

GUJARAT TERCE LABORATORIES LTD.

Admin. Office : 301 & 314, Akashrath Complex, Opp. National Handloom Corporation,
Nr. Law Garden, C.G. Road, Navrangpura, Ahmedabad-380 009.
Ph.: 079-66633700/01, Fax : 079-66633713, E-mail : ho@gujaratterce.com
Website : www.gujaratterce.com



17th September, 2016

To,
BSE Limited,
P J Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 524314

Dear Sir/Mam,

Sub: Annual Report of 31st Annual General Meeting (AGM) of the Company

Please find herewith enclosed a copy of the Annual Report of the 31st Annual General Meeting of the Company held on Friday, 30th September, 2016.

Kindly acknowledge receipt of the same.

Thanking you,

Yours Faithfully,

For, Gujarat Terce Laboratories Limited,

Priyanka

Priyanka Bakhtyarpuri

(Company Secretary)

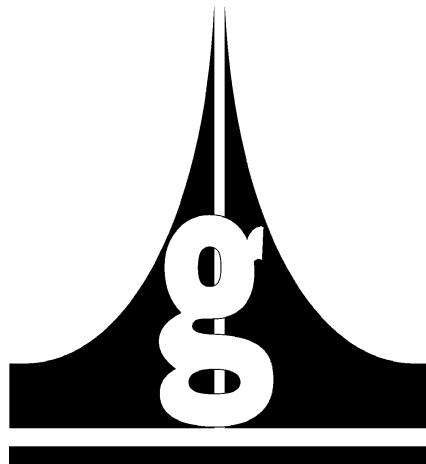
ACS No.: 42896



Regd. Offi. & Factory : 122/2, Ravi Estate, Bileshwarpura,
Chhatral, Dist. : Gandhinagar (Gujarat) INDIA
Ph. : (02764) 233182 E-mail : gtl.factory@gmail.com
CIN : L28112GJ1985PLC007753



31st
ANNUAL REPORT
2015-2016



GUJARAT TERCE LABORATORIES LTD.

**BOARD OF DIRECTORS**

Mr. Natwarbhai P. Prajapati	[DIN 00031187]	<i>Chairman & Managing Director</i>
Mr. Amrutbhai P. Prajapati	[DIN 00699001]	<i>Whole Time Director (CFO)</i>
Mr. Sureshbhai P. Prajapati	[DIN 00356599]	<i>Director</i>
Mr. Gordhanbhai G. Patel	[DIN 00709521]	<i>Director</i>
Mr. Kanubhai S. Patel	[DIN 00031218]	<i>Director</i>
Mr. Jayantibhai S. Prajapati	[DIN 02608139]	<i>Director</i>
Mrs. Chhayaben A. Shah	[DIN 01435892]	<i>Director</i>

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Priyanka Bakhtyarpuri, ACS No.:42896

REGISTERED OFFICE & FACTORY :

122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. : Gandhinagar, Gujarat
CIN : L28112GJ1985PLC007753
Email : ho@gujaratterce.com
Web : www.gujaratterce.com

METAL FACTORY :

Block No. 140/P, Village - Ramnagar, Tal. Kalol, Dist. Gandhinagar, Gujarat

ADMINISTRATIVE OFFICE :

301 & 314, Akashrath Complex, Opp. National Handloom Corporation, Law Garden,
Off. C.G. Road, Ahmedabad - 380009.

AUDITORS :**USS & Associates**

CHARTERED ACCOUNTANTS

25, Avani Complex, B/h. Navrangpura Police Station,
Navrangpura,
Ahmedabad-380009.

SECRETARIAL AUDITOR:**Pinakin Shah & Co. [FCS 2562]**

Practicing Company Secretary

A/201, Siddhi Vinayak Towers, B/h. BMW Showroom, Makarba, Ahmedabad-380051

BANKER :

BANK OF BARODA

Ellisbridge Branch,

Pritamnagar 1st Slop, Ellisbrdige, Ahmedabad-380006

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072.

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Company will be held at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar- 382729 on Friday, 30th September, 2016 at 10:00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sureshbhai Prajapati [DIN 00356599] who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of the Auditors of the Company appointed at the 30th Annual General Meeting of the Company held on Saturday 26th September, 2015 and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“Resolved that, pursuant to the first proviso to section 139(1) of the Companies Act, 2013, read with the first proviso rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. USS & Associates, Chartered Accountants (FRN: 122634W) as the auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company, be and is hereby ratified.”

SPECIAL BUSINESS:

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

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Article 86 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Amritbhai Prajapati, as Whole-time Director (designated as “CFO”) of the Company with effect from 01/08/2016 to 31/07/2021, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Amritbhai Prajapati.

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

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

By Order of the Board of Directors

Priyanka Bakhtyarpuri
Company Secretary
ACS No.: 42896

Date : 12/08/2016
Place : Ahmedabad
Registered office
122/2, Ravi Estate, Bileshwarpura,
Chhatral Dist: Gandhinagar



Notes:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Businesses to be transacted at the Annual General Meeting is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Friday, 30th September, 2016.(both days inclusive).
- 4) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
- 5) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- 6) The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
- 7) Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting
- 8) Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014 as amended and Regulations 44 of the SEBI (LODR) Regulations, 2015 the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Cut-off date i.e. a date not earlier than seven days before the date of general meeting, are entitled to vote on the Resolutions set forth in this Notice.

Members who have acquired shares after the dispatch of the Annual Report and before the Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the Cut-off date should treat this notice for the information purpose only.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

- i. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories):
 - i) The voting period begins on 27th September, 2016 at 9.00 am and ends on 29th September, 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii) Log on to the e-voting website www.evotingindia.com
 - iii) Click on Shareholders
 - iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

GUJARAT TERCE LABORATORIES LTD.

- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in d-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in D-mat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both d-mat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in d-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.



-
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 27th September, 2016 at 9.00 am and ends on 29th September, 2016 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- ii. Other Instructions:
- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2016.
 - b) Mr. Ishan P. Shah, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or person authorised by him in writing shall declare the results of the voting forthwith.
 - d) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.gujaraterce.com and on the website of CDSL www.evoting.cdsl.com immediately after the result is declared by the Chairman.
 - e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - f) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Bigshare Services Private Limited immediately.
 - g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited.
 - h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

GUJARAT TERCE LABORATORIES LTD.

EXPLANATORY STATEMENT

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

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

ITEM NO. 2&4

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT at ensuing AGM

NAME OF DIRECTOR	Sureshbhai Prajapati	Amritbhai Prajapati
Date of Birth	01/06/1961	24/05/1954
Date of Appointment	13/06/2006	01/03/2006
Qualification	Bsc.	Diploma in Textile
Chairman/ Director of other Companies	None*	None*
Chairman/ Member of Committees (including Audit Committee & Stakeholder Committee)	None*	None*
No of shares held in the Company	927150	31510

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

ITEM NO. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. USS & Associates, Chartered Accountants (FRN: 122634W), were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 26/09/2015, to hold office till the conclusion of the AGM to be held in the Calendar Year 2020. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

ITEM NO. 4

Mr. Amrut Prajapati was re-appointed as Whole-time Director of the Company at the 26th Annual General Meeting of the shareholders of the Company held on September 7, 2011, for a period of five years w.e.f. August 01, 2011. The Board of Directors of the Company in its meeting held on July 30, 2016, on recommendation of Nomination & Remuneration Committee, re-appointed Mr. Prajapati as Whole-time Director for a period of five years with effect from August 01, 2016 on the terms and conditions approved by the Nomination & Remuneration Committee as given herein below, subject to approval of the shareholders at this Annual General Meeting.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on approving re-appointment of Mr. Amritbhai Prajapati, as Whole-time Director (designated as "CFO") of the Company for a further period of five years with effect from 01/08/2016 to 31/07/2021. This is subject to the approval of the shareholders at this Annual General Meeting. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mr. Amritbhai Prajapati and the terms and conditions of the re-appointment are given below:

- i. Salary: ₹ 33,000/- per month which is eligible for revision on a date to be determined by the Nomination & Remuneration Committee.
- ii. Perquisites: The salary of Whole-time Director excludes all the perquisites listed herein below and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable;
 - a) Medical Re-imburement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.



-
- b) Leave Travel Concession: For self and family.
 - d) Personal Accident Insurance/Group Life Insurance will be in accordance with the rules of the Company
 - e) Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961.
 - f) Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

Other terms and conditions:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof. He shall be liable to retire by rotation. All other existing terms and conditions for the re-appointment shall remain unchanged.

The Board of Directors recommends the resolution in relation to the re-appointment of Whole-time Director, for the approval of the shareholders of the Company. Except Mr. Amritbhai Prajapati himself, Mr. Natwarbhai Prajapati and Mr. Sureshbhai Prajapati and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

By Order of the Board of Directors

Priyanka Bakhtyarpuri
Company Secretary
ACS No.: 42896

Date : 12/08/2016
Place : Ahmedabad
Registered office
122/2, Ravi Estate, Bileshwarpura,
Chhatral Dist: Gandhinagar

DIRECTORS REPORT

To,

The Members of

GUJARAT TERCE LABORATORIES LIMITED

Dear Members,

Your Directors have pleasure in presenting the 31st Director's Report of your Company together with the Audited Statement of Accounts and Auditors' Report for the financial year ended, 31st March, 2016.

The summary of operating results for the year and appropriation of divisible profits is given below:

FINANCIAL HIGHLIGHTS**(₹ In Lakhs)**

Particulars	Current year	Previous Year
Sales	2499.39	2648.11
Other Income	18.80	4.63
Total Income	2518.19	2652.75
Depreciation	19.00	15.83
Tax : Current Tax	49.01	10.67
Deferred Tax	(3.10)	9.56
Profit/(Loss) after Tax	(67.42)	9.13
Earnings per share (₹) :		
Basic	0.00	0.123
Diluted	0.00	0.123

STATE OF COMPANY'S AFFAIRS

Net revenue from combined operations for the year ended 31st March, 2016 was ₹ 24,99.39 representing a decrease of 5.62% over the previous year. The financial performance & losses are due to NPPA ceiling prices of more than 350 molecules.

