00
Amount recognised under Employee Benefits Expense	2,563,391.00	2,419,778.00

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (Contd...)****Note No. 19: Current Borrowings****(Figures in ₹)**

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Loans repayable on demand		
From Banks		
(i) Secured	41,439,841.00	23,753,545.00
Total	41,439,841.00	23,753,545.00

Notes:**(i) Details of security for the secured short-term borrowings:**

Cash Credit A/c - Bank of Baroda

Working capital loan which is repayable on demand is secured by equitable mortgage of factory land & building and residential bungalow of Director Shri Natwarbhai P Prajapati and hypothecation of all plant & machinery, movable fixed assets, stock, book debts & all the current assets of the company, as well as personal guarantee of the following directors:

1. Mr. Natwarbhai P. Prajapati
2. Mr. Amritbhai P. Prajapati
3. Mr. Aalap N. Prajapati

(ii) Cash credit interest is charged with interest @ 7.35% (at present MCLR + 0.10%).**Note No. 20: Trade Payables****(Figures in ₹)**

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Trade payables:		
Due to Micro & Small Enterprises	3,971,527.00	5,208,265.00
Other than Micro & Small Enterprises	24,514,110.00	26,681,305.00
Total	28,485,637.00	31,889,570.00

Disclosure in respect of Micro, Small and medium Enterprise:

(A) Principal amount unpaid to any supplier as at year end	3,959,774.00	5,158,832.00
(B) Interest due thereon		
(C) Amount of interest paid by the company in terms of section 16 of MSMED Act, along with the amount the payment made to them.	11,753.00	49,433.00
(D) Amount of interest due and payable for the year of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
(E) Amount of interest accrued and remaining unpaid at the end of accounting year.	11,753.00	49,433.00
(F) Amount of further interest remaining due and payable in succeeding year.		

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprise on the basis of information available with the company.

Note No. 21: Other Financial Liabilities (Current)**(Figures in ₹)**

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Current maturities of long-term debts	1,684,218.05	653,326.00
Interest accrued on trade/security deposits	284,172.00	582,276.00
Creditors for Expenses	5,814,207.07	8,354,286.00
Total	7,782,597.12	9,589,888.00

Notes forming part of the financial statements (Contd...)

Note No. 22: Other Current Liabilities

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Statutory Remittances (Contribution to PF and ESIC, Professional Tax, GST, TDS Payable etc.)	2,165,971.12	1,253,727.00
Advances from Customers	-	226,751.00
Current Liabilities related to Discontinued Operations (Note 33)	-	34,890.00
Total	2,165,971.12	1,515,368.00

Note No. 23: Short-term Provisions

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Provision for Other Employee Benefits	32,603,140.80	21,015,225.00
Provision for Gratuity	3,219,959.00	2,530,933.00
Other Provisions	720,657.00	524,397.00
Total	36,543,756.80	24,070,555.00

Note No. 24: Current Tax Liabilities (Net)

(Figures in ₹)

Particulars	As at 31 st March, 2021	As At 31 st March 2020
Provision for Income Tax	-	2,064,733.00
Total	-	2,064,733.00

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (Contd...)****Note No. 25: Revenue from Operations****(Figures in ₹)**

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Sale of products		
(i) Domestic Sales	251,779,364.03	374,676,053.00
(ii) Export Sales	-	762,692.00
Total	251,779,364.03	375,438,745.00

Note No. 26: Other Income**(Figures in ₹)**

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Interest Income	3,020,913.52	2,810,090.00
Insurance Claim Receivable	5,000,000.00	-
Other non-operating income (net of expenses directly attributable to such income)	-	50,990.00
Total	8,020,913.52	2,861,080.00

Note**(Figures in ₹)**

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Interest Income		
Interest on Bank Deposits	189,182.00	181,310.00
Interest on Other Loans	2,633,606.00	2,628,780.00
Interest on Sales Tax refund	71,334.00	-
Interest on Overdue Trade Receivables (MSME)	126,791.52	-
Total	3,020,913.52	2,810,090.00

(Figures in ₹)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Other Non Operating Income		
Discount Earned (Net)	-	1,447.00
Insurance Claim on goods lost in transit	-	6,082.00
Foreign Exchange Fluctuation income	-	33,645.00
Duty Drawback	-	9,816.00
Total	-	50,990.00

Notes forming part of the financial statements (Contd...)

