



Gennex Laboratories Limited

"AKASH GANGA" 3rd Floor, Plot No.144, Srinagar Colony, Hyderabad - 500073. Telangana, INDIA
Tel : +91-40-67334400 (30Lines), 23746451, Fax : +91-40-67334433
Email: info@gennexlab.com | www.gennexlab.com
CIN : L24230TG1990PLCO11168

Ref: GLL/AR/BSE/2017-18/0029

Date: 17/10/2017.

The Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, PJ Towers,
Dalal Street
Mumbai – 400001

Sub: Submission of Annual Report of the Company for the Financial Year 2016-17

Scrip Code: 531739

Dear Sir/Madam,

We are forwarding herewith a copy of Annual Report of the Company for the Financial Year 2016-17 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, duly approved and adopted by members in the 32nd Annual General Meeting of the Company as per the provisions of Companies Act, 2013.

This is for your information and record

Thanking you

Yours faithfully

For Gennex Laboratories Ltd.,

Authorized Signatory

Encl: as above

32nd ANNUAL REPORT
2016-17



GENNEX LABORATORIES LIMITED

(GENNEX You Can Trust)



BOARD OF DIRECTORS

Mr. Arihant Baid	–	<i>Managing Director</i>
Mr. T.M. Gopalakrishnan	–	<i>Whole-time Director</i>
Mr. Y. Ravinder Reddy	–	<i>Independent Director</i>
Ms. Sadhana Bhansali	–	<i>Independent Director</i>
Mr. Dipankar Dasgupta	–	<i>Independent Director</i>

CHIEF FINANCIAL OFFICER

Mr. Laxmipat Baid

REGISTERED OFFICE & WORKS

Sy. No. 133, Bollaram, Jinnaram Mandal
Sangareddy District – 502 325.
Telangana.

CORPORATE OFFICE

‘Akash Ganga’, 3rd Floor
Plot # 144, Srinagar Colony
Hyderabad – 500 073. Telangana.

STATUTORY AUDITORS

M/s. Laxminiwas & Jain
Chartered Accountants
5-4-726, Nampally Station Road
Hyderabad – 500 001.

SECRETARIAL AUDITOR

B S S & Associates
Company Secretary
Parameswara Apartments
6-3-626, 5th Floor, 5-A
Anand Nagar, Khairatabad
Hyderabad – 500 004.

REGISTRAR & SHARE TRANSFER AGENTS

R&D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road
Naresh Mitra Sarani
Kolkata – 700 026.

BANKERS

State Bank of Hyderabad
Overseas Branch, Somajiguda
Hyderabad – 500 082.

Website: www.gennexlab.com
CIN: L24230TG1990PLC011168
Stock Exchange: Bombay Stock Exchange
ISIN: INE509C01026



NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of GENNEX LABORATORIES LIMITED will be held on Thursday, September 28, 2017 at 11:30 a.m. at Registered office of the company situated at Sy. No. 133, IDA Bollaram, Jinnaram Mandal, Sangareddy District - 502 325, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements for the Financial Year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Accounts of the Company containing the Balance Sheet and the Statement of Profit & Loss for the year ended 31st March, 2017 together with their Annexures and the Reports of the Auditors and Directors thereon be and are hereby received, considered, approved and adopted.”

2. To appoint a Director in the place of Mr. Arihant Baid (DIN:01171845), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Arihant Baid (DIN:01171845) be and is hereby re-appointed as Director liable to retire by rotation.”

3. **Appointment of Auditors**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby

accorded to the appointment of M/s. Vinay Karwa & Associates, Chartered Accountants (Firm Registration No. 016994S) as Statutory Auditors of the Company, in place of retiring auditors M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No.001859S), to hold office from the conclusion of this 32nd Annual General Meeting (AGM) until the conclusion of the 37th AGM, for a period of 5 years, and subject to ratification by members at every Annual General Meeting and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 143(8) and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). The approval of the Board be and is hereby accorded to the Appointment of M/s. R. Pogalia & Company, Chartered Accountants (Firm Registration No. 318188E) as Branch Auditors to hold office from the conclusion of this meeting until the conclusion of the 33rd Annual General Meeting to be held for the financial year 2017-18 on such remuneration as may be determined by the Board of Directors.

By Order of the Board of Directors
for **Gennex Laboratories Limited**

Arihant Baid
Managing Director
(DIN 01171845)

Place:Hyderabad

Date :August 26, 2017

Registered Office:

Sy.No. 133, IDA Bollaram, Jinnaram Mandal,
Sangareddy District - 502 325, Telangana
Email id: investorrelations@gennexlab.com



NOTES

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Ordinary/Special business set out in the Notice and Secretarial Standard on General Meetings (SS- 2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on poll instead of himself/herself and a Proxy need not be a Member of the Company. The instrument appointing a proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than forty-eight hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as Proxy for any other person or member. A Proxy form is enclosed herewith.
5. Corporate Members intending to send their respective authorized representative are requested to send a duly certified copy of the Board/Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2017 to 27th September, 2017 (both days inclusive).
8. Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. R&D Infotech (P) Ltd., 1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata – 700 026. Beneficial owners holding shares in electronic form are requested to intimate change in address/Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). Members are requested to register/ update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
11. Electronic copy of the Annual Report for the Financial Year 2016-17 along with the Notice of the 32nd Annual General Meeting of the Company (including Attendance Slip, Proxy Form and Route Map) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2016-2017 along with Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
12. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for the Financial Year 2016-17 will also be available on the Company's website



www.gennexlab.com and on the website of the Registrar www.rdinfotech.org for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investorrelations@gennexlab.com.

13. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility
14. All documents referred to in the Notice and explanatory statement are open for inspection at the Registered Office of the Company during normal business hours on all working days.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which Directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
16. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with M/s R&D Infotech (P) Ltd.
17. Members are requested to bring their copy of the Annual Report with them at the AGM and also bring the attendance slip duly filled and signed and submit at the entrance of the venue.
18. In compliance with Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a

facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

19. Voting through electronics means:

Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) executed by the company with the BSE Limited, the Company is pleased to provide Members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL).

A Member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with Companies (Management and Administration) Amendment Rules, 2015.

During the e-voting period, Members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) i.e., (Friday, September 22, 2017), may cast their votes electronically.

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on Resolutions placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form



can be downloaded from the link <https://www.evoting.nsdl.com> or www.gennexlab.com Voting either through electronic voting system or ballot or polling paper will be available at the meeting for the members attending the meeting who have not cast their vote by remote e voting. Members who have cast their vote by remote e voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote at the AGM.

The procedure to login to e-Voting website is given below:

1. Open the attached PDF file “e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles
7. Select EVEN (E-Voting Event Number) of GENNEX LABORATORIES LIMITED. Members can cast their vote online from September 25, 2017 (9:00 am) till September 27, 2017 (5:00 pm).
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to

send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail rbhattad@gmail.com with a copy marked to evoting@nsdl.co.in

General instructions:

- a. The e-voting period commences on September 25, 2017 (09.00 am) and ends on September 27, 2017 (5.00 pm). During this period shareholders of the Company may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- c. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- e. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.
- f. Mr. B. Ramesh Kumar, Practicing Chartered Accountant has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- g. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- h. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter



unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- i. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.gennexlab.com and on the website of NSDL and BSE after AGM.

All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to date of declaration of the result of the 32nd Annual General Meeting of the Company.

Other information:

- Login to 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 'Forgot Password' option available on the site to reset the same
- Your login id and password can be used by you exclusively for e-voting on the Resolutions placed by the Companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Members holding Equity Shares in Electronic Form and Proxies thereof, are requested to bring their DP ID and Client ID for identification



Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2

Name of the Director	Arihant Baid
DIN	01171845
Date of Birth	25.05.1986
Age	31 years
Qualification	BBA (MIB)
Experience	Rich experience in managing business relating to Pharmaceuticals, Bio-technology and Education Sectors
Relationship with other director/Manager and other KMP	No relationship
No of Shares held	100
Directorships of other Boards	1. India Securities Broking Pvt. Ltd. 2. Regent Commodities Broking Pvt. Ltd. 3. Regenet Finance Corporation Pvt. Ltd. 4. Prudential Holdings Pvt. Ltd. 5. Pincha Estate Development Pvt. Ltd. 6. Premier Fiscal Services Pvt. Ltd. 7. Premier Industries & Commercial Credit Pvt. Ltd. 8. VAB Realty Pvt. Ltd.
Membership/Chairmanship of Committees of other Board	NIL

Note: Pursuant to Regulation 26 of the SEBI Listing Regulations, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

Except Mr. Arihant Baid and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 2 of the Notice.

By Order of the Board of Directors
for **Gennex Laboratories Limited**
Arihant Baid
Managing Director
(DIN 01171845)

Place:Hyderabad

Date :August 26, 2017

Registered Office:

Sy.No. 133, IDA Bollaram, Jinnaram Mandal,
Sangareddy District - 502 325, Telangana
Email id: investorrelations@gennexlab.com



ANNEXURE TO NOTICE OF AGM

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 4

M/s. R. Pugalia & Company, Chartered Accountants (Firm Registration No. 318188E) as Branch Auditors of ‘Gennex Laboratories Limited’, to audit the Branch Office(s) for the Three (3) Financial Years 2017-18, 2018-19 and 2019-20. Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 states that the appointment of the auditor shall be subject to ratification by the Members at every Annual General Meeting till the expiry of the term of the Auditor. In view of the above, the appointment of M/s. R. Pugalia & Company, Chartered Accountants, as the Branch Auditors of ‘Gennex Laboratories Limited’ from the conclusion of this Meeting until the conclusion of the Annual General Meeting to be held for the Financial Year 2017-18 is being placed for Members’ ratification. The Board commends the passing of the Ordinary Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

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

By Order of the Board of Directors
for **Gennex Laboratories Limited**

Arihant Baid
Managing Director
(DIN 01171845)

Place:Hyderabad
Date :August 26, 2017

Registered Office:
Sy.No. 133, IDA Bollaram, Jinnaram Mandal,
Sangareddy District - 502 325, Telangana
Email id: investorrelations@gennexlab.com

**DIRECTORS' REPORT**

Your Directors are pleased to present the 32nd Annual Report and the Audited Financial Statements for the Financial Year ended 31st March, 2017.

1. Financial Results *(Rs. in Lakhs)*

	31.03.2017	31.03.2016
Total Revenue	4202.61	3877.03
Profit before finance cost, depreciation and tax expense	464.56	441.10
Finance cost	70.54	50.38
Profit before depreciation and tax expense	394.02	390.72
Depreciation	83.94	83.60
Profit before tax expense	310.08	303.34
Tax expense	39.64	69.64
Net Profit for the year	270.44	233.69
Profit brought forward from earlier year	808.00	574.31
Profit available for appropriation	1078.43	808.00

State of the Company's Affairs

Your Directors wish to present the details of Business operations done during the year under review:

Your Company has recorded a total Revenue of Rs. 4202.61 lakhs as against Rs. 3877.03 lakhs in the previous year, and the company has recorded the Profit before Finance Cost, Depreciation and Tax Expenses of Rs. 464.56 lakhs (2016-17) as against Rs.441.10 lakhs (2015-16). In the current year the Net profit is Rs.270.44 Lakhs against the previous year 233.69 lakhs. There is steep increase in the Turnover and Profit during the year under review and the all efforts are being made to make the Company to be reckoned with in the Pharma Arena and your Directors are hopeful of the our Company would be making better performances with higher turnover and profits in the coming years too.

Future Outlook

The Management of the Company is making all its efforts for adding additional APIs for manufacturing by enhancing the production capacities and increased R & D efforts for which the management is also exploring the possibilities of various options to raise the required funds.