Ministry of Health and Family Affairs issued notification in Gazette banning more than 300 fixed dose combinations.

An initiative of Government of India, namely Jan-aushadi scheme also made adverse effect on the sales of the Company as Government offers free medical aids or aids at very less cost under this scheme to the needy.

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

In view of the loss, your Board of Directors has not proposed any amount to be transferred to General Reserve during the year under review.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

CHANGE IN THE NATURE OF BUSINESS

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

MEETINGS OF THE BOARD OF DIRECTORS

Information is provided under clause 2(B) of the Corporate Governance.

CORPORATE GOVERNANCE

As provided under Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the compliance with Corporate Governance as specified in Regulation 17 to 27, 46(2)(b) to (i) & para c, d & e of Schedule V are not applicable to the Company as paid up share capital doesn't exceed ₹ 10 Crore.

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



DIVIDEND

In view of loss, the Board of Directors have not recommended any dividend for the financial year 2015-16.

DEPOSITS

Your company has not accepted any fixed deposits during the year under review.

RISK MANAGEMENT

There is an adequate risk management infrastructure in place capable of addressing risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks those have been identified and assessed.

DIRECTORS & KEY MANAGERIAL PERSON

Shri Sureshbhai Prajapati, Director retires by rotation and being eligible offers himself for reappointment. Pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015, details of Directors retiring by rotation is provided under explanatory statement of the Notice of the ensuing Annual General Meeting. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

On recommendation of remuneration committee your directors at their meeting held on July 30, 2016 recommended for the approval of the Members for re-appointment of Mr. Amritbhai Prajapati, not liable to retire by rotation for a period of five years from 01/8/2016.

AUDITORS

At the 30th Annual General Meeting held on 26/09/2015, M/s USS & Associates, Chartered Accountants, Ahmedabad were appointed as the Statutory Auditors of the Company to hold office till the conclusion of 34th Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s USS & Associates, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, The Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

AUDITORS' REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

M/s Pinakin Shah & Co, Practising Company Secretary has been appointed as the secretarial Auditor of the Company for the financial year 2016-17 as required under Section 204 of the Companies Act 2013 and Rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure 3** to this Report. The Secretarial Audit Report contains certain adverse remark which is dealt with as under:

Sr. No	Remarks	Explanation
1.	Non Compliance of Regulation 46 of SEBI (LODR) Regulations, 2015	Website of the Company is under Construction

COMMITTEES OF THE BOARD

The Committees of the Board is provided under Clause 3 of the Corporate Governance Report.

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

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit or loss of the company for that period.

GUJARAT TERCE LABORATORIES LTD.

- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability.
- iv. It has prepared the annual accounts on a going concern basis.
- v. The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating efficiently.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure 2** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure 1** to this report.

INSURANCE

All Inventories including Buildings, Machinery etc., is adequately insured.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transactions entered with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. All Related Party Transactions are placed before the Audit Committee for approval. Since all related party transactions entered into were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

FAMILIARIZATION PROGRAMME

There was no familiarization program conducted by the Company during the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

A. Conservation of Energy

The Company has not made any investment and taken any specific measure to reduce energy cost per unit. However, it intends to conserve energy for future generation

B. Technology absorption

There is no research and development activity carried out by the Company.

FOREIGN EXCHANGE EARNINGS AND OUT GO

	(in ₹)	
<u>Particulars</u>	<u>Current Year</u>	<u>Previous year</u>
Earnings	20,24,989	10,10,396
Outgo	—	—



EQUITY CAPITAL

a) BUY BACK OF SECURITIES

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

b) SWEAT EQUITY

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

c) BONUS SHARES

No Bonus Shares were issued during the year under review.

d) EMPLOYEES STOCK OPTION PLAN

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

e) EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The company has not issued equity shares with differential rights as to dividend, voting or otherwise.

SHARES IN SUSPENSE ACCOUNT

- Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year: NIL
- Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year: Not Applicable
- Number of shareholders to whom, shares were transferred from Suspense Account during the year: Not Applicable
- Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year: NIL
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

SHARES IN UNCLAIMED SUSPENSE ACCOUNT

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account lying at the beginning of the year: NIL
- Number of shareholders who approached issuer for transfer of shares from the Unclaimed Suspense Account during the year: Not Applicable
- Number of shareholders to whom, shares were transferred from the Unclaimed Suspense Account during the year: Not Applicable
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account lying at the end of the year: NIL

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

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

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

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company.

For and on behalf of the Board

N.P.Prajapati

Chairman & Managing director

DIN: 0031187

Place : Ahmedabad

Date : 12/08/2016

Registered office:

122/2 Ravi Estate, Bileshwarpura,

Chhtral, Gandhinagar-382729

Annexure-1**A. PARTICULARS OF REMUNERATION**

As required under Rule 5(1) of the 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 for the financial year 2015-16

Name of Director	Designation	Remuneration of the Directors for 2015-16 (₹ in Lacs)	Median remuneration of the employees (₹ in Lacs)	Ratio of remuneration of the directors to the median remuneration of the employees
Natwarbhai P Prajapati	Managaing Director	18.00	7.69	2.34:1
Amritbhai P Prajapati	Whole Time Director	3.72	7.69	0.48:1

ii. The percentage increase in remuneration of each Director – NIL

iii. The percentage increase/decrease in the median remuneration of employees in the financial year 2015-16: 12.66% (increase)

iv. No. of Permanent employees on the rolls of Company as on 31st March, 2016 – 270 Employees

v. Average percentile increase in the salaries of employees its comparison with the percentile increase in the managerial remuneration

Average KMP Salary Increase: Nil while Average Employees Salary Increase: 12.66%

vi. Company confirms that the remuneration is as per remuneration policy of the Company.

B. PARTICULARS OF EMPLOYEES

Information in terms Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

Name of the Employee	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualifications	Date of Commencement of Employment	% of Equity Shares held
Deepak Bhatnagar	8.16	Permanent	B.Sc	01/05/1994	-
Ravikant Saini	7.17	Permanent	B.Sc	01/05/1994	-
Rajendra Joshi	6.78	Permanent	B.Sc, MBA Marketing	01/07/1998	-
Shashi Prakash	6.24	Permanent	B.Sc	01/01/2000	-
Sanjay Jain	6.00	Permanent	B.com	01/05/1994	-
Narayanlal Suthar	5.67	Permanent	B.Sc	01/03/2002	-
Manju S. Sharma	5.40	Permanent	B.A	01/10/2010	-
Mohamad Irfan	4.74	Permanent	B.Sc	01/03/2002	-
Nirmalkant Sharma	4.50	Permanent	B.Sc, D'Pharma	01/05/2004	-
Lokesh Singh Panwar	4.45	Permanent	M.A	01/10/2000	-

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

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



**Annexure – 2
FORM NO. MGT 9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and
rule 12(1) of the Company (Management & Administration) Rules, 2014.)**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L28112GJ1985PLC007753
2.	Registration Date	28/03/1985
3.	Name of the Company	GUJARAT TERCE LABORATORIES LIMITED
4.	Category/Sub-category of the Company	Public Company Limited by Shares having share capital
5.	Address of the Registered office & contact details	122/2 Ravi Estate, Bileshwarpura, Chhtral Gandhinagar, Gujarat - 382729 Telephone : 079-66633700 Email : ho@gujaratterce.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai – 400072 Phone: 022-40430200 E-mail: sandeep@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pharmaceutical products	99611730	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable

GUJARAT TERCE LABORATORIES LTD.

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

i) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1522100	0	1522100	20.51	1522100	0	1522100	20.51	00
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	1075900	0	1075900	14.50	1075900	0	1075900	14.50	00
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	2598000	0	2598000	35.01	2598000	0	2598000	35.01	00
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2598000	0	2598000	35.01	2598000	0	2598000	35.01	00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	220923	1900	222823	3.00	137391	1900	139291	1.88	-1.12
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1407820	1314750	2722570	36.69	1467123	1302350	2769473	37.32	0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh "	1861113	0	1861113	25.08	1885676	0	1885676	25.41	0.33
c) Others (specify)									
i) Clearing Members	12203	0	12203	0.16	10161	0	10161	0.14	-0.02
ii) NRI	3591	0	3591	0.05	17699	0	17699	0.24	0.19
Sub-total (B)(2):-	3505650	1316650	4822300	64.99	3518050	1304250	4822300	64.99	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	3505650	1316650	4822300	64.99	3518050	1304250	4822300	64.99	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	6103650	1316650	7420300	100.00	6116050	1304250	7420300	100.00	0.00

ii) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Share holding at the end of the year [As on 31-March-2016]			% 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	TERCE FINLEASE PVT LTD	1075900	14.50	0	1075900	14.50	0	0
2	SURESHBHAI PURSHOTTAMDAS PRAJAPATI	927150	12.49	0	927150	12.49	0	0
3	NATWARBHAI PURSHOTTAMDAS PRAJAPATI	563440	7.59	0	563440	7.59	0	0
4	AMRITBHAI PURSHOTTAMDAS PRAJAPATI	31510	0.42	0	31510	0.42	0	0

iii) Change in Promoters' Shareholding: there is no change in the shareholdings of promoter.