Note No. 27: Cost of materials consumed

(Figures in ₹)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Raw Materials		
Opening Stock	3,235,116.00	3,909,045.00
Add: Purchase	32,085,398.08	43,634,214.00
	35,320,514.08	47,543,259.00
Less: Closing stock	4,084,487.00	3,235,116.00
Raw Material Consumed (A)	31,236,027.08	44,308,143.00
Packing Material		
Opening Stock	4,684,513.00	4,023,776.00
Add: Purchase	3,016,453.50	7,792,616.00
	7,700,966.50	11,816,392.00
Less: Closing Stock	4,664,912.00	4,684,513.00
Packing Material Consumed (B)	3,036,054.50	7,131,879.00
Stores & Spares		
Opening Stock	35,400.00	35,400.00
Add: Purchase	129,000.00	255,627.00
	164,400.00	291,027.00
Less: Closing Stock	35,400.00	35,400.00
Stores and Spares Consumed (C)	129,000.00	255,627.00
Cost of material Consumed (A) + (B) + (C)	34,401,081.58	51,695,649.00

Note No. 28: Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(Figures in ₹)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Inventories at the end of the year:		
Finished goods	5,899,884.85	7,085,373.00
Work-in-Progress	2,053,497.00	1,070,393.00
Stock of Trading Goods	19,031,272.45	16,250,158.00
	26,984,654.30	24,405,924.00
Inventories at the beginning of the year		
Finished goods	7,085,373.00	14,978,784.00
Work-in-Progress	1,070,393.00	612,311.00
Stock of Trading Goods	16,250,158.00	5,065,510.00
	24,405,924.00	20,656,605.00
Net (increase)/decrease in Inventories	-2,578,730.30	-3,749,319.00

Note No. 29: Employee Benefits Expenses

(Figures in ₹)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Salaries and Wages	118,446,640.00	140,233,555.00
Directors' Remuneration	3,396,000.00	3,187,155.00
Contribution to Provident and Other Funds	7,497,049.00	7,363,546.00
Staff Welfare Expenses	330,806.00	497,001.00
Total	129,670,495.00	151,281,257.00

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (Contd...)****Note No. 30: Finance Costs****(Figures in ₹)**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest Expense on		
(i) Borrowings	2,480,194.86	1,660,745.00
(ii) Other (includes interest on government and other dues)	947,044.00	879,129.00
Other borrowing costs		
(i) Bank Charges	465,730.98	377,981.00
Total	3,892,969.84	2,917,855.00

Note 31: Other expenses**(Figures in ₹)**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Bad Debts	1,703,575.00	-
Communication	2,971,460.28	2,977,965.00
Donation and Contributions	208,884.00	154,000.00
Freight and Forwarding	5,769,232.58	7,112,787.00
Insurance	2,463,636.00	2,422,435.00
Legal and Professional Fees	1,722,852.81	3,579,500.00
Loss on Sale/Disposal of Assets	1,775,597.00	-
Loss/(Gain) on Foreign Exchange Fluctuation	8,130.00	-
Manufacturing Expenses	2,852,799.00	-
Miscellaneous Expenses	1,977,204.85	9,366,697.00
Payments to Auditors (Statutory & Tax Audit)	135,000.00	120,000.00
Power and Fuel	995,055.00	1,033,062.00
Rates and Taxes	132,493.00	2,644,010.00
Rent	1,688,160.00	1,778,160.00
Repairs and Maintenance - Building	61,202.00	744,395.00
Repairs and Maintenance - Machinery	82,815.80	548,693.00
Repairs and Maintenance - Others	485,665.05	2,314,162.00
Sales Commission	5,589,260.68	7,863,436.00
Sales Promotion Expenses	10,936,210.41	34,236,350.00
Travelling and Conveyance	8,317,016.00	1,379,280.00
Total	49,876,249.46	78,274,932.00

Note No. 32: Earnings Per Share**(Figures in ₹)**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
i) Net Profit after tax as per statement of Profit and Loss attributable to Equity shareholders	-25,202,359.84	2,761,728.00
ii) Weighted Average number of equity shares used as denominator for calculating EPS	7,420,300.00	7,420,300.00
iii) Face Value per equity share	10.00	10.00
iv) Basic and Diluted Earnings per share	-3.40	0.37

Note No. 33: Discontinued Operations

On 1st January 2018, the board of directors of the company decided to discontinue the operations of the Metal Division, which had been suspended by the management since last few years. As at 31st March 2018, the Metal Division was classified as Discontinued Operations. The Metal Division which was earlier shown as an operating segment is no longer presented in the segment report.