The Management of the Company is pleased to inform that it has processed its application for Environmental Clearance from Ministry of Environment and Forest and is confident of obtaining MoEF Clearance by the end of September 2017 and CFE approval from Pollution Control Board by end-October, 2017. Management is making all its efforts in bringing the unit at Zaheerabad operational by April, 2018, wherein the Management is looking for establishing an US (FDA) approved Plant with also approvals from EDQM and TGA (Therapeutic Goods Administration) for manufacturing High Value Low Volume and Low Volume High Value Active Pharmaceutical Ingredients (APIs). As soon as the unit becomes operational, the Management is confident of giving Gennex an International presence. The management is exploring various options to raise the required funds to make the unit operational.

Share Capital:**Authorized Share Capital**

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2017 was Rs.16,00,00,000/-, comprising of 16,00,00,000 equity shares of Re.1/- each.

Paid-up Share Capital

During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2017 was Rs. 12,65,03,000, comprising of 12,65,03,000 equity shares of Re.1.

Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

**Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares

The Company has not issued any bonus shares during the year under review.

Employees Stock Option

The Company has not provided any Stock Option Scheme to the employees.

Dividend

Your Directors have not recommended any dividend on Equity Shares for the year under review.

Transfers to Reserves

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under

Subsidiaries and Associates

As on March 31, 2017, we have one Associate and in this regard a statement containing the salient features of the financial statement of our Associate in the prescribed format AOC-1 is appended as **Annexure -I** to the Board's report.

Particulars of Contracts & Arrangements with Related Parties

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. The details of Contracts and Arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 are given as **Annexure - II** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

Particulars of Loans, Guarantees or Investments

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

Number of Board Meetings held

During the year ended March 31, 2017, Eight Board Meetings were held.

The dates on which the Board meetings were held are 30.05.2016, 16.07.2016, 13.08.2016, 29.08.2016, 14.11.2016 20.12.2016, 14.02.2017 and 22.02.2017 the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as **Annexure - III** to this Report.

Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure - IV**.



Extracts of Annual Return

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - V** to this Report.

Declaration by Independent Directors

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

Independent Directors' Meeting

The Independent Directors met on 14.02.2017, without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such

accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of Profit and Loss Account of the Company for that period;

- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2017 on a going concern basis;
- v. that the Directors have laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year

In terms of Section 152 of the Companies Act, 2013, Mr. Arihant Baid, Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Arihant Baid has offered himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

There was no other appointment or cessation of appointment of key managerial personnel during the Financial Year.

Statutory Auditors

In terms of the provisions of Section 139(1) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five



consecutive years. The Act further prescribes as per section 139(2), that the Company shall comply with requirements within a period not later than the date of First AGM held after three years from the commence of this Act.

M/s. Laxminivas & Jain, Chartered Accountants (Firm Registration No.001859S), Statutory Auditors of the Company have completed two consecutive terms of five years each. In terms of their appointment made at the 29th AGM held on 30th September, 2014, they shall hold office of the auditors up to the conclusion of the 32nd AGM. Your company's Board placed on record its appreciation and gratitude to M/s. Laxminivas & Jain, the retiring Statutory Auditors for their long association with the Company and also thanked all the partners for their invaluable guidance rendered to the company.

Based on the recommendations of the Audit Committee and subject to the approval of the shareholders, it is proposed to appoint M/s. Vinay Karwa & Associates, Chartered Accountants, (Firm Registration No.016004S) as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 32nd AGM till the conclusion of the 37th AGM. M/s. Vinay Karwa & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

Qualification by Statutory Auditor

Information & Explanation in respect of Qualification / Reservation or Adverse remarks contained in Independent Auditor's Report under Paras: Basis for Qualified opinion, Emphasis of Matter and Other Matters:

Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and Advances against Suppliers are subject to confirmation by respective parties.

Board's Response:

As pointed out by the Statutory Auditors, the Company has not obtained confirmation of balances of Advances, Deposits, Unsecured Loans, other liabilities, Trade Receivables, Trade Payables and Advance against Suppliers.

The Company has made best of its efforts to obtain the same before signing the accounts for current Financial Year as well as for last Financial Year. Further, the Management of the Company confirms that balances shown in the books are true and correct as per their knowledge.

Internal Auditors

The Board of Directors of the Company appointed Mr. Laxmipat Baid to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2017.

Audit Committee

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Secretarial Audit Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. BSS & Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit of the company for the Financial Year ended on March 31, 2017.

Secretarial Audit Report issued by Mr. S. Srikanth, Partner of M/s BSS & Associates, Company Secretaries, in Form MR-3 is enclosed as **Annexure - VI** to this Annual Report.

The following qualification was observed by the Secretarial Auditor in his Report to which the Board has shared the following explanations:

Qualification: The Company has not appointed Company Secretary as required under the Provisions of section 203 of the Companies Act, 2013 and Regulation 6 of the Listing Regulation entered with Stock Exchange(s).

Response: The Company is in the process to appoint a suitable person as Company Secretary of the company to comply the provisions under section 203 of the Companies Act, 2013 and the Board has taken the note of adverse qualification made by the Secretarial Auditor and ensure to comply accordingly.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the



Management Discussion and Analysis discusses the key issues concerning the business carried on by the Company and the same is enclosed as **Annexure - VII** to this Report.

Corporate Governance

The Company is committed to good corporate governance in line with the Schedule V of SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. A certificate of compliance from M/s. Laxminiwas & Jain, a practicing Chartered Accountants and the report on Corporate Governance form part of this Directors' Report as **Annexure – VIII**.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Vigil Mechanism

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

1. The Company has set Internal Control Systems to maintain accurate and complete accounting records, to safeguard its assets, to prevent and detect any frauds and errors.
2. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies

of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and

3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

The names of companies which have become or ceased to be company's subsidiaries, joint ventures or associate companies during the year:

-NIL-

Change in the nature of business

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

No Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Industrial Relations

Industrial relations continued to be cordial throughout the year under review.

Material changes and commitments

There are no Material changes and commitments in the business operations of the Company from the Financial Year Ended 31st March, 2017 to the date of signing of the Directors' Report.

Policy on Sexual Harassment

The Company has adopted Policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



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During the Financial Year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

Listing of Equity Shares

The Company's Equity shares are listed at the following Stock Exchanges:

- i. BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001; and The Company has paid the Annual Listing Fee to the said Stock Exchanges for the Financial Year 2017-18.

Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain Policies for all listed Companies. The Policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

i. Whistle blower Policy (Policy on vigil mechanism)

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistle blower Policy adopted by the Company during fiscal 2017.

ii. Policy for Determining Materiality for Disclosures

This Policy applies to disclosures of material events affecting. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

iii. Policy on Document Retention

The Policy deals with the retention and preservation of corporate records of the Company.

Share Transfer Agency

The Company has appointed M/s. R&D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road Naresh Mitra Sarani Kolkata – 700 026 as its Share Transfer Agency for handling both Physical and Electronic Transfers.

Awards and recognition

The Company has been awarded DIN EN ISO 9001:2008, ISO 18001:2007, BS OHSAS 18001:2007

and ISO 9001:2015 Certification by TUV NORD Cert GmbH for Management System for manufacture and sale of Active Pharmaceutical Ingredients and intermediates.

The Company has been awarded European Union - Written Confirmation (EU-WC) for Guaifenesin & Methocarbamol by the Central Drugs & Standard Control Organization (CDSCO), New Delhi for sale of the said products in European Markets as per statutory requirements of the Country.

The Company has been awarded WHO-GMP certification by the State Drug Licencing authority. The Company has been awarded DUNS Registration by Dun & Bradstreet and rated the company as 4AS (Fair) under DUNS No. 86-217-2566.

Human Resources

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

Cautionary Statement

Statements in these reports describing company's projections, statements, expectations and hopes are forward looking. Though, these expectations, etc., are based on reasonable assumption, the actual results might differ.

Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the Shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

On behalf of the Board of Directors
for **Gennex Laboratories Limited**

Arihant Baid

Managing Director

DIN: 01171845

T.M. Gopalakrishnan

Whole Time Director

DIN: 03137458

Hyderabad

August 26, 2017



Annexure - I

Performance and financial position of each of the Subsidiaries, Associates and Joint Ventures
(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

FORM No. AOC-1

Part- A- Subsidiaries: NIL

₹ in thousands

S. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	—	—	—	—	—	—	—	—	—	—	—	—

Part B- Associates and Joint Ventures

₹ in thousands

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

S. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end		Description of how there is significant influence	Reason why the Associate/Joint Venture is not consolidated	Net worth attributable to Shareholding as per the latest Audited Balance Sheet	Profit/(Loss) for the year		
			No.	Amount of Investment in Associates/Joint Ventures				Extent of holding %	i. Considered in consolidation	ii. Not considered in consolidation
1.	Deccan Remedies Ltd.	2014	55,00,000	70,00,000	44.27	Based on the % of holding over this investee company	As the group has only ability to do exercise significant influence but not control over this company	55,002.99	NA	NIL

1. Names of Associates or Joint Ventures which are yet to commence operations

S.No. Name of the Company and Address

Deccan Remedies Ltd.
Regd. Office: Survey No. 75 (A)
Kothur (B) Village
Zaheerabad Mandal
Medak Dist. - 502 228. Telangana

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year

S.No. Name of the Company and Address

NA

On behalf of the Board of Directors
for **Gennex Laboratories Limited**

Arihant Baid

Managing Director

DIN: 01171845

T.M. Gopalakrishnan

Whole Time Director

DIN: 03137458

Place: Hyderabad

Date: August 26, 2017

Annexure - II

Disclosure of Particulars of Contracts / Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

1. There are no contracts / arrangements entered into by the Company with related parties which are not at arm's length basis.
2. There are no material contracts / arrangements entered into by the Company with related parties which are not at arm's length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive directors' vis-avis the Company.

Annexure - III

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy : -N.A.-
2. The steps taken by the Company for utilizing alternate sources of energy : -N.A.-
3. The Capital investment on energy conservation equipments : -N.A.-

B. TECHNOLOGY ABSORPTION:

- i. The Efforts made towards technology absorption : -NIL-
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution : -NIL-
- iii. Details of technology imported during the past 3 years:
No technology has been imported during the past 3 years.
 - a. The details of technology import : -NIL-
 - b. The year of import : -NIL-
 - c. Whether the technology has been fully absorbed : -NIL-
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : -NIL-
- iv. The expenditure incurred on Research and Development: -N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO:

1. The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ in Thousands)

Particulars	:	March 31, 2017	March 31, 2016
Used	:	170.71	57.00
Earned	:	1315.80	1033.88



Annexure - IV

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

i. **the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year:**

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Arihant Baid Managing Director	9.83
2	Mr. T.M. Gopalakrishnan Whole Time Director	7.45
3	Mr. Y. Ravinder Reddy	NA
4	Ms. Sadhana Bhansali	NA
5	Mr. Dipankar Dasgupta	NA

*Mr. Y Ravinder Reddy, Ms. Sadhana Bhansali, and Mr. Dipankar Dasgupta were paid sitting fees for attending the Meetings.

ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year**

S. No.	Name of the Director	Percentage increase in remuneration
1	Mr. Arihant Baid** Managing Director	NIL
2	Mr. T.M. Gopalakrishnan Whole Time Director	35.36
3	Mr. Y. Ravinder Reddy* Independent Director	NA
4	Ms. Sadhana Bhansali* Independent Director	NA
5	Mr. Dipankar Dasgupta* Independent Director	NA
6	Mr. Laxmipat Baid Chief Financial Officer	7.60

*Mr. Y. Ravinder Reddy, Ms. Sadhana Bhansali, and Mr. Dipankar Dasgupta were paid sitting fees for attending the Meetings.

**There was no increase in Remuneration paid to Mr. Arihant Baid, Managing Director during the Financial Year ended 31st March, 2017.

iii. **The percentage increase in the median remuneration of employees in the financial year.**

14.28%

iv. **The number of permanent employees on the rolls of company.**

There are 91 permanent employees on the rolls of the Company as on 31st March, 2017.

v. **The explanation on the relationship between average increase in remuneration and company performance**

S. No.	Average increase in remuneration	Company Performance
1	14.06%	Net profit of the Company is increased by 15.72%

vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

S. No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31.03.2017
1	₹ 3,492,600	₹ 270.44 Lakhs (Net Profit)

vii. **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.**

S. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016
1	Market Capitalisation	BSE ₹607,214,400	BSE ₹1,122,081,610
2	Price Earnings Ratio	BSE -0.00375	BSE 73.91



Market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Company came with an Initial Public Offer in February 9, 1996 at the price of ₹ 10/- per equity share. As on 31st March, 2017 the Market Quotation of the Company Share Price (Closing Price) is as follows:

BSE Limited: ₹ 4.80

viii. 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 point out if there are any exceptional circumstances for increase in the managerial remuneration.