GUJARAT TERCE LABORATORIES LTD.**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.		Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SANDIP LAXMANBHAI BHAMANI	PUBLIC	536412	7.23	336412	4.53
2	BRIJESH JAYANTIBHAI PATEL	PUBLIC	374290	5.04	311877	4.20
3	ARVINDBHAI CHAUDHARI	PUBLIC	164800	2.22	164800	2.22
4	JINALBEN BHAVIKBHAI VORA	PUBLIC	49586	0.67	49979	0.67
5	K A GANDHI (HUF)	PUBLIC	38000	0.51	38000	0.51
6	JYOTSANA P VORA	PUBLIC	36250	0.49	36250	0.49
7	PRANAV PRAFULCHANDRA VORA (HUF)	PUBLIC	36250	0.49	36250	0.49
8	PRAFULCHANDRA CHIMANLAL VORA (HUF)	PUBLIC	36250	0.49	36250	0.49
9	BHAVIK PRAFULCHANDRA VORA (HUF)	PUBLIC	36250	0.49	36250	0.49
10	JSEL SECURITIES LTD (003) CLIENT MARGIN A/C	PUBLIC	500	0.01	35650	0.48

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NATWARBHAI PURSHOTTAMDAS PRAJAPATI	CMD	563440	7.59	563440	7.59
2	SURESHBHAI PURSHOTTAMDAS PRAJAPATI	Whole-time director	927150	12.49	927150	12.49
3	AMRITBHAI PURSHOTTAMDAS PRAJAPATI	Director	31510	0.42	67400	0.96
4	CHHAYABEN ASHWINBHAI SHAH	Director	0.00	0.00	0.00	0.00
5	KANUBHAI SOMABHAI PATEL	Director	0.00	0.00	0.00	0.00
6	GORDHANBHAI GANDABHAI PATEL	Director	21900	0.30	21900	0.30
7	JAYANTIBHAI SHANKARLAL PRAJAPATI	Director	8500	0.11	8500	0.11
8	PRIYANKA BAKHTYARPURI	Company secretary	0.00	0.00	0.00	0.00



V) INDEBTEDNESS -

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,224,163	-	8,250,000	35,474,163
ii) Interest due but not paid	-	-	415,125	415,125
iii) Interest accrued but not due	101,534	-	-	101,534
Total (i+ii+iii)	27,325,697	-	8,665,125	35,990,822
Change in Indebtedness during the financial year				
Addition	303,469,331	6,797,247	-	310,266,578
Reduction	314,792,558	-	-	314,792,558
Net Change	(11,323,227)	6,797,247	-	(4,525,980)
Indebtedness at the end of the financial year				
i) Principal Amount	15,900,936	6,797,247	8,250,000	30,948,183
ii) Interest due but not paid	-	-	167,062	167,062
iii) Interest accrued but not due	27,152	-	-	27,152
Total (i+ii+iii)	15,928,088	6,797,247	8,417,062	31,142,397

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/DIRECTOR		Total Remuneration
		Natwarbhai P Prajapati	Amritbhai P Prajapati	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,800,000	372,000	2,172,000
	b) Value in lieu of salary u/s 17(2) of Income Tax Act, 1961			
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Total (A)	1,800,000	372,000	2,172,000

GUJARAT TERCE LABORATORIES LTD.

B Remuneration to other directors

Sl.no.	Name of Directors	Total Salary Paid
	-	-

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Name of MD/WTD/DIRECTOR		Total Remuneration
		*CEO Natwarbhai P Prajapati	*CFO Amritbhai P Prajapati	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value in lieu of salary u/s 17(2) of Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-

* Shri Natwarbhai P Prajapati is a Managing Director & CEO of the Company and Shri Amritbhai P Prajapati is a Whole Time Director & CFO of the Company so the details of his remuneration have already been given under clause A Remuneration to Managing Director, Whole-Time Director etc.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

There were no material penalties/punishment/compounding of offences for the year ended on 31st March, 2016.



ANNEXURE-3
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,

Gujarat Terce Laboratories Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015)
The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – (not applicable);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- i. Issued further Share Capital;
 - ii. Listed Debt Capital;
 - iii. Proposed to Delist its Equity Shares;
 - iv. Proposed to Buy Back any of its Securities.
6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
Factories Act, 1948, Labour Laws, Drugs and Cosmetics Act, 1940 and Rules 1945, The Trade Marks Act, 1999, Sales Promotion Employees (Conditions and Services) Act, 1976, Importer Code (IEC Code), Uniform Code for Pharmaceutical Marketing Practices (UCPMP) etc.

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS 1) and General Meeting (SS 2).
- b) Clauses of Listing Agreements (applicable till November 30, 2015) entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 2015).

We further report that:

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc mentioned above except the following:

GUJARAT TERCE LABORATORIES LTD.

Under SEBI (LODR) Regulations, 2015

Regulations under SEBI (LODR) Regulations, 2015	Non Compliance
Regulation 46 – Website of the Company	The Website of the Company is not updated

We further report that:

Compliances of applicable Financial Laws including, Direct & Indirect Tax Laws by the Company has not reviewed in this Audit Report; since the same has been subject to reviewed by the Statutory Auditor & other Designated Professionals.

We further report that:

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

We further report that:

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

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

We further report that:

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

Date : 12/08/2016

Place : Ahmedabad

Pinakin Shah & Co.
Company Secretaries
Pinakin Shah
Proprietor
FCS: 2562; COP: 2932

To,

The Members,

Gujarat Terce Laboratories Limited

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

Management Responsibility :

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.

Auditors Responsibility :

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed 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 or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
4. 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 procedures on test basis.

Disclaimer :

5. 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.

Date : 12/08/2016

Place : Ahmedabad

Pinakin Shah & Co.
Company Secretaries
Pinakin Shah
Proprietor
FCS: 2562; COP: 2932



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The business operations of the Company comprise only of Pharmaceuticals.

Since the Company is going to operate in Pharmaceutical segment in 2016-17, the following paragraphs speak on single segment only.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 7.55 per cent to US\$ 12.54 billion in 2015 according to data from the Ministry of Commerce and Industry.

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

OPPORTUNITIES AND OUTLOOK

PHARMA 2020: FROM VISION TO DECISION:

This initiative seems to offer many good opportunities to the Pharmaceutical Industry of India.

The pharmaceutical industry is at a critical juncture. The tools to develop remarkable new medicines are materialising, demand for its products is increasing and the barriers to free trade are falling. But pharma also faces major economic and operational challenges, if it's to capitalise on these opportunities and create more value for healthcare payers, providers and patients.

Many of the conditions that will determine what happens in 2020 are already in place. Most of the products that will be launched are already in the pipeline

In the recent past India has emerged as one of the largest hub of contract manufacturing for generics and active pharmaceutical ingredients (APIs), with the largest number of US FDA approved plants outside the US. Initially, this was mainly due to the low manufacturing costs and favourable regulatory environment in the country. However, now it can be observed that most contract research and clinical trials are being outsourced to India, not only because of low costs, but also because of the skill of research scholars and the drug-virgin patient population available here, which help to yield better results.

RISKS AND CONCERNS

Regulatory Risks: The pharmaceutical industry, like many others, has faced increased legal challenges and regulatory oversight as it has expanded into emerging markets and it has confronted additional risks associated with technological advances.

Also with the blurring of geographic boundaries and stringent regulations in many countries, India is foraying into, it is time to adopt Enterprise Risk Management for the industry to thrive and stall drug recalls.

Rising customer expectations: The commercial environment is getting harsher, as healthcare payers impose new cost constraints on healthcare providers and scrutinise the value medicines offer much more carefully. They want new therapies that are clinically and economically better than the existing alternatives, together with hard, real-world outcomes data to back any claims about a medicine's superiority.

FINANCIAL PERFORMANCE

Net Revenue from the Operations for the year ended March 31, 2016 was 24.99 Crores representing a decline of 5.62 percent over the previous year.

There was a loss of 21.52 lacs during the year.

The financial performance & losses are due to NPPA ceiling prices of more than 350 molecules.

GUJARAT TERCE LABORATORIES LTD.

Ministry of Health and Family Affairs issued notification in Gazette banning more than 300 fixed dose combinations.

An initiative of Government of India, namely Jan-aushadi scheme also made adverse effect on the sales of the Company as Government offers free medical aids or aids at very less cost under this scheme to the needy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal audit department together with a firm of Chartered Accountants review the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and sufficient deviations are brought to notice of the audit Committee of the Board following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps with no monetary loss.

SIGNIFICANT DEVELOPMENT IN HUMAN RESOURCES

We continue to build our team with high quality talent, and put thrust on providing continuous training to be competitive.

We have a cordial & harmonious environment and are always accommodative to all stakeholders.

CAUTIONARY NOTE

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

For and on behalf of the Board

Place : Ahmedabad
Date : 12/08/2016
Registered Office:
122/2, Ravi Estate, Bileshwarpura,
Chhatral Dist: Gandhinagar.

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



CORPORATE GOVERNANCE REPORT

This section on Corporate Governance forms part of the Annual Report to the shareholders. It is not mandatory to give this report in terms of Regulation 15(2) of the SEBI (LODR) Regulations, 2015.

1. COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

The Company believes in conducting its affairs in a fair & transparent manner and maintaining the good ethical standards in its dealing with all its constituents.

CODE OF CONDUCT AND ETHICS

The Board of Directors has amended the Code of Conduct and Ethics to align with the provisions of the Companies Act, 2013. The confirmation from the Managing Director & CEO regarding compliance with the code by all the Directors and Senior Management forms part of the Report.

MD & CEO / CFO CERTIFICATION

Shri Natwarbhai Prajapati, Managing Director & CEO and Shri Amritbhai Prajapati, Whole Time Director & CFO have issued certificate pursuant to the provisions of Regulation 27(2) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

2. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

As on March 31, 2016, the strength of the Board was Seven Directors comprising of Two Whole Time Directors and Five Non-Executive Directors of which four are Independent Directors who are free from any business or other relationship that could materially influence their judgment and one is woman director.