For the financial year ended on 31st March 2021, no financial transactions have occurred relating to the Metal Division and there are no results to be declared for the same.

The major classes of assets and liabilities of the metal division classified as held-for-sale in accordance with Ind AS 105 as on 31st March 2021 are presented as follows:

Amount (₹)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Note No. 6: Other Non-Current Assets		
Property, Plant & Equipment	4,36,89,915.00	4,36,89,915.00
Other Financial Assets	2,54,303.00	2,54,303.00
Other Non-current Assets	-	4,23,829.00
Trade Receivables	-	88,90,535.00
Total amount of Non-current Assets Held-for-Sale	4,39,44,218.00	5,32,58,582.00
Note No. 21: Other Current Liabilities		
Other Current Liabilities	-	34,890.00
Total amount of Liabilities directly associated with Non-current Assets held-for-sale	-	34,890.00

At the time of classification of the Metal Division as a discontinued operation, the recoverable amount of items of property, plant and equipment was estimated based on the report of a registered valuer and no impairment loss was identified.

During the current year, impairment losses were recognised in respect of balances of non-current assets and trade receivables as the same were deemed to be no longer receivable. The balance of current liabilities was also remitted as the same was no longer deemed payable. The net amount of impairment losses has been recognised as a write off from Reserves & Surplus (Note 15).

Note No. 34: Extraordinary Events

During the financial year ended on 31st March 2021, there was an explosion in the company's manufacturing facility on 9th October 2020, which resulted in major damages to the property, plant and equipment as well as inventories of the company.

A summary of the value of damages recognised in the books of accounts and financial statements is as under:

Particulars	Amount (₹)		
	Gross Value	Accumulated Depreciation	Written Down Value
Property, Plant & Equipment			
Electric Installation	4,18,507.00	3,00,448.00	1,18,059.00
Factory Building	3,40,692.00	1,68,003.00	1,72,689.00
Factory Furniture	3,82,309.00	3,76,663.00	5,646.00
Plant & Machinery	31,58,067.00	18,48,563.00	13,09,504.00
Office Furniture	79,100.00	18,691.00	60,409.00
Total	43,78,675.00	27,12,368.00	16,66,307.00

In respect of the said damages, the company has filed an insurance claim with Cholamandalam MS General Insurance Company Limited for an estimated loss of ₹ 1 crore. The loss claimed has been calculated on the basis of the estimated replacement cost of the assets and inventories destroyed in the incident. As on the date of preparation of the financial statements, the insurance company has not intimated the final amount of claim accepted by them. However, as per a conservative estimate, the management has recognised an amount of ₹ 50,00,000.00 as insurance claim receivable.

GUJARAT TERCE LABORATORIES LTD.

Note No. 35: Contingent Liabilities

The Income Tax Department has made additions to the income of the company on various grounds for the financial years 2010-11, 2011-12, 2012-13 and 2013-14, against which, the company had preferred appeals before the Commissioner of Income Tax (Appeals) during the respective periods in which the matters were decided. The appeals were disposed of by the Commissioner with a reduction in demands, which were duly paid by the company against the appeal orders. However, in respect of those matters, the Income Tax Department has preferred further appeals before the Income Tax Appellate Tribunal, Ahmedabad, and the matters are pending as on the date of preparation of the financial statements. As per the opinion of the tax consultant of the company, the amount of potential liability, if any, in respect of the pending matters is not ascertainable at this stage.

Signature to notes 1 to 35

As Per Our Audit Report of Even Date Attached

For, **M. A. Shah & Co.**

Chartered Accountants

Sd/-

CA Parag Patel

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place : Anand

Date : 24-06-2021

UDIN : 21155916AAAADS8904

For and on behalf of the Board of Directors

Sd/-

N. P. Prajapati

Chairman & Managing Director

DIN: 00031187

Sd/-

Bhagirath Maurya

Chief Finance Officer (CFO)

Sd/-

Aalap Prajapati

Whole-time Director

DIN: 08088327

Sd/-

CS Aashka Solanki

Company Secretary

To, _____

If undelivered please return to :

Gujarat Terce Laboratories Limited

Registered Office : 122/2, Ravi Estate,
Bileshwarpura, Chhatral, Dist. Gandhinagar, Gujarat

CIN : L24100GJ1985PLC007753

Email : ho@gujaratterce.com

Web : www.gujaratterce.in