-NA-

ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

S. No.	Name	Remuneration of Key Managerial Personnel	Performance of the company for the year ended 31st March, 2017
1	Mr. Arihant Baid, Managing Director	₹ 24,21,600	₹ 270.44 Lakhs (Net Profit)
2	Mr. Laxmipat Baid Chief Financial Officer***	₹ 11,14,200	₹ 270.44 Lakhs (Net Profit)

x. The key parameters for any variable component of remuneration availed by the Directors.

Only Salary and allowances are paid on the performance of the Company upon recommendation of Nomination and Remuneration Committee.

xi. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

-N.A.-

xii. The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

Declaration by Chairman and Executive Director on Code of Conduct under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

To
The Members

I, hereby declare that to the best of my knowledge and information; all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

Arihant Baid
Managing Director

Place: Hyderabad
Date: August 26, 2017



Annexure - V

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2017	
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]	
REGISTRATION AND OTHER DETAILS:	
i)	CIN L24230TG1990PLC011168
ii)	Registration Date 29/03/1990
iii)	Name of the Company GENNEX LABORATORIES LIMITED
iv)	Category / Sub-Category of the Company Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details Sy. No.133, IDA Bollaram, Jinnaram Mandal, Sangareddy Dist- 502 325, Telangana, India. Contact No.+91-08458 279406 / 279516
vi)	Whether listed Company Yes, Listed
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any R&D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata - 700 026.

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:-		
Sl.No	Name and Description of main products / services	% to total turnover of the company
I	Pharmaceutical Products NIC Code of the Product / service 21002	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -			
S No	Name and Address of the Company	CIN / GLN	Applicable Section
I	Deccan Remedies Limited, Add: 402, Moghal Mascot. Opp. Nafees Manzil, AC Guards, Hyderabad - 500 004 Telangana	U72200TG1994PLC016962	Section 2(6)
		Associate	44.27%
		Holding / Subsidiary / Associate	

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

S No	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 Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
(a)	Individuals / HUF	48,000	200	48,200	0.04	573,600	200	573,800	0.45	0.41
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	28,235,572	-	28,235,572	22.32	27,355,656	-	27,355,656	21.62	-0.70
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (1):-	28,235,572	200	28,235,572	22.36	27,929,256	200	27,929,456	22.08	-0.28
(2)	Foreign									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporates	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub - Total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	28,235,572	200	28,235,572	22.36	27,929,256	200	27,929,456	22.08	-0.28
B	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/FI	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Premier Fiscal Services (P) Ltd.	25,000,000	19.76	-	25,000,000	19.76	-	-
2	VAB Ventures Limited	2,254,780	1.78	-	2,254,780	1.78	-	-
3	India Securities Broking Pvt. Ltd.	939,972	0.74	-	60,056	0.05	-	0.69
4	Subhash Chand	-	-	-	510,300	0.40	-	0.40
5	Vinod Baid	48,000	0.04	-	48,000	0.04	-	-
6	Prudential Investment Ltd.,	39,820	0.03	-	39,820	0.03	-	-
7	VAB Capital Advisories Pvt. Ltd.,	1,000	0.00	-	1,000	0.00	-	-
8	Monika Baid	-	-	-	15,300	0.01	-	0.01
9	Arihant Baid	100	0.00	-	100	0.00	-	-
10	T M Gopalakrishnan	100	0.00	-	100	0.00	-	-
	Total	28,283,772	22.36		27,929,456	22.08		



iii) Change in Promoters' Shareholding (please specify, if there is no change)						
Sl.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% of total Shares of the Company
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Premier Fiscal Services (P) Ltd.	25,000,000	19.76	---	---	19.76
	At the beginning of the Year					
	At the end of the year (or on the date of separation, if separated during the year)			25,000,000		
2	VAB Ventures Ltd.,					
	At the beginning of the Year	3334780	2.64			2.64
	Sold on 22.05.2016	1080000	0.85			1.78
	At the end of the year (or on the date of separation, if separated during the year)				2,254,780	1.78
3	India Securities Broking Pvt Ltd.,					
	At the beginning of the Year	1375391	1.09			1.09
	Sold on 22.05.2016	435419	0.34			0.74
	At the end of the year (or on the date of separation, if separated during the year)				939972	0.74
4	Subhash Chand					
	At the beginning of the Year	---	---			---
	Purchased on 22.05.2016				510,300	0.40
	At the end of the year (or on the date of separation, if separated during the year)				510,300	0.40
5	Vinod Baid					
	At the beginning of the Year	48,000	0.04			---
	At the end of the year (or on the date of separation, if separated during the year)				48,000	0.04
6	Prudential Investment Ltd.,					
	At the beginning of the Year	39,820	0.03			---
	At the end of the year (or on the date of separation, if separated during the year)				39,820	0.03
7	VAB Capital Advisors Private Ltd.,					
	At the beginning of the Year	1000	0.00			---
	At the end of the year (or on the date of separation, if separated during the year)				1000	0.00



8	Momika Baid							
	At the beginning of the Year	---	---	---	---	---	---	---
	Purchased on					15,300		0.01
	At the end of the year (or on the date of separation, if separated during the year)					15,300		0.01
9	Arihant Baid							
	At the beginning of the Year	100	0.00			---		---
	At the end of the year (or on the date of separation, if separated during the year)					100		0.00
10	T M Gopalakrishnan							
	At the beginning of the Year	100	0.00			---		---
	At the end of the year (or on the date of separation, if separated during the year)					100		0.00

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl.No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		No. of Shares	Shareholding at the end of the year	% of total Shares of the Company
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company			
1	Alchemist Holdings Limited							
	At the beginning of the Year	6,212,720	4.91			---		---
	At the end of the year (or on the date of separation, if separated during the year)					6,212,720		4.91
2	Basics Softolutions Private Limited							
	At the beginning of the Year	5,944,060	4.70			---		---
	At the end of the year (or on the date of separation, if separated during the year)					5,944,060		4.70
3	Alchemist Capital Limited							
	At the beginning of the Year	5,559,580	4.39			---		---
	At the end of the year (or on the date of separation, if separated during the year)					5,559,580		4.39
4	Sunil Talwar							
	At the beginning of the Year	4,502,790	3.56			---		---
	At the end of the year (or on the date of separation, if separated during the year)					4,502,790		3.56
5	Sumita Talwar							
	At the beginning of the Year	4,239,208	3.35			---		---
	At the end of the year (or on the date of separation, if separated during the year)					4,239,208		3.35



6	Sanjay Kumar								
	At the beginning of the Year								---
	At the end of the year (or on the date of separation, if separated during the year)	3,726,850	2.95					3,726,850	2.95
7	Maryada Barter Private Limited								
	At the beginning of the Year							3517114	2.78
	Purchased on 08.07.2016	939698	0.74					939698	0.74
	Purchased on 12.08.2016	750000	0.59					1689698	1.34
	Purchased on 26.08.2016	600059	0.47					2289757	1.81
	Purchased on 09.09.2016	1210243	0.96					3500000	2.77
	Purchased on 01.02.2017	17114	0.01					3517114	2.78
	At the end of the year (or on the date of separation, if separated during the year)							3517114	2.78
8	Rajababu Sampatrao Bandela								
	At the beginning of the Year							3427580	2.71
	At the end of the year (or on the date of separation, if separated during the year)	3427580	2.71					3427580	2.71
9	Pragya Mercantile Private Limited								
	At the beginning of the Year							1,712,008	1.35
	Purchased on 09.09.2016	2500000	1.98					2500000	1.98
	Purchased on 30.09.2016	500000	0.40					3000000	2.37
	Purchased on 07.10.2016	550000	0.43					3550000	2.81
	Purchased on 04.10.2016	548975	0.43					4098975	3.24
	Sold on 03.02.2017	936856	0.74					3162119	2.50
	Sold on 10.02.2017	292060	0.23					2870059	2.27
	Sold on 17.02.2017	356024	0.28					2514035	1.99
	Sold on 24.02.2017	566189	0.45					1947846	1.54
	Sold on 03.03.2017	80611	0.06					1867235	1.48
	Sold on 10.03.2017	36390	0.03					1830845	1.45
	Sold on 17.03.2017	83671	0.07					1747174	1.38
	Sold on 31.03.2017	35166	0.03					1712008	1.35
	At the end of the year (or on the date of separation, if separated during the year)							1,712,008	1.35
10	Kamal Kumar Dugar								
	At the beginning of the Year							1,500,000	1.19
	Purchased on 13.05.2016	404607	0.32					404607	0.32
	Purchased on 20.05.2016	107516	0.08					512123	0.40
	Sold on 08.07.2016	70000	0.06					442123	0.35
	Purchased on 17.03.2017	624809	0.49					1066932	0.84
	Purchased on 09.09.2016	433062	0.34					1499994	1.19
	Purchased on 30.08.2016	6	0.00					1500000	1.19
	At the end of the year (or on the date of separation, if separated during the year)							1,500,000	1.19



in INR '000s

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment						
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the Beginning of the Financial Year						
i) Principal Amount	226.84	15.97	-	242.81		
ii) Interest due but not paid	-	-	-	-		
iii) Interest accrued but not due						
Total (i+ii+iii)	226.84	15.97	-	242.81		
Change in Indebtedness during the financial year						
Addition						
Reduction						
Net Change						
Indebtedness at the end of the Financial year						
i) Principal Amount	383.91	15.97		399.88		
ii) Interest due but not paid						
iii) Interest accrued but not due						
Total (i+ii+iii)	383.91	15.97		399.88		

v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Shareholding at the beginning of the year		Cumulative Shareholding during 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	No. of Shares	% of total Shares of the Company
For each of the Directors and KMP						
1	100	00	100	00	100	00
2	100	00	100	00	100	00
3	00	00	00	00	00	00
4	00	00	00	00	00	00
5	00	00	00	00	00	00
6	100	00	100	00	100	00



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
 A Remuneration to Managing Director, Whole time Directors and /or Manager:

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Arhant Baid	T M Gopalakrishnan	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,400,000	1,565,000	3,965,000
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		816,099	816,099
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*			
	Medical Bonus PF Contribution	- -	20,290 16,800	20,290 16,800
	Total (A)	21,600 2,421,600	21,600 2,439,789	43,200 4,861,389
	Ceiling as per the Act	-	-	-

Sl.No	Particulars of Remuneration	Name of Directors		
		Y Reddy Ravinder	Sadhana Bhansali	Dipankar Dasgupta
1	Independent Directors			
	Fee for attending board/committee meetings*	1,500	1,500	1,500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	1,500	1,500	1,500
2	Other Non-Executive Directors			
	Fee for attending board/committee meetings	NIL	NIL	NIL
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	1,500	1,500	1,500
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

*(per meeting)

C. Remuneration paid to Key Managerial Personnel other than MD, Whole time Directors

Sl. No	Particulars of Remuneration	Key Managerial Personnel	
		CFO Laxmipat Baid	Total Amount Rs.
1	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,114,200	1,114,200
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	1,114,200	1,114,200

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:
A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

B. DIRECTORS

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

C. OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure - VI

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2016

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

To,

The Members,
GENNEX LABORATORIES LIMITED,
CIN: L24230TG1990PLC011168,
Sy. No. 133, IDA Bollaram, Jinnaram,
Sangareddy District - 502 325. Telangana.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by GENNEX 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 GENNEX LABORATORIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Financial Year under review)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Financial Year under review)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities)
 - 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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review).