Details of Directors as on March 31, 2016 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2016 are given below:

Directors	Category	Attendance Particulars			Other Committee Membership	
		Board Meeting	Last AGM	Other Directorships	Member	Chairman
Shri Natwarbhai Prajapati	CM, MD & ED	5	YES	Nil	Nil	Nil
Shri Amritbhai Prajapati	WTD, CFO & ED	5	YES	Nil	Nil	Nil
Shri Sureshbhai Prajapati	NED	5	YES	Nil	Nil	Nil
Smt Chhayaben Ashwinbhai Shah	ID	5	YES	1	Nil	Nil
Shri Kanubhai S. Patel	ID	5	YES	Nil	Nil	Nil
Shri Gordhanbhai G. Patel	ID	5	YES	Nil	Nil	Nil
Shri Jayanti S. Prajapati	ID	5	YES	Nil	Nil	Nil

D= Director MD = Managing Director

ID= Independent Director ED = Executive Director

WTD= Whole Time Director CM = Chairman

B. BOARD MEETINGS

The gap between two Board meetings did not exceed four months. The schedule of Board/Committee meetings are communicated in advance to the directors/committee members to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

GUJARAT TERCE LABORATORIES LTD.

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

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	29/05/2015	7	7
2	14/08/2015	7	7
3	05/11/2015	7	7
4	11/02/2016	7	7
5	30/03/2016	7	7

In addition Mr. Jayantibhai Prajapati, Mr. Kanubhai Patel and Mr. Gordhanbhai Patel- independent directors of the Company met exclusively in the last quarter of the financial year i.e. on 25/02/2016.

3. COMPOSITION OF COMMITTEES:

A. AUDIT COMMITTEE

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 29th September, 2015 to answer the shareholders' queries. The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Regulation 18 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

The Chairman and Whole-time Director and Statutory Auditors are the invitees to the Audit Committee meetings. During the period under review, the Audit Committee met five times on 29/05/2015, 14/08/2015, 05/11/2015, 11/02/2016 and 30/03/2016 and was attended by all members. The Audit Committee comprises following members:

Name	Designation	No of meetings attended
Shri Jayantibhai Prajapati	Chairman	5
Shri Kanubhai Patel	Member	5
Shri Gordhanbhai Patel	Member	5

B. NOMINATION AND REMUNERATION COMMITTEE

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

During the period under review, the Nomination and Remuneration Committee met once on 30/03/2016 and was attended by all the members.

The Constitution of the Nomination and Remuneration Committee during the financial year ended March 31, 2016 is given below:

Name	Position	Category	No. of meetings attended
Shri Jayantibhai Prajapati	Chairman	Non- Executive Independent Director	1
Shri Kanubhai Patel	Member	Non- Executive Independent Director	1
Shri Gordhanbhai Patel	Member	Non- Executive Independent Director	1

Remuneration to Directors

- a. The Whole Time Directors get salary including perquisites. Remuneration paid for the year ended 31st March, 2016 was as under.

Name of the director	Period of appointment	Remuneration	Approving authority
Mr. N. P. Prajapati	Five years with effect from 11/01/2012	18,00,000	27 th AGM
Mr. A. P. Prajapati	Five years with effect from 01/08/2011	3,72,000	26 th AGM
TOTAL		21,72,000	

- b. The criteria for making payments to the Whole time Directors are:

Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites, retirement benefits and performance pay are also paid/ provided in



accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.

Remuneration is determined keeping in view the industry benchmarks.

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Committees.

The sitting fees paid to the Directors is given below:

Name of the director	Sitting fees paid	No of equity shares held
Shri Jayantibhai Prajapati	26000	8500
Shri Kanubhai Patel	26000	Nil
Shri Gordhanbhai Patel	26000	21900
Shri Sureshbhai Prajapati	10000	927150
Smt. Chhayaben Shah	10000	Nil

C. STAKEHOLDER RELATIONSHIP COMMITTEE

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

During the period under review, the Stakeholder Relationship Committee met once on 05/11/2015 and was attended by all the members.

The Constitution of the Nomination and Remuneration Committee during the financial year ended March 31, 2016 is given below:

Name	Position	Category	No. of meetings attended
Shri Jayantibhai Prajapati	Chairman	Non- Executive Independent Director	1
Shri Kanubhai Patel	Member	Non- Executive Independent Director	1
Shri Gordhanbhai Patel	Member	Non- Executive Independent Director	1

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

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2015	0
Investor complaints received during the year ended on March 31, 2016	0
Investor complaints resolved during the year ended March 31, 2016	0
Investor complaints pending as on March 31, 2016	0

The Stakeholder relationship committee has delegated power of approving transfer of securities to Shri Amritbhai Prajapati and Shri Natwarbhai Prajapati. The Committee, inter alia, reviews and approves the transfer/ transmission/ D-mat of equity shares as submitted by Big Share Services Private Limited., the Registrar & Transfer Agent of the Company.

SPECIAL RESOLUTIONS PASSED AT THE LAST 3 ANNUAL GENERAL MEETINGS

Year	Venue of AGM	Date & Time	No of special resolution passed
2012-13	Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	30/09/2013 at 10.00 a.m.	NIL
2013-14	Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	27/09/2014 at 10.00 a.m.	1
2014-15	Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	26/09/2015 at 10.00 a.m.	NIL

GUJARAT TERCE LABORATORIES LTD.

4. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

There were no materially significant related party transactions made by the Company with its promoters, directors, key managerial personnel or their relatives. Register under section 188 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

All related party transactions that were entered into during the financial year were on an arm's length basis.

5. STRICTURES AND PENALTIES

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company.

6. MEANS OF COMMUNICATION

Quarterly and Annual Financial Results of the Company were submitted to the Stock Exchanges immediately after the Board approves them. Thereafter, the same were published in The Business Standard-English and Jansatta Express-Gujarati. Disclosures pursuant to various clauses of the Listing obligations and disclosure requirements are promptly communicated to Bombay Stock Exchange.

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

7. GENERAL SHAREHOLDER INFORMATION

a. Exclusive e-mail id for investor grievances

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

Person in-charge of the Department: Miss Priyanka Bakhtyarpuri.

b. Annual General Meeting

The 31st Annual General Meeting will be held on Friday, 30th September, 2016 at 10:00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar 382729

Financial Calendar

First quarter results : July 2016

Second quarter results : October 2016

Third quarter results : January 2017

Annual results : April/May 2017

Annual General Meeting : August/September 2017

c. Book Closure

The Register of Members and the Share Transfer Register will be closed from Friday, 23rd September, 2016 to Friday, 30th September, 2016(both days inclusive).

d. Dividend Payment Date

Not applicable

e. Shares Listed At

The equity shares of the Company are listed at:

Bombay Stock Exchange Limited (BSE)

Annual Listing fees for the year 2015-16 have been paid to the stock exchange. The Company has also paid the Annual Custodial fees to both the depositories.

f. Stock Codes

The stock code of the Company is 524314.

g. International Securities Identification Number (ISIN)

The ISIN of the equity shares of the Company is INE499G01013.

h. Corporate Identity Number (CIN)

CIN of the Company is L28112GJ1985PLC007753.



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

Month	Bombay Stock Exchanges (BSE) (In ₹ Per share)	
	High Price	Low Price
April,2015	9.35	6.70
May,2015	11.10	9.43
June,2015	10.55	7.04
July,2015	9.81	6.65
August,2015	9.03	7.47
September,2015	8.90	6.49
October,2015	8.45	6.49
November,2015	9.68	7.00
December,2015	12.14	8.56
January,2016	14.97	10.10
February,2016	10.65	7.60
March,2016	8.62	7.08

j. Share Transfer System

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

k. Distribution Of Shareholding (As On March 31, 2016)

On the basis of Share held

SHAREHOLDING	NO OF SHAREHOLDERS	% OF TOTAL HOLDING	SHARE AMOUNT	% OF TOTAL SHARES HELD
1-5000	13203	95.0677	16281420	21.9417
5001-10000	329	2.3690	2848380	3.8386
10001-20000	138	0.9937	2223130	2.9960
20001-30000	46	0.3312	1107860	1.4930
30001-40000	30	0.2160	1085360	1.4627
40001-50000	48	0.3456	2340140	3.1537
50001-100000	35	0.2520	2457260	3.3115
100001-999999999	59	0.4248	45859450	61.8027
Total	13888	100.0000	74203000	100.0000

On the basis of category

Category	No of Shares Held	% to Total Shares Held
Individual	4655149	62.73
Private corporate bodies	139291	1.88
Promoters	2598000	35.01
Nonresident Indians	17699	0.24
Others(Clearing Members)	10161	0.14
Total	7420300	100.00

l. Dematerialization Of Shares And Liquidity

Shares of the Company are traded compulsorily in dematerialized form and are available for trading with both the depositories with whom the Company has established direct connectivity. The D-mat requests received by the Company

GUJARAT TERCE LABORATORIES LTD.

are continually monitored to expedite the process of dematerialization. The D-mat requests are confirmed to the depositories within 15 working days of receipt.

During the year, the Company has electronically confirmed Demat requests for 12400 equity shares. As on March 31, 2016, 82.25% of the total shares issued by the Company were held in dematerialized form.

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

m. Code Of Conduct For Prevention Of Insider Trading

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company. The Code of Conduct is implemented diligently mandating initial and continual disclosures from the senior officials, directors and auditors of the Company upon trading in the shares of the Company. The Code also restricts specified employees to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company. The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code.

n. Reconciliation Of Share Capital Audit Report

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practicing Company Secretary for reconciliation of share capital of the Company. The audit report inter alia covers and certifies that the total shares held in CDSL, NSDL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated; D-mat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with BSE and is also placed before the meetings of the Board of Directors.

o. Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31st March-16

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2016

p. Plant Locations

122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar-382729

q. Compliance Officer

Miss. Priyanka Bakhtyarpuri (Company Secretary and Compliance Officer)- w.e.f 30th March, 2016

r. Address for Correspondence

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

1) Gujarat Terce Laboratories Limited

301 & 314, Akashrath Complex, Opp. National Handloom, Law Garden, C.G. Road, Ahmedabad - 380009

Tel - 079-66633706 E-mail : cs@gujaratterce.com, ho@gujaratterce.com

2) Registrar & Transfer Agent

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400072

Tel-022-28470652/40430200 E-mail-info@bigshareonline.com Website-www.bigshareonline.com

DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT UNDER REGULATION 27(2) 1 D OF THE LISTING AGREEMENT

All the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Gujarat Terce Laboratories Limited for the financial year ended March 31, 2016.