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the Financial Year under review)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back / propose to buyback any of its securities during the Financial Year under review)
6. The other laws as may be applicable specifically to the Company are:
- 1. Drugs and Cosmetics Act, 1940 and Rules made there under;
 - 2. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - 3. Drugs Price Control Order, 2013 and Notifications made thereunder.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with Bombay Stock Exchange
- iii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, the Company has not appointed Company Secretary as required under the Provisions of section 203 of the Companies Act, 2013 and Regulation 6 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered with Stock Exchange(s). As per information provided by the company, the company is in the process to appoint the suitable person as Company Secretary of the company and there were instances of delaying in filing of Forms with Stock Exchanges as required under SEBI (PIT) Regulations, 2015 and SEBI (SAST) Regulations, 2011.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Chief Financial Officer / Whole-time-Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman of the Meeting, the decisions of the Board were unanimous and there were no dissenting views. We further report that, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period no event has occurred during the year which has a major bearing of the Company's affairs.

For B S S & Associates
Company Secretaries
S. Srikanth
Partner

Place: Hyderabad

Date: August 26, 2017

This Report is to be read with our letter of even date which is annexed as Annexure A integral part of this Report.



Annexure 'A'

To,

The Members,
GENNEX LABORATORIES LIMITED,
CIN: L24230TG1990PLC011168,
Sy. No. 133, IDA Bollaram, Jinnaram,
Medak District - 502 325.
Telangana.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B S S & Associates
Company Secretaries

S. Srikanth
Partner

ACS: 22119 CP: 7999

Place: Hyderabad

Date: August 26, 2017



Annexure - VII

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

Industry Structure and Development

Gennex Laboratories Limited is in the business of manufacture of Active pharmaceutical ingredients. The company has over the years added more capacity and infrastructure by way of an additional production block and equipments to the plant to handle more products and also tonnages. This has resulted in addition of three high value products to the product portfolio.

Opportunities

Our products in the anti mucolyte therapeutic category and Urinary track analgesic have seen a sudden spurt in demand. The anti mucolyte has increased demand both domestic and overseas owing to more preference than China and the urinary track analgesic has found new markets in Europe and other Latin American countries. This demand is expected to grow at about 10 to 12%.

Threats

Global prices of all generic drugs and drugs unlike in oncology and retro viral categories are coming down and the MNC's in india who are catering their formulations to these markets are also demanding lower prices if one has to get larger order quantities

Outlook for the Company

The company is currently upgrading itself to meet the regulatory requirements of Authorities local and overseas. This is needed to prosper in the current regulatory environment.

We are also in the process of putting our facility "Deccan Remedies" near Zaheerabad on stream by April next year. This unit spread over 32 acres will supplement Gennex with very high capacities and a pipeline of new products that will increase the turnover of Gennex threefold with improved profitability

Segment-wise/Product-wise Performance

The company has currently four segments: anti-mucolyte, skeletal muscle relaxant, anti-fungal and urinary track analgesic. Except the anti mucolyte the others do not contribute significantly. Hence product wise performance is not felt as required

Risks and Concerns

Any Government policy intervention or any change in the Pharma sector benefits and unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

Internal Control System and their Adequacy

The Company has Internal Control System which is adequate and commensurate with the size of the Company.



Discussion on financial performance with respect to operational performance**A. Financial Conditions:****1. Capital Structure:**

The Authorized Share Capital of the Company as at 31st March, 2017 is Rs. 1600 Lakhs divided into 1600 Lakhs Equity Shares of face value of Rs. 1/- each. The Share Capital of the Company consists of only Equity Shares. The Paid-up Capital of the Company as on 31st March, 2017 is at Rs. 1265.03 Lakhs comprising of 12,65,03,000 Equity Shares of Rs. 1/- each fully paid-up.

2. Reserves and surplus:

The Reserves and Surplus of the Company as on 31st March, 2017 stands at Rs.1829.09 Lakhs

3. Secured Loans:

The Working Capital Advances as at 31st March, 2017 stand at Rs.383.70 Lakhs

4. Unsecured Loans:

The Deferred Sales Tax amount as at 31st March 2017 stand at Rs.15.97 Lakhs.

5. Fixed Assets:

The Gross Block stood at Rs.2822.70 Lakhs and the net block stood at Rs.1574.11 Lakhs as at 31st March, 2017 compared to Rs.2620.23 Lakhs and Rs.1470.20 Lakhs as at 31st March, 2016 respectively. The decrease in the value of the Fixed Assets is on account of depreciation of plant and Machinery.

6. Revenue (Gross):

During the year, the Company achieved sales Rs.4348.61 Lakhs compared to Rs.4033.63 Lakhs in the previous year ended 31st March 2016.

Environment and Safety

The company maintains and effects continual improvement in environmental standards and complies with the safety requirements. The company cares for the safety of its employees and safety training is imparted to the employees in the factory. Personal Protective Equipment is provided to the employees in conformity with statutory requirement.

Human Resources

The company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunity to equip them with skills, which would enable them to adapt contemporary technological advances.

Cautionary Statement

Statement in this "Management Discussion & Analysis" may be considered to be "Forward Looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors.



Annexure - VIII

REPORT ON CORPORATE GOVERNANCE

In India, the Securities and Exchange Board of India (SEBI) regulates Corporate Governance for Listed through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Gennex Laboratories Limited's is in full compliance with all the applicable provisions of the SEBI's corporate governance norms are set out below:

1. Company's Philosophy on Code of Governance:

Gennex Laboratories Limited ("GLL"/the "Company") is committed to implement sound Corporate Governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Ethical business conduct by the Board, management and employees;
- Transparent and timely disclosure of Financial and Management Information;
- Effective Management Control and Monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

2. Board of Directors:

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and its composition is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act 2013 ("Act"). All the Directors have made the requisite disclosures regarding Directorships and Committee positions held by them in other Companies.

- As on March 31, 2017, the Board of the Company consists of Five (5) Directors comprising of two (2) Executive Directors, and Three (3) is Non-Executive Directors. The Non-Executive Directors comprises of Three (3) Independent Directors. The Company has Executive Chairman and 3 (Three) Independent Directors, comprise half of the total strength of the Board.

S. No.	Name of the Director	Designation	Category	In other Directorship	Companies Committee Membership
1	Mr. Arihant Baid	Chairman & MD	Executive/Promoter	8	NIL
2	Mr. T. M. Gopalakrishnan	Whole-time Director	Executive/Promoter	NIL	1
3	Mr. Y. Ravinder Reddy	Director	Independent Director	2	4
4	Ms. Sadhana Bhansali	Director	Independent Director	1	4
5	Mr. Dipankar Dasgupta	Director	Independent Director	1	NIL

Notes:

- Other directorships exclude Foreign Companies, Private Limited Companies and alternate Directorships.
 - Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.
- None of the Independent Directors on the Board holds directorships in more than Seven Listed companies. Further, none of the Directors was a member of more than ten committees or Chairman of more than five Committees across all the Public Companies in which he was



a Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2017 have been made by the Directors. All the Directors mentioned as part of the Promoter Group in the above list are related to each other in the following manner:

- iii. Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act
- iv. During the year ended March 31, 2017, Eight Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed four months.

The dates on which the said meetings were held are: 30.05.2016, 16.07.2016, 13.08.2016, 29.08.2016, 14.11.2016 20.12.2016, 14.02.2017 and 22.02.2017.

- v. Board Familiarization and Attendance of Directors at the meetings

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	No. of Board Meetings		Attendance at AGM held Sept 30, 2016
	Held	Attended	
Mr. Arihant Baid	8	5	No
Mr. T.M. Gopalakrishnan	8	7	Yes
Mr. Y. Ravinder Reddy	8	7	No
Ms. Sadhana Bhansali	8	4	No
Mr. Dipankar Dasgupta	8	3	No

- vi- Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:

Name of the Director	Category	No. of equity Shares
Mr. Arihant Baid - MD	Executive - Promoter Group	100
Mr. T.M. Goopalakrishnan - WTD	Executive - Promoter Group	100
Mr. Y. Ravinder Reddy	Independent	NIL
Ms. Sadhana Bhansali	Independent	NIL
Mr. Dipankar Dasgupta	Independent	NIL

The Company has not issued any convertible instruments. None of the Non-Executive Directors are holding any shares in the company as on 31st March 2017.

- vii-Board Independence

Based on the confirmation/ disclosures received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company.



3. Committees of the Board

The Company currently has the following Committees of the Board:

- a. Audit Committee;
- b. Nomination and Remuneration Committee; and
- c. Stakeholders Relationship Committee.

a. Audit Committee

- i- The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii- The terms of reference of the Audit Committee is as per the Schedule II Part C of the SEBI (LODR) which include:
 - Overseeing of the Company's Financial Reporting Process and the disclosure of its Financial Information to ensure that the Financial Statement is correct, sufficient and credible;
 - Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
 - Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
 - Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - * Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - * Changes, if any, in Accounting Policies and Practices and reasons for the same.
 - * Major accounting entries involving estimates based on the exercise of Judgment by Management.
 - * Significant adjustments made in the Financial Statements arising out of Audit findings..
 - * Compliance with listing and other legal requirements relating to Financial Statements.
 - * Disclosure of any Related Party Transactions
 - * Qualifications in the draft Audit Report.
 - Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
 - Reviewing and monitoring the Auditors' independence and performance, and effectiveness of Audit process;
 - Approval or any subsequent modifications of transactions of the Company with Related Parties;
 - Scrutiny of Inter-Corporate Loans and Investments;
 - Examination of the Financial Statement and the Auditors' Report thereon;
 - Evaluation of Internal Financial Controls;
 - Establishment of vigil mechanism for Directors and employees to report genuine concerns.
 - Calling for the comments of the Auditors about Internal Control Systems, the scope of Audit, including the observations of the Auditors and review of Financial

Statement before their submission to the Board and discussions on any related issues with the Internal and Statutory Auditors and the Management of the Company;

iii- Review of the information required as per SEBI Listing Regulations.

iv- The previous Annual General Meeting (“AGM”) of the Company was held on September 30, 2016 and was attended by Mr. Y. Ravinder Reddy, Chairman of the Audit Committee.

The composition of the Audit Committee and the details of meetings held and attended by its members are given below:

Name of Director	Designation	No. of Meetings during the Financial Year 2016-17	
		Held	Attended
Mr. Y. Ravinder Reddy	Chairman	4	4
Mr. T.M. Gopalakrishnan	Member	4	4
Ms. Sadhana Bhansali	Member	4	4

v. Audit Committee met 4 times during the year and the dates of such Meetings are: 30.05.2016, 13.08.2016, 14.11.2016 and 14.02.2017

vi. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the Meetings of the Audit Committee when it considers the Auditor’s Report but shall not have the right to vote.

b. Nomination and Remuneration Committee

I. Composition:

- The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors with Independent Director as its Chairman.
- The Minutes of the Meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

II. Brief description of terms of reference is for:

- A. Appointment of the Directors, and Key Managerial Personnel of the Company; and
- B. Fixation of the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

III. Composition of Committee

The Committee is chaired by Mr. Dipankar Dasgupta, Independent Director and includes Ms. Sadhana Bhansali and Mr. Y. Ravinder Reddy, Independent Directors as other members.

IV. Attendance of each Director at Nomination & Remuneration Committee Meeting

Name of Director	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Dipankar Dasgupta	Chairman	4	4
Ms. Sadhana Bhansali	Member	4	4
Mr. Y. Ravinder Reddy	Member	4	4

This Committee recommends the appointment/reappointment of Executive Directors and the appointments of employees from the level of Vice President and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.



Criteria for Performance evaluation:

V. Remuneration Policy:

The Policy inter alia provides for the following:

- a. attract, recruit, and retain good and exceptional talent;
- b. list down the criteria for determining the qualifications, positive attributes, and independence of the Directors of the Company;
- c. ensure that the remuneration of the Directors, Key Managerial Personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- d. motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e. ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f. fulfil the Company's objectives and goals, including in relation to Good Corporate Governance, transparency, and sustained long-term value creation for its stakeholders.

VI. Criteria for making payments to Non- Executive Directors:

The Company has not made any payments to the Non-Executive Directors except sitting fees for attending Board of Directors meetings.

VII. Remuneration paid to Directors

Remuneration to Non-Executive Directors

Presently, the Non-Executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees thereof.

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-2017

Name of the Director	Fee Paid During the Year ₹
Mr. Y. Ravinder Reddy (Chairman)	16,500
Ms. Sadhana Bhansali	12,000
Mr. Dipankar Dasgupta	4,500

Remuneration to Executive Directors:

The Remuneration paid to the Managing and Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary ₹	Bene- fits	Bonuses	Pension	Commi- ssion	Service Contracts	Notice Period
Mr. Arihant Baid Managing Director	2,400,000	21,600	—	—	—	Appointed for a period of 3 years w.e.f. 18th May, 2015	As per the Rules of the Company
Mr. T.M. Gopalakrishnan Whole Time Director	1,565,000	857,989	16,800			Appointed for a period of 3 years w.e.f. 18th May, 2015	As per the Rules of the Company

There were no severance fees, stock option plan or performance linked incentive for the Executive/Non-Executive Directors. The appointment of Managing Director is made for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

c. Stake Holders Relationship, Grievance and Share Transfer Committee

Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Ms. Sadhana Bhansali	Chairman
Mr. T.M. Gopalakrishnan	Member
Mr. Y. Ravinder Reddy	Member

Terms of Reference

- Stakeholders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like Transfer of Shares, Non-receipt of Annual Reports, Dividends etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Name and designation of Compliance Officer:

Mr. K.V.L.N. Bhaswanth, Chief Operating Officer & Compliance Officer

Email-id for Investor Grievances: investorrelations@gennexlab.com

Number of Shareholders complaints received so far:

Complaints received and redressed during the year 2016-2017

S.No.	Nature of Complaints	Number of Complaints Received	Number of Complaints Solved	Number of Complaints Pending
1.	Regarding annual report	1	1	—
2.	Revalidation of dividend warrant	—	—	—
3.	Issue of duplicate share certificate	—	—	—
4.	Issue of duplicate dividend warrant	—	—	—
5.	Procedure for transmission	—	—	—
6.	General queries	—	—	—
7.	Non receipt of dividend	—	—	—
8.	Correction in share certificate	—	—	—
9.	Change of address	—	—	—
10.	Unclaimed dividend	—	—	—
11.	Correction in dividend cheque	—	—	—

TOTAL

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. K.V.L.N. Bhaswanth is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact Mr. K.V.L.N. Bhaswanth, Compliance Officer at the Registered Office of the Company

**III. Attendance of each Director at Stakeholders Relationship Committee Meeting**

Name of Director	Designation	No. of Committee Meetings Held	Attended
Ms. Sadhana Bhansali (Chairperson)	Independent Director	4	4
Mr. Y. Ravinder Reddy	Independent Director	4	4
Mr. T.M. Gopalakrishnan	Executive Director	4	4

5. Meeting of Independent Directors

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the Independent Directors of the Company hold at-least one meeting in a year, without the attendance of Non-independent Directors and members of the Management. It is recommended that all the Independent Directors of the Company be present at such meetings. These meetings are expected to review the performance of the Non-independent Directors and the Board as a whole, as well as the performance of the Chairman of the Board, taking into account the views of the Executive Directors and Non-Executive Directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties and the Independent Directors of the Company had met during the year on 14.02.2017

6. General Body Meetings

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year ended March 31	Date	Time	Venue
2016	30.09.2016	11.00 a.m.	Sy. No. 133, IDA Bollaram, Jinnaram Mandal Medak Dist - 502 325
2015	30.09.2015	11.00 a.m.	Sy. No. 133, IDA Bollaram, Jinnaram Mandal Medak Dist - 502 325
2014	30.09.2014	11.30 a.m.	Sy. No. 133, IDA Bollaram, Jinnaram Mandal Medak Dist - 502 325

- Special Resolutions passed during the previous three Annual General Meetings:
 - i. 31st Annual General Meeting – September 30, 2016
No Special Resolutions were passed.
 - ii. 30th Annual General Meeting – September 30, 2015
 - a. Re-appointment of Mr. Arihant Baid (DIN 01171845), as Managing Director of the Company for a further period of three years with effect from May 18, 2015
 - b. Re-appointment of Mr. T.M. Gopalakrishnan (DIN 03137458), as Whole Time Director of the Company for a further period of three years with effect from May 18, 2015
 - iii. 29th Annual General Meeting – September 30, 2014
 - a. Authorisation to the Board of Directors to borrow monies beyond the Paid-up Capital and Free Reserves pursuant to Section 180(1)(c) of the Companies Act, 2013.
 - b. Authorisation to the Board of Directors to create Mortgage/Charge/Pledge/Hypothecation on the Properties of the Company for securing loans etc., pursuant to Section 180(1)(a) of the Companies Act, 2013



- iv. Whether Special Resolutions were put through Postal Ballot last year, details of voting pattern: No Special Resolutions were passed by the Shareholders of the Company through Postal Ballot during the Year 2016-2017.
- v. Whether any Resolutions are proposed to be conducted through Postal Ballot:
No Special Resolution is proposed to be conducted through Postal Ballot.

7. Whistle Blower Policy

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id info@gennexlab.com. The key Directions/ actions will be informed to the Executive Director of the Company

8. Disclosures

a. Related Party Transaction:

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the Notes to Accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

b. Accounting Treatment:

In the preparation of the Financial Statements, the Company has followed the Accounting Policies and practices as prescribed in the Accounting Standards.

c. Management Discussion and Analysis

Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report

d. Compliances:

There were few instances of non-compliance by the company on matters related to the Stock Exchange, MCA and other Statutory Authority.

e. CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2017 in compliance with the Listing Regulation.

f. Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of Shares held by Investors in physical form and in the depositories and the said Certificates were submitted to the Stock Exchanges within the prescribed time limit. As on 31st March 2017 there was no difference between the issued and listed capital and the aggregate of Shares held by Investors in both Physical Form and in Electronic Form with the depositories. 12,44,53,370 Equity Shares representing 98.38% of the Paid up Equity Capital have been dematerialized as on 31st March 2017.



1. General Shareholders Information:

a. Company Registration details:

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24230TG1990PLC011168

b. Date, time and venue of AGM

Annual General Meeting Day Thursday, 28th September, 2017
Time 11.30 A.M
Venue Sy. No. 133, Bollaram, Jinnaram Mandal,
Sangareddy District – 502 325, Telangana
Book Closure Date 26.09.2017 to 27.09.2017 (both days inclusive)
Financial Year 1st April to 31st March

c. Registered Office:

Sy. No. 133, Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana.

d. Financial Year

Financial year is 1st April, 2017 to 31st March, 2018 and Financial Results will be declared as per the following schedule.

Calendar for the Financial year 2017-18 (Tentative)

Financial Year Ending	31.03.2018
Quarter ending on 30th June, 2017	on 14.08.2017
Quarter ending on 30th September, 2017	on or before 14.11.2017
Quarter ending on 31st December, 2017	on or before 14.02.2018
Quarter ending on 31st March, 2018 & Annual Results of 2017-2018	on or before 30.05.2018
Date of Book Closure	23.09.2018 to 27.09.2018 (both days inclusive)

e. Listing on Stock Exchanges

Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal, Street, Mumbai – 400001
Listing fee is to be paid for the year 2017-18 to the Bombay Stock Exchange, Mumbai

f. Stock Code

Bombay Stock Exchange Ltd, Mumbai- 531739

g. Stock Price Data

Monthly high and low price of shares traded on Bombay Stock Exchange during the year from 01.04.2016 to 31.03.2017 is given below:

Amount in Rs.

	Month	High Price	Low Price
1	Apr-16	9.20	6.70
2	May-16	8.38	6.80
3	Jun-16	8.89	6.10
4	Jul-16	8.19	6.02
5	Aug-16	8.00	6.55
6	Sep-16	7.90	6.57
7	Oct-16	7.70	6.70
8	Nov-16	7.35	5.55
9	Dec-16	7.50	6.00
10	Jan-17	6.85	5.40
11	Feb-17	6.45	4.85
12	Mar-17	5.29	4.11

h. Address of Demat Registrars & Share Transfer Agents:

R&D Infotech Pvt. Ltd.

1st Floor, 7A, Beltala Road,

Naresh Mitra Sarani,

Kolkata – 700 026

E mail id: investors@rdinfotech.in

Share Transfer System: Transfer of Securities in Physical Form are registered and duly transferred Share Certificates are dispatched within 30 days of receipt provided transfer documents are in order.

Distribution of Share Holdings as on 31.03.2017

Range in No. of Shares	Value in No. of Shares	No. of Shareholders	% of Total	No. of Shares	% to Total
01 – 500	01 – 5000	3494	28.271 %	839446	0.66 %
501 – 1000	5010 – 10000	4260	34.469 %	4096100	3.24 %
1001 – 2000	10001 – 20000	1431	11.579 %	2448509	1.94 %
2001 – 3000	20001 – 30000	675	5.462 %	1816998	1.44 %
3001 – 4000	30001 – 40000	354	2.864 %	1317076	1.04 %
4001 – 5000	40001 – 50000	544	4.402 %	2663738	2.11 %
5001 – 10000	50001 – 100000	781	6.319 %	6210551	4.91 %
10001 – 50000	100001 – 500000	662	5.356 %	14828658	11.72 %
50001 – 100000	500001 – 1000000	77	0.623 %	5386870	4.26 %
100001 and Above	1000001 and Above	81	0.655 %	86895054	68.69 %
GRAND	TOTAL	12359	100.00 %	126503000	100.00 %

Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity.

There were no such outstanding instruments as on 31st March, 2017



Dematerialization of Shares:

98.38% of Shares issued by the company have been dematerialized as on 31.03.2017. Trading in Equity Shares of your Company on any Stock Exchange is permitted only in Dematerialized mode. Demat ISIN Number allotted by NSDL & CDSL: INE509C01026

5. Disclosures

- a. Details of non-compliance etc.,

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and Whole Time Director is placed at periodic intervals for review by the Board.

There were instances of delayed compliance with Listing regulations during the last three years.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

- b. Related Party Transactions policy.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your company has adopted a policy to determine Related Party Transactions.

The policy is placed on the website of the company [http: www.gennexlab.com](http://www.gennexlab.com)

6. Means of Communication

- a. Quarterly Results

The quarterly results of the Company are published in accordance with the requirements of the Listing Agreement, in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

- b. News releases, presentations, etc.

Official news releases along with Quarterly Results are displayed on the Company's website: www.gennexlab.com

The Company presentations made to the investors/ analysts are placed on the Company's website: www.gennexlab.com

- c. Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
GENNEX LABORATORIES LIMITED

We have reviewed the compliance of conditions of Corporate Governance by Gennex Laboratories Limited, for the year ended 31st March, 2017, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

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

For Laxminiwas & Jain
Chartered Accountants
Firm Regn. No. 001859S

Sharada G Patil
Partner
Membership No. 015332

Place: Hyderabad
Date : August 26, 2017



Certification by Managing Director and Chief Financial Officer (CFO) to the Board

We, Arihant Baid, Managing Director and Laxmipat Baid, Chief Financial Officer of Gennex Laboratories Limited, certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the Auditors and to the Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the Financial Statements; and
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the Company's Internal Control System and Financial Reporting. However, during the year there was no such instance.

For Gennex Laboratories Limited

Place: Hyderabad
Date : August 26, 2017

Arihant Baid **Laxmipat Baid**
Managing Director Chief Financial Officer

Declaration by Managing Director

I, Arihant Baid , Managing Director of Gennex Laboratories Industries Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Arihant Baid
Managing Director

Place: Hyderabad
Date: August 26, 2017



INDEPENDENT AUDITORS' REPORT

To
The Members of
GENNEX LABORATORIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GENNEX LABORATORIES LIMITED ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards

and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Basis for Qualified Opinion:

The balances of Loans and Advances, Deposits, Unsecured loans, Other Current liabilities, Trade Receivables and Trade Payables are subject to confirmations as indicated in Note No. 33.3. The impact of the same is unascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified opinion paragraph, the 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:

- a. In case of the balance sheet, of the state of affairs of the company as at March 31, 2017
- b. In case of the statement of profit and loss, of the Profit for the year ended on that date and
- c. In case of the Cash flow statement, of the Cash flows for the year ended on that date.