Place : Ahmedabad

Date : 12/08/2016

Registered Office:

122/2, Ravi Estate,

Bileshwarpura,

Chhatral Dist: Gandhinagar

For and on behalf of the Board

Shri Natwarbhai P. Prajapati

Chairman & Managing Director

DIN: 00031187



CERTIFICATE PURSUANT TO REGULATION 27(2)(A) OF THE SEBI (LODR) REGULATIONS, 2015

We, Shri N.P.Prajapati, Chairman and Managing Director (CEO) and Shri Amritbhai Prajapati, Whole Time Director (CFO) do hereby certify to the Board that:

- a) We have reviewed the Balance Sheet as at March 31, 2016, the Profit and Loss Accountant the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
 - i. The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
 - ii. The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year, if any;
 - ii. Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Gujarat Terce Laboratories Limited

For Gujarat Terce Laboratories Limited

Shri N. P. Prajapati (CEO)

DIN: 00031187

Place : Ahmedabad

Date : 12/08/2016

Shri Amritbhai Prajapati (CFO)

DIN: 00699001

AUDITORS CERTIFICATE ON COMPLIANCE

I have examined compliance of conditions of Corporate Governance by Gujarat Terce Laboratories Limited (the Company), for the year ended 31st March, 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities Exchange Board of India (LODR) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable except **Regulation 46 of SEBI (LODR) Regulations, 2015**.

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

Date : 12/08/2016

Place : Ahmedabad

Pinakin Shah & Co.
Practising Company Secretary
FCS 2562, C.P. NO 2932

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Gujarat Terce Laboratories Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Terce Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the 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.

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

Auditors' Responsibility

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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, the state of affairs of the Company as at 31 March 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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, 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 – Refer Note 1.6 to the financial statements;
 - ii. the Company has made provision as required under the applicable law or accounting standards on long-term contracts including derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, **U S S & ASSOCIATES**
Chartered Accountants

(Ujal Mehta)
Proprietor
M. No. 112337
F.R.N. 122634W

Place : Ahmedabad.
Date : 30/05/2016

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of dues	Disputed Tax Amount	Period to the Amount Relates	Forum where dispute is pending
Gujarat Sales Tax	Regular Assessment	₹ 466,886/-	F.Y.2003-04	Dep. Comm of Sales Tax (Appeal)
Gujarat Sales Tax	Regular Assessment	₹ 1,068,607/-	F.Y.2004-05	Dep. Comm of Sales Tax (Appeal)
Gujarat Sales Tax	Regular Assessment	₹ 2,328,846/-	F.Y.2010-11	Dep. Comm of Sales Tax (Appeal)
Gujarat Sales Tax	Regular Assessment	₹ 2,222,557/-	F.Y.2011-12	Dep. Comm of Sales Tax (Appeal)
Income Tax	Penalty	₹ 238,580/-	F.Y. 2004-05	Commissioner of Income Tax (Appeal)
Income Tax	Regular Assessment	₹ 967,487/-	F.Y. 2007-08	Commissioner of Income Tax (Appeal)
Income Tax	Regular Assessment	₹ 12,667,832/-	F.Y. 2012-13	Commissioner of Income Tax (Appeal)



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures .
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, **U S S & ASSOCIATES**
Chartered Accountants

(Ujal Mehta)
Proprietor

M. No. 112337
F.R.N. 122634W

Place : Ahmedabad.
Date : 30/05/2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Gujarat Terce Laboratories Limited ("the Company") as of 31 March 2016 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **U S S & ASSOCIATES**
Chartered Accountants

(Ujal Mehta)

Proprietor

M. No. 112337

F.R.N. 122634W

Place : Ahmedabad.

Date : 30/05/2016

GUJARAT TERCE LABORATORIES LTD.**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	74,203,000	74,203,000
(b) Reserves and surplus	3	29,369,705	36,112,171
		103,572,705	110,315,171
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	55,378,765	55,014,344
(b) Deferred tax liabilities (net)		4,977,437	5,287,840
(c) Other long-term liabilities	5	8,418,000	8,418,000
(d) Long Term Provisions	9	6,797,247	7,456,769
		75,571,449	76,176,953
4 Current liabilities			
(a) Short-term borrowings	6	15,782,180	25,924,586
(b) Trade payables	7	24,247,052	24,880,580
(c) Other current liabilities	8	22,879,855	24,075,399
(d) Short-term provisions	9	2,628,533	1,632,539
		65,537,620	76,513,104
TOTAL		244,681,774	263,005,228
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	63,423,548	64,768,862
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		63,423,548	64,768,862
(b) Non-current investments	11	3,000,500	3,000,500
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	32,300,592	29,726,979
(e) Other non-current assets		-	-
		35,301,092	32,727,479
2 Current assets			
(a) Current investments		-	-
(b) Inventories	13	42,740,071	40,216,136
(c) Trade receivables	14	84,790,022	91,975,279
(d) Cash and cash equivalents	15	4,708,859	18,622,135
(e) Short-term loans and advances	16	13,718,182	14,695,337
(f) Other current assets		-	-
		145,957,134	165,508,887
TOTAL		244,681,774	263,005,228

See accompanying notes forming part of the financial statements

As per our Audit Report of even date attached

For U S S & Associates

Chartered Accountants

(Ujal Mehta)

Proprietor

M. No. 112337

F.R.N . 122634W

Place : Ahmedabad

Date : 30/05/2016

For and on behalf of the Board of Directors

N. P. Prajapati

Chairman & M.D.

A. P. Prajapati

Wholetime Director

Place : Ahmedabad

Date : 30/05/2016

S. P. Prajapati

Director



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

Particulars	Note No.	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
1 Revenue from operations (gross)	17	249,977,910	268,079,109
Less: Excise duty	17	38,713	3,267,728
Revenue from operations (net)		249,939,197	264,811,381
2 Other income	18	1,879,584	463,150
3 Total revenue (1+2)		251,818,781	265,274,531
4 Expenses			
(a) Cost of materials consumed	19a	19,468,716	21,266,995
(b) Purchases of stock-in-trade		79,601,521	78,302,633
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19b	(3,394,512)	3,188,845
(d) Employee benefits expense	20	103,759,115	87,146,595
(e) Finance costs	21	3,767,630	4,110,679
(f) Depreciation and amortisation expenses	10	1,900,944	1,583,139
(g) Other expenses	22	48,867,457	67,119,050
Total expenses		253,970,871	262,717,936
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(2,152,090)	2,556,595
6 Exceptional items			
Dep. Written back due to change in method		-	(379,350)
7 Profit / (Loss) before extraordinary items and tax (5 - 6)		(2,152,090)	2,935,945
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 - 8)		(2,152,090)	2,935,945
10 Tax expense:			
(a) Current tax expense for current year		-	1,066,790
(b) Current tax expense relating to prior years (Excess/less Provision of I.Tax of PY)		4,900,779	-
(c) Net current tax expense		4,900,779	1,066,790
(d) Deferred tax		(310,403)	955,810
11 Profit / (Loss) for the year		(6,742,466)	913,345
12 Earnings per share (of ₹ 10/- each):			
(a) Basic	23	-	0.123
(b) Diluted	23	-	0.123

See accompanying notes forming part of the financial statements

As per our Audit Report of even date attached
For U S S & Associates
Chartered Accountants
(Ujal Mehta)
Proprietor
M. No. 112337
F.R.N . 122634W
Place : Ahmedabad
Date : 30/05/2016

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.

A. P. Prajapati
Wholetime Director

S. P. Prajapati
Director

Place : Ahmedabad
Date : 30/05/2016

GUJARAT TERCE LABORATORIES LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(2,152,090)		2,556,595
Adjustments for:				
Provision For Tax and Earlier Years	-	-	-	-
Depreciation and amortisation	1,900,944		1,583,139	
(Profit) / loss on sale / write off of assets	-		130,664	
Net (Gain) / Loss on Foreign Currency Transactions	44,993		7,877	
Finance costs	3,767,630		4,110,679	
Interest income	(1,851,030)		(409,366)	
		3,862,537		4,356,203
Operating profit / (loss) before working capital changes		1,710,447		6,912,798
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets and liabilities:</i>				
Inventories and Trade receivables	4,661,322		2,083,220	
Short-term loans and advances	977,155		(309,641)	
Trade payables, Provisionas and other current liabilities	(833,078)		5,090,528	
Net Changes in working capital:		4,805,399		6,864,107
		6,515,846		13,776,905
Cash flow from extraordinary items		-		-
Cash generated from operations		6,515,846		13,776,905
Net income tax (paid) / refunds		(4,900,779)		(1,066,790)
Net cash flow from / (used in) operating activities (A)		1,615,067		13,776,905
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances, if any	(555,630)		(6,352,849)	
Proceeds from sale of fixed assets	-		1,758,643	
Long Term Loans & Advances realised	(2,573,614)		7,994,892	
Interest received	1,851,030		409,366	
Investment	-		(3,000,000)	
	(1,278,214)		810,052	
Net cash flow from / (used in) investing activities (B)		(1,278,214)		810,052
C. Cash flow from financing activities				
Proceeds from issue of share capital	-		-	
Proceeds from long-term borrowings (Net)	(295,101)		(23,374)	
Proceeds from other short-term borrowings (Net)	(10,142,406)		(3,169,809)	
Net Gain / (Loss) on Foreign Currency Transactions	(44,993)		(7,877)	
Finance Costs	(3,767,630)		(4,110,679)	
Cash flow from extraordinary items		(14,250,130)		(7,311,739)
Net cash flow from / (used in) financing activities (C)		(14,250,129)		(7,311,739)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(13,913,276)		7,275,218
Cash and cash equivalents at the beginning of the year		18,622,135		11,346,917
Cash and cash equivalents at the end of the year		4,708,859		18,622,135

As per our Audit Report of even date attached
For U S S & Associates

Chartered Accountants

(Ujal Mehta)

Proprietor

M. No. 112337

F.R.N . 122634W

Place : Ahmedabad

Date : 30/05/2016

For and on behalf of the Board of Directors

N. P. Prajapati

Chairman & M.D.