Emphasis of matter

- We draw attention to Note No. 33.4 to the financial statement which describes pending registration formalities for land acquired. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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, the Statement of Cash Flows and the dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - e. On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of

Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For Laxminiwas & Jain
Chartered Accountants
Firm Regn. No. 001859S
Sharada G Patil
Partner
Membership No. 015332

Place : Hyderabad
Date: 30th May, 2017

Annexure referred to in paragraph 1 of our report of even date

Re: GENNEX LABORATORIES LIMITED

- i. a. According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations furnished to us, all the assets have not been physically verified by the Management during the year but there is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations furnished to us, all the Immovable properties are held in the name of the company except Land as specified in Note No. 33.4.
- ii. a. According to the information and explanations furnished to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b. According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material
- iii. According to the information and explanations given to us, the Company has not granted any Loans to any of the parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise , Value added tax ,cess and any other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, duty of custom, duty of excise, Value added tax or cess and any other statutory dues applicable to it were in arrears as at 31st March 2017 for a period more than six months from the date they became payable, except Income tax of Rs. 64.42 Lacs.
- c. According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax,



- Customs Duty, Excise Duty and Cess which are not deposited on account of dispute except Income Tax of Rs. 37.52 Lacs, (under the Income Tax Act, 1961) and Sales Tax of Rs.111.04 Lacs for which appeal/Petition are pending before Appellate Authorities/ courts.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of Companies Act 2013.
- xii. In our opinion, the company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xiii. According to the records of the Company examined by us, all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 have complied with and the amount raised have been used for the purposes for which the funds were raised.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to us, in our opinion the company is not required to get registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Sharada G Patil
Partner

Hyderabad
30th May, 2017

**Annexure - B to the Auditors' Report****Annexure to the Independent Auditor's Report of even date on Financial Statements of GENNEX LABORATORIES LIMITED ("the Company").****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 GENNEX LABORATORIES LIMITED ("the Company") as of 31 March 2017 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 31 March 2017, 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of GENNEX LABORATORIES LIMITED, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report as of date expressed an unqualified opinion thereon.

For Laxminiwas & Jain
Chartered Accountants
Firm Regn. No. 001859S

Sharada G Patil
Partner

Hyderabad
30th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note No.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share Capital	2	126,503,000	126,503,000
b. Reserves and Surplus	3	182,909,110	155,865,860
		<u>309,412,110</u>	<u>282,368,860</u>
2 Non-Current Liabilities			
a. Long-term borrowings	4		
- Secured		854,848	305,249
- Unsecured		1,001,085	1,172,184
b. Deferred Tax liabilities (net)	5	9,488,841	9,830,924
c. Long-term provisions	6	—	—
		<u>11,344,774</u>	<u>11,308,357</u>
3 Current Liabilities			
a. Short-term borrowings	7		
- Secured		37,515,928	22,379,220
- Unsecured		596,457	425,358
b. Trade payables	8	94,572,340	70,465,023
c. Other current liabilities	9	33,744,385	23,387,392
d. Short-term provisions	10	5,006,000	7,578,000
		<u>171,435,110</u>	<u>124,234,993</u>
TOTAL		<u>492,191,994</u>	<u>417,912,210</u>
B ASSETS			
1 Non-Current Assets			
a. Fixed Assets	11		
i. Tangible Assets		157,411,391	155,791,744
ii. Intangible Assets		—	—
		<u>157,411,391</u>	<u>155,791,744</u>
b. Non-Current investments	12	70,100,000	70,100,000
c. Other non-current assets	13	2,214,333	2,397,479
		<u>72,314,333</u>	<u>72,497,479</u>
2 Current Assets			
a. Inventories	14	28,904,416	29,420,141
b. Trade receivables	15	102,955,537	69,593,385
c. Cash and Cash equivalents	16	6,295,217	8,477,699
d. Short-term loans and advances	17	124,203,375	81,738,264
e. Other current assets	18	107,725	393,498
		<u>262,466,270</u>	<u>189,622,987</u>
TOTAL (1+2)		<u>492,191,994</u>	<u>417,912,210</u>

Significant Accounting Policies and Notes on Financial Statement 1 to 33

Per our report attached
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S
Sharada G Patil
Partner
Membership No. 015332
Place: Hyderabad
Date : 30th May, 2017

For and on behalf of the Board

Arihant Baid
Managing Director

Laxmipat Baid
Chief Financial Officer

T.M. Gopalakrishnan
Whole Time Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note No.	Year Ended 31st March, 2017 ₹	Year Ended 31st March, 2016 ₹
INCOME			
I Revenue from Operations	19	434,861,456	403,363,423
Less: Excise Duty		15,789,253	17,803,305
		419,072,203	385,560,118
II Other Income	20	1,188,814	2,142,973
III Total Revenue (I + II)		420,261,017	387,703,091
IV Expenses:			
Raw Material Consumed	21	235,697,949	235,836,674
Purchase of Stock-in-trade		—	6,577,998
Change in Inventories	22	3,570,558	(161,105,777)
Manufacturing Expenses	23	37,394,117	41,766,479
Employee Benefits Expenses	24	49,587,606	41,156,199
Other Expenses	25	47,554,413	34,361,250
Total Expenses		373,804,643	343,592,823
V Profit before Interest, Depreciation & Tax		46,456,374	44,110,268
VI Finance Cost	26	7,054,050	5,037,974
VII Depreciation Expense	11	8,394,287	8,360,601
VIII Exceptional Items	27	—	377,758
IX Profit before Tax		31,008,037	30,333,935
X Tax Expense			
Tax for earlier year		(306,870)	(40,910)
Current Tax		(4,000,000)	(6,700,000)
Deferred Tax		342,083	(223,904)
XI Net Profit after Tax		27,043,250	23,369,121
XII Earning Per Share (having a face value of Rs. 1 each)			
- Basic and Diluted		0.214	0.185

Significant Accounting Policies and Notes on Financial Statement 1 to 33

Per our report attached
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Sharada G Patil
Partner
Membership No. 015332
Place: Hyderabad
Date : 30th May, 2017

For and on behalf of the Board

Arihant Baid
Managing Director

Laxmipat Baid
Chief Financial Officer

T.M. Gopalakrishnan
Whole Time Director



	31.03.2017 (₹ in Lacs)	31.03.2016 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items:	310.08	303.34
Adjustment for:		
Depreciation	83.94	83.61
Finance Charges	70.54	50.38
Loss on Fixed Assets	0.00	3.78
Interest Received	-2.86	-4.70
Operating Profit before Working Capital Changes	461.70	436.41
Adjustment for:		
Trade and Other Receivables	-753.58	25.57
Inventories	5.16	-167.41
Trade Payables	345.92	78.89
Cash generated from operations	59.20	373.46
Adjustments for:		
Interest/Other Income Received	0.00	0.00
Prior Period Adjustments	-3.07	-0.41
Income-tax	-67.00	-37.60
Net Cash from Operating Activities	-10.87	335.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-100.14	-125.31
Purchase of Investments	0.00	0.00
Sale of Assets	0.00	6.10
Interest/Other Income received	2.86	4.70
Net Cash used in Investing Activities	-97.28	-114.51
C. CASH FLOW FROM FINANCING ACTIVITIES		
Bank borrowings	156.86	-134.53
Finance Charges	-70.54	-50.38
Issue of Equity Shares/Warrants	0.00	0.00
Increase/(Decrease) in Unsecured Loans	0.00	-6.90
Net Cash from Financing Activities	86.32	-191.81
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT(A+B+C)	-21.83	29.13
Cash and Cash Equivalents as on 01.04.2016	84.78	55.65
Cash and Cash Equivalents as on 31.03.2017	62.95	84.78

Per our report attached
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S
Sharada G Patil
Partner
Membership No. 015332
Place: Hyderabad
Date : 30th May, 2017

For and on behalf of the Board
Arihant Baid
Managing Director

Laxmipat Baid
Chief Financial Officer

T.M. Gopalakrishnan
Whole Time Director



NOTE 1. SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING POLICIES:

a. BASIS OF ACCOUNTING:

Financial Statement are prepared under historical cost convention and in accordance with the normally accepted accounting standards.

b. FIXED ASSETS:

a) Fixed Assets are stated at Cost less depreciation & inclusive of expenses upto commissioning/ putting the assets to use.

b) DEPRECIATION:

Depreciation is systematically allocated over the useful life of the asset as specified in Schedule-II of the Companies Act, 2013.

c) INVESTMENTS:

Investments are valued at Cost. Provision for diminution in the value of Long Term Investments is made only if, such a decline is other than temporary in the opinion of the Management.

d) REVENUE RECOGNITION:

All the Items of Income and Expenditure are accounted on accrual basis except as stated otherwise.

e) FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of transaction. Monetary items (Assets & Liabilities) denominated in foreign currency are translated into rupees at the Exchange rates prevailing on the Balance Sheet date. Exchange Differences in translation of foreign currency assets and liabilities and realised gains and losses on foreign exchange translations are recognised in the Profit and Loss Account.

f) VALUATION OF INVENTORIES:

i. Stores & Spares are valued at cost or at net realisable value, whichever is lower. Cost is arrived at Weighted Average Basis.

ii. Raw Material, Semi Finished Goods, Finished Goods are valued at cost or market value whichever is lower. Cost is arrived at FIFO method.

iii. Obsolescence and Damaged materials are valued at realisable value.

g) CENTRAL EXCISE

Central Excise account is treated as current account by making adjustment of the debit & credit given to/taken from the department including relief.

h) EMPLOYEE BENEFITS

a) Provident Fund is administered through Regional Provident Fund Commissioner. The contribution to the Provident Fund is charged against revenue.

b) Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected unit credit method. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC) for future payment of gratuity to the employees.

c) Leave Encashment is accounts for on actuarial basis.

i) SEGMENT REPORTING

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Revenues, Expenses and assets which relates to the enterprise as a whole and are not attributable to segments are included under "Unallocable Corporate Expenses/Revenues"

j) TAXES ON INCOME

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

k) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed, while Contingent Assets are neither recognized nor disclosed, in the financial statements.



	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
2 SHARE CAPITAL		
AUTHORISED CAPITAL		
Equity Shares		
160,000,000 Equity Shares of ₹ 1/- each		
(Previous Year 160,000,000 Equity Shares of ₹ 1/- each)	160,000,000	160,000,000
Total	160,000,000	160,000,000
2.1 ISSUED, SUBSCRIBED & PAID-UP		
Equity Shares		
126,503,000 Equity Shares of ₹ 1/- each		
(Previous Year 126,503,000 Equity Shares of ₹ 1/- each)	126,503,000	126,503,000
Total	126,503,000	126,503,000
2.2.1 All Equity Shares issued by the company carry equal voting and participatory rights.		
2.2.2 The details of share holders holding more than 5% shares:		
	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
	%	%
	Held	Held
Premier Fiscal Services (P) Ltd	25,000,000	*25,000,000
*(Pledge with Bank of India 2014-15)	19.76	19.76
2.2.3 The reconciliation of the no. of shares outstanding is set out below:		
Equity Shares at the beginning of the year	126,503,000	126,503,000
Equity Shares at the end of the year	126,503,000	126,503,000
	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3 RESERVES AND SURPLUS		
Share Premium	60,000,000	60,000,000
Investment Subsidy	2,000,000	2,000,000
General Reserve	7,222,892	7,222,892
Capital Reserve (Forfeit of warrant)	7,250,000	7,250,000
Retained Profit on Fixed Assets net of defer tax	(1,407,366)	(1,407,366)
Balance in Profit & Loss		
Balance at the beginning of the year	80,800,334	57,431,213
Add: Profit for the year	27,043,250	23,369,121
Balance at the Closing of the year	107,843,584	80,800,334
Total	182,909,110	155,865,860



	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
4 LONG TERM BORROWINGS		
4.1 Loan - Secured (Secured against the hypothecated assets procured out of Loan)		
HDFC Bank Ltd.	94,204	305,249
ICICI Bank Ltd.	760,644	—
Total	<u>854,848</u>	<u>305,249</u>
4.2 Unsecured		
Sales Tax Deferment	1,001,085	1,172,184
Total	<u>1,001,085</u>	<u>1,172,184</u>
4.3 Sales Tax deferment availed till the current account period is due for repayment after 12 months from Balance Sheet as under:		
Year of Repayment		
2016-17	—	425,358
2017-18	—	171,099
2018-19	174,207	174,207
2019-20	277,545	277,545
2020-21	394,431	394,431
2021-22	154,902	154,902
Total	<u>1,001,085</u>	<u>1,597,542</u>
5 DEFERRED TAX (LIABILITY)/ASSETS		
a. Diff. between Book & Tax Depreciation (Liability)	11,256,139	11,113,021
b. Others	<u>(1,767,298)</u>	<u>(1,115,878)</u>
Total	<u>9,488,841</u>	<u>9,997,143</u>
Net Deferred Tax Liability/(Assets)	<u>9,488,841</u>	<u>9,997,143</u>
6 LONG TERM PROVISIONS		
Provision for leave encashment	—	—
Total	<u>—</u>	<u>—</u>

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
7 SHORT TERM BORROWINGS		
a. Secured		
From Banks - Secured		
State Bank of Hyderabad (The due to State Bank of Hyderabad - Secured by means of Hypothecation of Stocks of Raw Material, Semi Finished & Finished Goods, Stores & Spare parts and Book-debts and First Charge on the Fixed Assets of the Company and personal guarantee of One Director)	32,967,762	15,112,780
State Bank of Hyderabad - Term Loan - Secured against (Exclusive First charge on Fixed Assets of the Company)	3,931,299	7,075,020
Loan - Secured (Secured against the hypothecated assets procured out of Loan)		
HDFC Bank Ltd.	211,045	191,420
ICICI Bank Ltd.	405,822	—
Total	<u>37,515,928</u>	<u>22,379,220</u>
b. Unsecured		
Sales Tax Deferment	<u>596,457</u>	<u>425,358</u>
Total	<u>596,457</u>	<u>425,358</u>
8 TRADE PAYABLES		
Trade Payable	<u>94,572,340.34</u>	<u>70,465,023</u>
Total	<u>94,572,340.34</u>	<u>70,465,023</u>
8.1 Dues to Micro, Small and Medium enterprises has been determined to be ₹ -Nil- to the extent such parties have been identified on the basis of information available with the company.		
9 OTHER CURRENT LIABILITIES		
Creditors for Capital Goods	2,240,732	551,574
Advances from Customers	198,119	307,143
Other Liabilities	<u>31,305,534</u>	<u>22,528,675</u>
Total	<u>33,744,385</u>	<u>23,387,392</u>
9.1 Other liabilities consist of PF, ESI, Service Tax, TDS and TCS payable etc.		
10 SHORT TERM PROVISIONS		
Provision for Current Tax	4,000,000	6,700,000
Provision for Leave Encashment	<u>1,006,000</u>	<u>878,000</u>
Total	<u>5,006,000</u>	<u>7,578,000</u>



**NOTE 11
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01-04-2016 ₹	Additions during theyear ₹	Sale or adjust- ment ₹	Total as on 31-03-2017 ₹	Ason 01-04-2016 ₹	Adjustments Retained Loss ₹	For the year 2016-17 ₹	Total Upto 31-03-2017 ₹	As on 31-03-2017 ₹	As on 31-03-2016 ₹
Land	84,181,540	—	—	84,181,540	—	—	—	—	84,181,540	84,181,540
Building	16,978,278	—	—	16,978,278	8,894,583	—	491,742	9,386,325	7,591,953	8,083,695
Plant & Machinery	133,834,275	3,908,361	—	137,742,636	82,511,692	—	5,358,793	87,870,485	49,872,151	51,322,583
Furniture & Fixtures	24,538,382	2,936,675	—	27,475,057	19,749,018	—	1,172,426	20,921,444	6,553,613	4,789,364
Motor Vehicles	11,549,634	2,022,508	—	13,572,142	5,308,672	—	1,371,326	6,679,998	6,892,144	6,240,962
Capital Work in Progress	1,173,600	2,319,990	1,173,600	2,319,990	—	—	—	—	2,319,990	1,173,600
Total	272,255,709	11,187,534	1,173,600	282,269,643	116,463,965	—	8,394,287	124,858,252	157,411,391	155,791,744
Previous Year	262,022,967	12,530,672	2,297,930	272,255,709	115,003,178	(6,899,814)	8,360,601	116,463,965	155,791,744	155,791,744



	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
12 NON CURRENT INVESTMENTS		
Unquoted		
1000 Equity Shares of ₹ 100/- each fully paid up in Progressive Effluent Treatment Limited	100,000	100,000
5500000 Equity Shares of ₹ 10/- each fully paid up in Deccan Remedies Limited	70,000,000	70,000,000
Total	<u>70,100,000</u>	<u>70,100,000</u>
13 OTHER NON CURRENT ASSETS		
Loans, Advances to Related Parties	—	—
Security Deposit	2,203,697	1,740,349
Prepaid Expenses	10,636	657,130
Total	<u>2,214,333</u>	<u>2,397,479</u>
14 INVENTORIES (As valued and certified by Management)		
Stores & Spares	665,192	809,291
Packing Material	449,524	401,843
Coal & Diesel	123,153	103,649
Raw Materials	8,581,807	5,450,060
Finished Goods	6,802,497	19,158,233
Work-in-process	12,282,243	3,497,065
Total	<u>28,904,416</u>	<u>29,420,141</u>
15 TRADE RECEIVABLES		
Unsecured and Considered Good		
Outstanding for more than 6 months	10,496,697	3,168,412
Others	92,458,850	66,424,973
Total	<u>102,955,537</u>	<u>69,593,385</u>
16 CASH AND CASH EQUIVALENTS		
a. Cash on hand	36,887	316,377
b. Balances with Banks		
i. In Current Accounts	509,543	360,964
ii. In Deposit Accounts (Margin Money against LCs/BG)	4,091,726	7,800,358
iii. Cheques in hand	1,657,061	—
Total	<u>6,295,217</u>	<u>8,477,699</u>



	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
17 SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good, recoverable in cash or in kind for value to be received)		
a. Loans and advances to related parties Unsecured, considered good	—	—
b. Loans and advances to employees Unsecured, considered good	16,835,344	12,107,018
c. Prepaid Expenses Unsecured, considered good	678,760	82,513
d. Balances with Government Authorities Unsecured, considered good		
i. CENVAT credit receivable	1,159,059	3,981,236
ii. Balances with Central Excise Deptt	24,833	24,963
iii. VAT credit receivable	9,536,352	7,368,208
iv. Service Tax	2,785,974	2,384,629
e. Advances to Contractors, Suppliers Unsecured, considered good	1,557,840	843,953
f. Advances recoverable cash or in kind	91,625,213	54,945,744
 Total	 <u>124,203,375</u>	 <u>81,738,264</u>
 18 OTHER CURRENT ASSETS		
Advance Income Tax/TDS	36,590	46,267
Accrued Interest	71,135	347,231
Total	<u>107,725</u>	<u>393,498</u>



	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
19 Revenue from Operation		
Sale of Products	433,064,586	403,124,792
Other Operating Revenues	1,796,870	238,631
	<u>434,861,456</u>	<u>403,363,423</u>
Less: Excise Duty	15,789,253	17,803,305
Net Revenue from Operation	<u>419,072,203</u>	<u>385,560,118</u>
20 Other Income		
Interest Income (TDS ₹ 18,700; Previous Year ₹ 46,267)	286,229	469,810
Insurance Claim Received	12,019	186,996
Miscellaneous Income	500	800
Exchange Rate Fluctuation	—	46,141
Duty Draw Back	890,066	1,439,226
Total	<u>1,188,814</u>	<u>2,142,973</u>
21 Raw Material Consumed		
Opening Stocks	5,450,060	4,579,455
Add: Purchases	238,829,696	236,707,279
Total	<u>244,279,756</u>	<u>241,286,734</u>
Less: Closing Stocks	8,581,807	5,450,060
Consumption	<u>235,697,949</u>	<u>235,836,674</u>
22 Changes in Inventories (other than RM)		
Opening Stocks		
Work in Progress	3,497,065	3,473,079
Finished Goods	19,158,233	3,076,442
Total	<u>22,655,298</u>	<u>6,549,521</u>
Closing Stocks		
Work in Progress	12,282,243	3,497,065
Finished Goods	6,802,497	19,158,233
Total	<u>19,084,740</u>	<u>22,655,298</u>
Changes in Stock	<u>3,570,558</u>	<u>(16,105,777)</u>
23 Manufacturing Expenses		
Stores, Spares & Others	6,920,740	8,493,389
Packing Material	8,381,479	7,751,113
Power & Fuels	18,560,571	20,921,422
Repairs & Maintenance - Buildings	327,961	1,068,906
Repairs & Maintenance - Plant & Machinery	1,159,369	1,429,207
Repairs & Maintenance - Others	640,772	629,317
Job Work Charges	1,403,225	1,473,125
Total	<u>37,394,117</u>	<u>41,766,479</u>



	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
23.1 Stores and Spares Consumption		
Opening Stocks	809,291	1,052,470
Add: Purchases	6,776,641	8,250,210
Less: Closing Stocks	665,192	809,291
Total	<u>6,920,740</u>	<u>8,493,389</u>
23.2 Packing Material Consumption		
Opening Stocks	401,843	225,261
Add: Purchases	8,429,160	7,910,319
Less: Closing Stocks	449,524	401,843
Total	<u>8,381,479</u>	<u>7,733,737</u>
24 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	43,279,175	36,436,092
Contributions to Provident and other funds	1,952,623	1,912,636
Gratuity	1,316,302	550,478
Staff Welfare expenses	3,039,506	2,256,993
Total	<u>49,587,606</u>	<u>41,156,199</u>
25 OTHER EXPENSES		
Pollution Expenses	9,127,260	5,939,251
Consultancy & Legal Expenses	4,829,075	3,222,738
Rent & Facilities	1,697,284	1,454,401
Electricity Charges	1,180,191	1,215,933
Security Charges	681,701	850,213
Printing & Stationery	853,037	694,897
Communication Expenses	1,385,979	1,354,276
Insurance	812,108	620,167
Travelling & Conveyance Exp.	8,039,587	8,612,193
Selling Expenses	5,426,454	2,622,912
Carriage Outwards	6,717,542	3,516,053
Auditors' Remuneration	242,850	295,968
Vehicle Maintenance	391,002	244,830
Sales Tax	177,186	391,515
Exchange Rate Fluctuation	432,931	—
Miscellaneous Expenses	5,555,050	3,149,837
Sundry Balances Written Off (Net)	5,176	176,066
Total	<u>47,554,413</u>	<u>34,361,250</u>



	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
26 FINANCE COST		
Interest on Working Capital	3,027,094	1,952,286
Interest on Term Loan	934,432	1,111,703
Bank Charges	3,092,524	1,973,985
Total	<u>7,054,050</u>	<u>5,037,974</u>
27 EXCEPTIONAL ITEMS		
Profit/Loss on Sale of Fixed Assets	—	377,758
28 EARNING PER SHARE		
Net Profit the basic EPS	27,043,250	23,369,121
Weighted Average No. of Shares	126,503,000	126,503,000
Annualized Basic Earning per share	0.21	0.18
29 AUDITORS REMUNERATION		
i. Audit Fees	137,400	137,400
ii. Tax Audit Fees	34,350	34,350
iii. Certification & Other	69,000	122,118
iv. Audit Fees - Branch	2,100	2,100
Total	<u>242,850</u>	<u>295,968</u>
30 CONTINGENT LIABILITY		
i. Income-tax where appeals/petitions are pending with Various Authorities	*57.76	*56.67
ii. Sales Tax where Appeal is pending	*111.04	*111.04
*Company is hopeful of complete relief, hence no provision is made.		
31 Additional information pursuant to paragraphs 5 (viii) of part II of Schedule VI to the Companies Act, 1956 are as follows:		
A. C.I.F. value of imports by the Company (Excluding imported items purchased locally)		
Raw Materials	14,952,663	2,591,960
Fixed Assets	—	609,453
B. Expenditure in foreign currency during the year:		
a. Foreign Travel Expenses	953,907	1,481,762
b. Sales Commission	794,948	851,350
c. Bank Charges	369,786	166,203
C. Details of consumption of imported and indigenous items		
Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2017 %
Imported		
Raw Material	1,320,756	6%
	(2,592,433)	1%
Indigenous		
Raw material	222,467,193	94%
	(233,244,241)	98%
Stores, Spares Parts & Components	6,920,740	100%
	(8,493,389)	100%
Total	<u>242,618,689</u>	
	<u>(244,330,063)</u>	

Note: Figures/percentages in brackets relates to the previous year.