A. P. Prajapati
Wholetime Director

Place : Ahmedabad
Date : 30/05/2016

S. P. Prajapati
Director



Notes forming part of the financial statements

Note Particulars

1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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

1.1 Accounting Policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Interest income is accounted on accrual basis.

d. Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

e. Fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

f. Investments

Investments are classified as long term investments. It is carried at cost. Provision for diminution in value of long term investment is made on each investment individually only if such decline is other than temporary.

g. Inventories

Inventories are valued as under : Raw Material : At Cost; Stock in Process: At estimated Cost; Finished Goods: At cost or realizable value whichever is less; Stores, Spares & other items: At Cost.

h. Raw Material is accounted net of Excise Duty.

i. Cash and cash equivalents.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

j. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

k. Depreciation

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

l. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised only if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, if any.

m. Excise Duty / Service Tax and Sales Tax / Value Added Tax

Excise duty on Finished Goods is accounted as and when they are cleared from the factory premises. Sales Tax / Value Added Tax is charged to the Statement of Profit and Loss.

Company has adopted method of treatment of Cenvat Credit in account as prescribed in guidance note on accounting treatment for CENVAT by ICAI. Excise Duty paid on inputs is debited to Cenvat credit receivable account, so the Purchase cost of inputs (Raw Material) is net of Excise duty. Therefore the inputs consumed (Raw Material) and the inventory of inputs (Raw Material) is valued on the basis of purchase cost net of Excise duty. The debit balance in Cenvat credit receivable account is shown on the Assets side under the head "Short Term Loans & Advances"

n. Foreign currency transactions and translations

Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.

Gains or losses arising out of remittance/ translations at the year end are credited / debited to the profit and loss account for the year except in cases where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of such assets

Foreign Exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.

Exchange differences arising on contracts are recognized in the period in which they arise and the premium paid / received is accounted as expense/ income over the period of contract.

o. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences, if any arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid, if any, in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting



date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

q. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

r. Contingent Liabilities and Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

1.2 Sundry Creditors, Sundry Debtors, Deposits, Loans & Advances recoverable in Cash or kind are subject to confirmation.

1.3 Company is working in pharmaceutical and metal division. Metal division has temporarily suspended its operations and so depreciation on asset of metal division has not been provided during the year under review. The impairment of any loss is not considered as the discontinuation of operations is temporary in nature as per the decision of the board.

1.4 Balances in Share Allotment money, EEFC account and current account with Bank of Baroda is subject to reconciliation. It is taken on the basis of balances as per the books of the Company, as the Statement and certificates are not provided by the Bank.

1.5 None of the employees of the Company was in receipt of or entitled to receive emoluments in aggregate at a rate of ₹ 200000/- p.m. or more (P.Y. – ₹ 200000/- p.m.) (If employed for part of the year) or ₹ 2400000/- or more p.a. (P.Y. – ₹ 2400000/- or more p.a.) (If employed for full year) (Previous Year - Nil).

1.6 Contingent Liabilities Not Provided For

	<u>2015-16</u>	<u>2014-15</u>
a) Unutilized Letter of Credit	Nil	Nil
b) Counter guarantees furnished by the Company in respect of Bank Guarantee	0	0
c) Estimated amount of contracts to be executed on capital account and not provided for	0	0
d) Claims against the Company not Acknowledged as Debt*	0	0

* Claims against the Company not Acknowledged as Debt does not include Demand from Indian Income Tax Authorities for payment of Tax ₹ 13873899 for financial year 2004-05, 2007-08 & 2012-13 on completion of assessment proceedings of respective years. The company has filed an appeal before Commissioner of Income Tax (Appeals). It also does not include Demand from Gujarat Sales Tax Authorities for payment of tax ₹3864339 for financial years 2003-04, 2004-05, 2010-11 and 2011-12 on completion of assessment proceedings of respective years. The company has filed an appeal before Deputy Commissioner of Sales Tax (Appeals). Company is contesting the demand and the management believes that the demand will not sustain in the Appealate Process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position.

GUJARAT TERCE LABORATORIES LTD.

1.7 Details of C.I.F. Value of Imports, Expenditure in Foreign currency and earnings in foreign currency are as under :

	2015-16	2014-15
a. C.I.F Value of Imports		
Raw Material	Nil	Nil
Machineries	Nil	Nil
b. Expenditure in foreign currency less Commission & Other Expenses	Nil	Nil
c. Earning in Foreign Currency		
- Export Sales	2,024,989	1,010,396

1.8 Details of Raw Material consumed

	As on 31.03.2016		As on 31.03.2015	
	% of total Value	Consumption (₹)	% of total Value	Consumption (₹)
a) Imported	-	-	-	-
b) Indigenous	100%	19,468,716	100%	21,266,995

1.9 Related Party

Information about related parties as required by AS – 18 are as under:

Sr.No.	Related Party	Relationship	Description of Transaction	Payment
1.	Mr. N.P. Prajapati	Chairman & M.D.	Managerial Remuneration	1,803,500
2.	Mr. A.P. Prajapati	Director	Managerial Remuneration	375,500
3.	Shushilaben B. Prajapati	Relative	Salary	208,117
4.	Manjulaben S. Prajapati	Relative	Salary	200,917
5.	Jyotsana Prajapati	Relative	Salary	199,669
6.	Shobhana Prajapati	Relative	Salary	204,517
7.	Aalap Prajapati	Relative	Salary	411,500

1.10 Deferred Tax Liability

Particulars	₹	₹	₹
-------------	---	---	---

As per AS 22 on Accounting for taxes on income issued by ICAI, the Company has provided deferred tax liabilities as on 31st March, 2016.

The components of deferred tax liability for the current financial year are:

Deferred Tax Liability	Deferred Tax Liability / (assets) as at 1.4.2015	Current year change / (credit)	Deferred Tax Liability / (assets) as at 31.3.2016
(A) Difference between book and Tax depreciation	5,370,331	(124,905)	5,245,426
Tax liability on Deferred Revenue Expenditure	-	-	-
(A)	5,370,331	(124,905)	5,245,426
(B) Deferred Tax Assets- Tax	82,491	185,499	267,990
(B)	82,491	185,499	267,990
Net Deferred Tax Liability (A-B)	5,287,840	(310,403)	4,977,437



1.11 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company has identified two reportable segments viz Pharmaceutical and Metal Divisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The Company is engaged in manufacturing of Tablets, Capsules, and Syrup & Injection pertaining to the product group Pharmaceuticals.

Particulars	Pharmaceutical		METAL		Unallocated		Total	
	2016 ₹	2015 ₹	2016 ₹	2015 ₹	2016 ₹	2015 ₹	2016 ₹	2015 ₹
1 Revenue from operations (gross)	249,977,910	268,079,109	-	-	-	-	249,977,910	268,079,109
Less: Excise duty	38,713	3,267,728	-	-	-	-	38,713	3,267,728
Revenue from operations (net)	249,939,197	264,811,381	-	-	-	-	249,939,197	264,811,381
2 Other income	1,879,584	463,150	-	-	-	-	1,879,584	463,150
3 Segment revenue (1+2)	251,818,781	265,274,531	-	-	-	-	251,818,781	265,274,531
4 Segment Expenses								
Cost of materials consumed	19,468,716	21,266,995	-	-	-	-	19,468,716	21,266,995
Purchases of stock-in-trade	79,601,521	78,302,633	-	-	-	-	79,601,521	78,302,633
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,394,512)	3,188,845	-	-	-	-	(3,394,512)	3,188,845
Employee benefits expense	103,759,115	87,146,595	-	-	-	-	103,759,115	87,146,595
Depreciation and amortisation expense	1,900,944	1,583,139	-	-	-	-	1,900,944	1,583,139
Other expenses	48,867,457	67,119,050	-	-	-	-	48,867,457	67,119,050
Total	250,203,241	258,607,257	-	-	-	-	250,203,241	258,607,257
5 Segment Results Before Finance Costs, Exceptional & Extraordinary Items and Tax	1,615,540	6,667,274	-	-	-	-	1,615,540	6,667,274
Less : Finance Costs	-	-	-	-	3,767,630	4,110,679	3,767,630	4,110,679
6 Profit / (Loss) before exceptional and extraordinary items and tax	1,615,540	6,667,274	-	-	(3,767,630)	(4,110,679)	(2,152,090)	2,556,595
7 Exceptional items	-	(379,350)	-	-	-	-	-	(379,350)
8 Profit / (Loss) before extraordinary items and tax	1,615,540	7,046,624	-	-	(3,767,630)	(4,110,679)	(2,152,090)	2,935,945

GUJARAT TERCE LABORATORIES LTD.