**D. Segment Details**

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard- 17 issued by the Institute of Chartered Accountants of India is considered as a single segment.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues for the	Segment Assets
	Year ended 31st March, 2017	As at 31st March, 2017
Germany	81.86 (79.73)	— —
Egypt	239.13 (62.77)	85.42 (26.93)
Iran	218.07 (58.17)	76.20 (23.07)
Peru	149.99 (231.22)	9.24 (25.75)
Colombia	23.85 (13.53)	— —
Spain	179.88 (9.41)	34.08 (3.05)
Guatemala City	131.75 (114.86)	25.53 (4.25)
El Salvador	40.03 (17.59)	15.82 —
Cuba	— (324.44)	— —
Export Others	325.63 (169.59)	351.96 (19.26)
India	2,800.53 (2,774.29)	431.31 (593.62)

Note: Figures in brackets relates to the previous year.

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
E. Earning in Foreign Currency on F.O.B. basis		
Export of Goods	131,579,311	103,387,741

32 RELATED PARTY TRANSACTIONS (Accounting Standard-18)

Name & Relationship	Nature of Transaction	Amount (₹)
1 Mr. Arihant Baid Managing Director	Remuneration	2,400,000
Mr. T.M. Gopalakrishnan Whole-Time Director	Remuneration	2,438,189

33 EMPLOYEES BENEFITS:

33.1 Company has obtain Group Gratuity Scheme with LIC and contributing the same. The assumption taken are discount rate @ 8% and salary escalation @ 4 % etc.

33.2 Defined Contribution Plan:

Contribution to defined contribution plan, recognized as expenses for the year are as under:



Employer's Contribution to Provident/Pension Fund - ₹ 1,320,417/-

The Company contributes applicable rates of salary of all eligible employees towards Provident Fund managed by the Central Government.

Leave Encashment:

The Company has provided a sum of ₹ 1,006,000/- towards Leave encashment based on actuarial valuation.

33.3 Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and advances against suppliers are subject to confirmation by respective parties.

33.4 Fixed Assets includes land for which Registration formalities are yet to be completed.

33.5 The Company's Lease Agreement in respect of Building at Srinagar Colony. The Lease Rentals payable are charged as "Lease Rental Charges" under "Other Expenses" in Note No - 25. This leasing arrangement is for longer period and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under: (₹ in Lakhs)

Particulars	as at March 31, 2017*
Payables:	
Not later than one year	15.22
Later than one year but not later than 3 years	2.58
Later than 3 years	0.00

* The above figures are given without discounting at present value

33.6 Investment includes ₹ 70,000,000 in Shares of Deccan Remedies Limited for the Company's expansion plans.

33.7 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

33.8 In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31st March, 2017.

33.9 Investment Subsidy received from Andhra Pradesh Government is shown under Reserve and Surplus.

34.0 Pursuant to Schedule - III of the Companies Act, 2013

Particulars	SBNs	Other Denomina- tion Notes	Total
Closing Cash in Hand as on 08.11.2016	907000	1696967	2603967
(+) Permitted Receipts		695000	695000
(-) Permitted Payments		2126967	2126967
(-) Amount deposited in Banks	907000	7000	914000
Closing Cash in Hand as on 31.12.2016		258000	258000

Per our report attached
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S
Sharada G Patil
Partner
Membership No. 015332
Place: Hyderabad
Date : 30th May, 2017

For and on behalf of the Board
Arihant Baid
Managing Director

Laxmipat Baid
Chief Financial Officer

T.M. Gopalakrishnan
Whole Time Director



GENNEX LABORATORIES LIMITED

Regd. Office: Sy. No. 133, IDA Bollaram Jinnaram Mandal, Sangareddy Dist.- 502 325. Telangana
Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, R&D Infotech Pvt. Ltd or to the Company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
R&D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road,
Naresh Mitra Sarani,
Kolkata – 700 026

Dear Sir,

I/We shareholder(s) of GENNEX LABORATORIES LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email). I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No./DPID No.*..... and Client ID No.*.....

*Applicable for members holding shares in Electronic Form.

Name of the Sole / First Shareholder: _____

Name of the Joint Shareholders (if any): _____

No. of Shares held: _____

E-mail id for receipt of documents in: _____

Electronic mode: _____

Date:

Place: _____ Signature: _____

(Sole / First Shareholder)

Note: 1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agent, R&D Infotech Pvt. Ltd, as and when there is change in their registered email-id.

2. For shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.





GENNEX LABORATORIES LIMITED

Regd. Office: Sy. No. 133, IDA Bollaram Jinnaram Mandal, Sangareddy Dist.- 502 325. Telangana
Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

Form No. MGT- 11

PROXY FORM

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

Name of the member(s): _____

Registered address: _____

E-mail Id: _____

Folio No/ Client Id: _____

DP ID: _____

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

Name: _____

E-mail Id: _____

Address: _____

Signature: _____ or failing him

Name: _____

E-mail Id: _____

Address: _____

Signature: _____ or failing him

Name: _____

E-mail _____

Address: _____

Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 32nd Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017 at 11.30 a.m. IST at the Registered Office of the Company situated at Sy.No. 133, IDA Bollaram, Jinnaram Mandal, Sangareddy District - 502 325, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. ARIHANT BAID (DIN 01171845), who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint M/s. Vinay Karwa & Associates, Chartered Accountants as Statutory Auditors of the Company.
4. To appoint of M/s. Pogalia & Company, Chartered Accountants as Branch Auditors

Signed this day of 2017

Signature of Proxy holder(s)

Signature of shareholder.....

Affix ₹ 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48hours before the commencement of the Meeting.





GENNEX LABORATORIES LIMITED

Regd. Office: Sy. No. 133, IDA Bollaram Jinnaram Mandal, Sangareddy Dist.- 502 325. Telangana
Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

ATTENDANCE SLIP

Folio No. DP ID No./Client ID

Name of the Member Signature

Name of Proxy Holder Signature

No. of Shares held E-mail ID

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 32nd Annual General Meeting of the Company to be held on Thursday, the 28th September, 2017 at 11.30 A.M. at the Registered Office of the Company at Sy.No.133., IDA Bollaram, Jinnaram Mandal, Sangareddy District – 502 325 (Telangana).

- 1. Only Member/Proxy-holder can attend the Meeting.
- 2. Member/Proxy-holder should bring his/her copy of the Annual Report for reference at the Meeting.

Note: Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Annual Report also with them.

GENNEX LABORATORIES LIMITED

Regd. Office: Sy. No. 133, IDA Bollaram Jinnaram Mandal, Medak Dist.- 502 325. Telangana
Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

Registration of E-mail address for future communication

Name of the Member Signature

Folio No. DP ID No. Client ID

Registered Address

Signature

E-mail ID







Form No. MGT- 12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Gennex Laboratories Limited
Registered Office: Sy.No. 133, IDA Bollaram, Jinnaram Mandal, Medak District,
Telangana - 502 325
CIN: L24230TG1990PLC011168

BALLOT PAPER

Sl. No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share Equity Shares	

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Financial Statements for the Financial Year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon			
2	To appoint a Director in the place of Mr. Arihant Baid (DIN 01171854), who retires by rotation and being eligible, offers himself for re-appointment			
3	To appoint M/s. Vinay Karwa & Associates, Chartered Accountants as Statutory Auditors and fix their remuneration			
4	To appoint M/s. R. Pogalia & Co., Chartered Accountants as Branch Auditors and fix their remuneration			

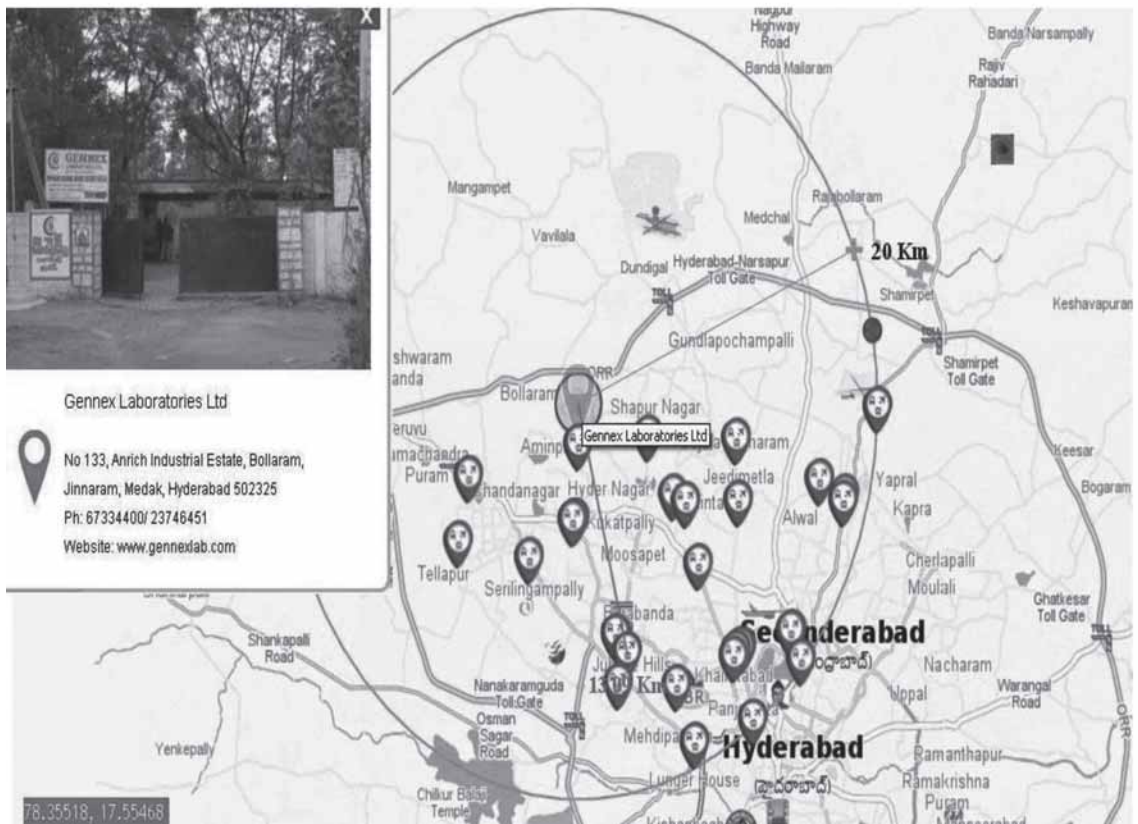
Place:

Date:

(Signature of the shareholder*)

(*as per Company Records)

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 32nd Annual General Meeting is given below.



If undelivered, please return to:
GENNEX LABORATORIES LIMITED
“AKASH GANGA”, 3rd Floor, Plot No. 144,
Srinagar Colony, Hyderabad - 500 073.
Telangana, INDIA.