Particulars	Pharmaceutical		METAL		Unallocated		Total	
	2016 ₹	2015 ₹	2016 ₹	2015 ₹	2016 ₹	2015 ₹	2016 ₹	2015 ₹
10 Extraordinary items	-	-	-	-	-	-	-	-
11 Profit / (Loss) before tax	1,615,540	7,046,624	-	-	(3,767,630)	(4,110,679)	(2,152,090)	2,935,945
10 Tax expense:	-	-	-	-	-	-	-	-
(a) Current tax expense for current year	-	-	-	-	-	1,066,790	-	1,066,790
(b) Current tax expense relating to prior years (Excess/less Provision of I.Tax of PY)	-	-	-	-	4,900,779	-	4,900,779	-
(c) Net current tax expense	-	-	-	-	4,900,779	1,066,790	4,900,779	1,066,790
(d) Deferred tax	-	-	-	-	(310,403)	955,810	(310,403)	955,810
11 Profit / (Loss) for the year	1,615,540	7,046,624	-	-	(8,358,006)	(6,133,279)	(6,742,466)	913,345
Other information								
Segment Assets	150,315,742	168,639,196	94366032	94366032				
Unallocated Assets	-	-	-	-				
Total Assets	150,315,742	168639196	94,366,032	94366032				
Segment Liabilities	74,634,700	85905285	61496932	61496932				
Unallocated Liabilities	4,977,437	5,287,840	-	-				
Total Liabilities	79,612,137	91193125	61496932	61496932				
Capital Expenditure	555,630	4852706	-	-				
Depreciation	1,900,944	1583139	-	-				
Non-Cash Expenses other than Depreciation	(310,403)	955810	-	-				



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

Note 2 Share capital

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Authorised		
11000000 Equity shares of ₹10 each with voting rights	110,000,000	110,000,000
(b) 7420300 Issued, Subscribed and fully paid up Equity shares of ₹10 each with voting rights	74,203,000	74,203,000
Total	74,203,000	74,203,000

Note 2.1 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March, 2016 No. of shares	As at 31 March, 2015 No. of shares
Equity shares at the beginning of the year	7,420,300	7,420,300
Add: Shares issued during the year	-	-
Equity shares at the end of the year	7,420,300	7,420,300

Note 2.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Natwarbhai P. Prajapati	563,440	7.59%	563,440	7.59%
Sureshbhai. P. Prajapati	927,150	12.49%	927,150	12.49%
Terce Finlease Pvt. Ltd.	1,075,900	14.50%	1,075,900	14.50%
Sunflower Broking Pvt. Ltd.	-	0.00%	579,400	7.81%

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 3 Reserves and surplus**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Securities premium		
Opening balance	15,000,000	15,000,000
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	15,000,000	15,000,000
General reserve		
Opening balance	3,737,174	3,737,174
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	3,737,174	3,737,174
Investment Subsidy		
Opening balance	438,458	438,458
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	438,458	438,458
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	16,936,539	16,023,194
Add: Profit / (Loss) for the year	(6,742,466)	913,345
Closing balance	10,194,073	16,936,539
Total	29,369,705	36,112,171

Note 4 Long-term borrowings

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Term loans		
From banks		
Secured	-	135,579
Loans and advances from Directors & Related Parties		
Unsecured	311,747	311,747
Loans and advances from Others		
Unsecured	55,067,018	54,567,018
Total	55,378,765	55,014,344

Current year and previous year, Term loan from ICICI Car Finance is secured by way of first charge on Swift Car of the company; Rate of interest (fIXed) 11.51% p.a.

Current year, Term loan from Kotak Mahindra Prime Ltd. is secured by way of first charge on Toyota Etios Car of the company; Rate of interest (fIXed) 11.15% p.a.

Current year and previous year, Term loan from Bank of Baroda is secured by way of first charge on Staff Bus of the company; Rate of interest (floating) 11.75 % p.a.

Current year, Term loan from Bank of Baroda is secured by way of first charge on Godown (122/3, Ravi Estate, Chhatral, Gandhinagar.) of the company; Rate of interest (floating) 13.75 % p.a.

Maturity Profile of Long - Term Borrowings from directors & their relatives and others is as set out below:

Particulars	Less than 4 years
Loans and advances from Directors & their Relatives	311,747
Loans and advances from Others	55,067,018



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

Note 5 Other long-term liabilities

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Others:		
Trade / security deposits received	8,418,000	8,418,000
Total	8,418,000	8,418,000

Maturity Profile - Other Long Tem Liabilities is as set out below:

Particulars	More Than 4 Years	Less than 4 years
Trade/Security deposits from Directors & their Relatives	Nil	Nil
Trade/security deposits from Others	8,418,000	8,418,000

Note 6 Short-term borrowings

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Loans repayable on demand		
From banks		
Secured	15,782,180	25,924,586
Total	15,782,180	25,924,586

Notes:

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

Loans repayable on demand from banks:

Cash Credit A/c- Bank of Baroda

Secured By equitable Mortgage of Fctory Land & Building, Office Premises of the company and Residential Bungalow of Director Shri Natwarbhai P. Prajapati

Hypothecation of all the Plant & Machinerries, movable fixed assets, stock, book debts & all the current assets of the company.

Personal Guarantee of directors of the company Natwarbhai P. Prajapati, Amrutbhai P. Prajapati & Sureshbhai P. Prajapati

Note 7 Trade payables

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Trade payables:		
Due to Micro & Small Enterprises	7,531,828	5,141,181
Other than Micro & Small Enterprises	16,715,224	19,739,399
Total	24,247,052	24,880,580

Note 8 Other current liabilities

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Current maturities of long-term debt	118,754	1,163,998
Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, TDS Payable etc.)	2,044,240	2,683,974
Interest accrued on trade /security deposits	167,062	415,125
Advances from customers	389,963	122,731
Other liabilities	4,409,782	3,944,144
Salary Payable	15,750,054	15,745,427
Total	22,879,855	24,075,399

GUJARAT TERCE LABORATORIES LTD.

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

Note 9 Short-term provisions & Long Term Provisions

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Long Term Provisions		
Provision For Gratuity	6,797,247	7,456,769
Total	6,797,247	7,456,769
Short Tem Provisions		
Provision for Gratuity	1,564,044	-
Provision for bonus	659,825	333,083
Provision for tax (net off Advance taxes)	-	1,028,749
Provision for Audit Fees	85,500	76,500
Provision for Telephone Exps	13,235	-
Provision for Electricity Exps (Factory & Office)	36,260	69,330
other provisions	269,669	124,877
Total	2,628,533	1,632,539

NOTE 10 FIXED ASSETS (As per Company's Act.), A/c. Year : 2015-16

Particulars	Gross Block				Depreciation					Net Block		
	Useful life (Years)	Op. Bal. as on 01.04.15	Addition during the year	Sales during the year	Balance as on 31.03.16	Op. Bal. as on 01.04.15	Prov. During the year	Dep. written back as exception	Dep. written back on sale of asset	Balance as on 31.03.16	As on 31.03.16	As on 31.03.15
Factory Land		16290029	-	-	16290029	-	-	-	-	16290029	16290029	
Factory & Building	30.00	19326171	-	-	19326171	6787231	333,372	-	-	7120603	12205568	12538940
Office Building	30.00	250030	-	-	250030	127207	27,346	-	-	154553	95477	122823
Vehicles	10.00	2563909	-	-	2563909	1398376	247,589	-	-	1645965	917944	1165533
Laboratory Equipments	20.00	3207489	-	-	3207489	3005009	20,706	-	-	3025715	181774	202480
Electric Installation	20.00	2039016	-	-	2039016	1479377	50,854	-	-	1530231	508785	559639
Machineries	20.00	35771713	425,250	-	36196963	12603942	332,522	-	-	12936464	23260499	23167771
Furniture	10.00	5782895	44,050	-	5826945	2125645	520,712	-	-	2646357	3180588	3657250
Block & Design	20.00	3289230	-	-	3289230	2629212	91,974	-	-	2721186	568044	660018
Computer	3.00	1983654	86,330	-	2069984	1877524	73,823	-	-	1951347	118637	106130
Communication Appliances	13.00	78580	-	-	78580	70924	2,701	-	-	73625	4955	7656
Sterling Resort (Time share)		70650	-	-	70650	-	-	-	-	-	70650	70650
Godown	30.00	6559366	-	-	6559366	339423	199,345	-	-	538768	6020598	6219943
Total		97212732	555630	-	97768362	32443870	1900944	-	-	34344814	63423548	64768862
Previous Year		92946754	6354229	2086871	97214112	31437645	690285	379350	197564	31551016	65663096	61509109

Note 11 Non- Current Investment

Particulars	As at 31 March, 2016 Total ₹	As at 31 March, 2015 Total ₹
Investments (At cost):		
Easy Advisory Services Pvt. Ltd.	3,000,000	3,000,000
Samir Members Association	500	500
Total	3,000,500	3,000,500



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

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Security deposits		
Unsecured, considered good	778,077	778,077
(b) Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	31,522,515	28,948,902
Total	32,300,592	29,726,979

Note 13 Inventories

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Raw materials (At cost)	833,940	1,128,725
(b) Work-in-progress (at estimated cost)	691,690	84,247
(c) Finished goods (other than those acquired for trading) (at cost or realisable value whichever is lower)	6,064,536	5,910,439
(d) Stock-in-trade (acquired for trading) (at cost or realisable value whichever is lower)	17,813,131	15,180,159
(e) Stores, spares & other items (at cost)	3,135,439	3,186,681
(f) Advertisement Article Stock (at cost)	14,201,335	14,725,885
Total	42,740,071	40,216,136

Note: Details of inventory of work-in-progress

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Pharma Division		
Aziter 500 Tablet	180,023	-
Aligin- P Tablet	22,476	-
Cianmox 500 Capsule (export)	269,973	40,419
BP-AT Tablet	21,945	-
Diclofer-P Tablet	10,945	-
Pridilan-40 SR Tablet	46,953	-
Emfanic Tablet	-	13,888
Nimeter-A Tablet	22,108	29,940
N-Xime 200 Tablet	81,286	-
Promexy HF Tablet	33,983	-
Trihexy Tablet	1,998	-
	691,690	84,247

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 14 Trade receivables**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	55,886,121	55,798,516
Other Trade receivables	-	-
Unsecured, considered good	28,903,901	36,176,763
Total	84,790,022	91,975,279

Note 15 Cash and cash equivalents

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
(a) Cash on hand	1,097,087	1,285,040
(b) Balances with banks		
(i) In current accounts	15,198	14,011,000
(ii) In EEFC accounts	7,468	7,468
(iii) Share Issue Account	888,406	888,406
(c) other bank balances	-	-
Bank Deposits	2,700,700	2,430,221
Total	4,708,859	18,622,135

Note 16 Short-term loans and advances

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Loans and advances recoverable cash or kind or for value to be received		
Unsecured, considered good	7,934,740	7,919,835
Advance for Purchase of Capital Assets	4,330,000	4,058,550
Advances given to Employees - Unsecured, considered good	940,500	2,260,000
Prepaid expenses - Unsecured, considered good	466,824	425,112
Duty Draw Back Receivable	-	6,996
CENVAT/Service Tax /VAT credit receivable	46,118	24,844
Total	13,718,182	14,695,337



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

Note 17 Revenue from operations

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Sale of products		
Domestic Sales	247,961,679	267,079,173
Export Sales	2,024,989	1,010,396
(b) Other operating revenues	(8,758)	(10,460)
	249,977,910	268,079,109
Less:		
(c) Excise duty	38,713	3,267,728
Total	249,939,197	264,811,381

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(i) Sales of products comprises (Broad Heads):		
Manufactured goods - Pharma Division		
Almocef Tablet	4,712,515	6,140,538
Aziter 500 Tablet	-	3,715,038
Codimol 200 Tablet	6,859,630	7,848,851
Almocef 200 Tablet	5,000,530	-
Traded goods - Pharma Division		
Acolate Kid Suspension	12,522,261	11,993,522
Acolate P Plus Tablet	16,363,664	17,515,071
Acolate Tablet	5,708,223	9,543,465
(ii) Other operating revenues comprise:		
Rate Difference	8,758	(10,460)
Total - Other operating revenues	8,758	(10,460)

Note 18 Other income

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Interest income (Note : 18.a)	1,851,030	409,366
(b) Rent Income	-	6,000
(c) Other non-operating income (net of expenses directly attributable to such income) (Note: 18.b)	28,554	47,784
Total	1,879,584	463,150

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note (18.a)**

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Interest on Bank Deposits	112,979	197,736
Interest on Other Loans	1,726,385	91,338
Interest on overdue trade receivables	11,666	120,292
Total - Interest income	1,851,030	409,366

Note (18.b)

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Other non-operating income comprises:		
Net gain on foreign currency transactions and translation	-	-
Discount Earned(Net)	20,774	26,980
Sundry Balances written off	-	-
Duty Drawback	7,780	20,804
Profit on sale of fixed assets	-	-
Total - Other non-operating income	28,554	47,784

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Opening stock	1,128,725	1,740,905
Add: Purchases	19,173,931	20,654,815
	20,302,656	22,395,720
Less: Closing stock	833,940	1,128,725
Cost of material consumed	19,468,716	21,266,995

Material consumed comprises:**Pharma Division**

Azithromycin	1,483,755	2,040,933
Cefixime Trihydrate	3,018,398	3,140,442
Cefpodoxime Proxetil IP	5,903,281	6,431,707
Cefuroxime Axetil IP	1,769,530	-



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

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Inventories at the end of the year:		
Finished goods	6,064,536	5,910,439
Work-in-progress	691,690	84,247
Stock-in-trade	17,813,131	15,180,159
	<u>24,569,357</u>	<u>21,174,845</u>
Inventories at the beginning of the year:		
Finished goods	5,910,439	4,544,324
Work-in-progress	84,247	366,306
Stock-in-trade	15,180,159	19,453,060
	<u>21,174,845</u>	<u>24,363,690</u>
Net (increase) / decrease	(3,394,512)	3,188,845

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Salaries and wages	98,562,106	81,599,846
Contributions to provident and other funds	4,251,084	4,658,389
Staff welfare expenses	945,925	888,360
Total	103,759,115	87,146,595

Note 21 Finance costs

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
(a) Interest expense on:		
(i) Borrowings	2,599,439	2,961,158
(ii) Others *	907,380	1,080,676
* includes interest on government and other dues		
(b) Other borrowing costs		
- Bank Charges	260,811	68,845
Total	3,767,630	4,110,679

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 22 Other expenses**

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Consumption of stores and spare parts	197,738	95,974
Consumption of packing materials	3,141,438	2,693,857
Power and fuel	498,470	488,485
Rent	1,204,320	1,131,260
Repairs and maintenance - Others	803,953	719,010
Insurance	823,598	1,084,073
Rates and taxes	3,445,503	3,868,618
Communication	2,494,809	2,050,990
Freight and forwarding	5,722,583	5,365,962
Sales commission	5,987,847	4,696,017
Legal and Professional Exp.	1,990,540	959,699
Sales Promotion Exp.	13,128,055	30,927,947
Donations and contributions	-	75,000
Payments to auditors (Statutory & Tax Audit)	95,000	85,000
Income Tax Expense- Earlier year	-	1,377,458
Miscellaneous expenses	9,333,603	11,499,700
Total	48,867,457	67,119,050

Note 23 Earning Per Share

Particulars	For the year ended 31 March, 2016 ₹	For the year ended 31 March, 2015 ₹
Earning Per Share		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(6,742,466)	913,345
ii) Weighted Average number of equity shares used as denominator for calculating EPS	7,420,300	7,420,300
iii) Face Value per equity share	10	10
iv) Basic and Diluted Earnings per share	-	0.123

As per our Audit Report of even date attached
For U S S & Associates
Chartered Accountants
(Ujal Mehta)
Proprietor
M. No. 112337
F.R.N . 122634W
Place : Ahmedabad
Date : 30/05/2016

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.

A. P. Prajapati
Wholetime Director
Place : Ahmedabad
Date : 30/05/2016

S. P. Prajapati
Director



Gujarat Terce Laboratories Limited

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

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain attendance slip on request.

L. F. No. / ID No. :	No. of Shares
Name :	
Address :	

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company to be held on Friday the 30th day of September, 2016 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. Gandhinagar., Gujarat.

Signature of the Shareholder / Proxy

--

----- (Tear Here) -----

Gujarat Terce Laboratories Limited

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

PROXY FORM

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

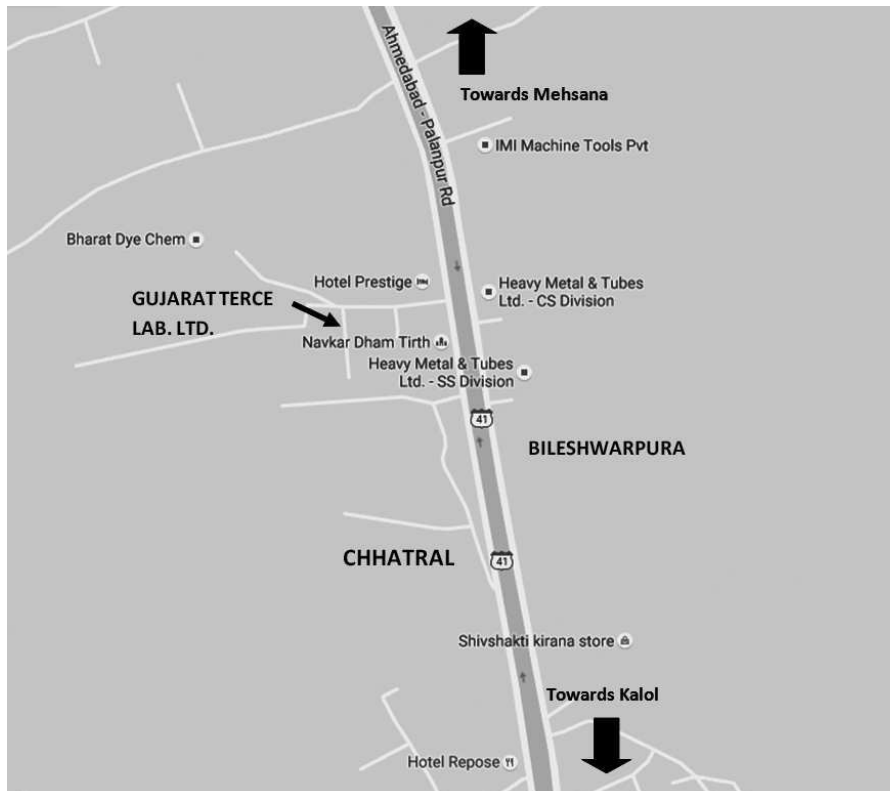
CIN : L28112GJ1985PLC007753
Name of the Company : Gujarat Terce Laboratories Limited
Registered office : 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar - 382729
Name of the member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No/ Client Id : _____
DP ID : _____

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

- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or failing him
- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or failing him
- Name : _____ Address : _____
E-mail Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on the 30th day of September, 2016 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar - 382729 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

ROUTE MAP FOR THE AGM VENUE



----- (Tear Here) -----

Resolution

No:

Ordinary Business

1. Adoption of the Audited Statement of Profit and Loss for the financial year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. Re-appointment of Shri Sureshbhai Prajapati [DIN 00356599] who retires by rotation
3. Ratification of appointment of M/s. USS & Associates, Chartered Accountants, Ahmedabad (FRN 122634W) as Statutory Auditors of the Company

Special Business

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

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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

TO, _____

If undelivered please return to :

Gujarat Terce Laboratories Limited

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

CIN : L28112GJ1985PLC007753

Email : ho@gujaratterce.com

Web : www.gujaratterce.com