



## GUJARAT TERCE LABORATORIES LIMITED

Date: August 01, 2023

To,  
The Department of Corporate Services,  
The Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400001

Script code: 524314

Dear Sir/Madam,

**Sub: - Submission of Annual Report under Regulation 34 of the SEBI (LODR) Regulations, 2015**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith 38<sup>th</sup> Annual Report of the Company for the FY 2022-23. The said Annual Report is also uploaded on the website of the Company at [www.gujaratterce.in](http://www.gujaratterce.in).

In compliance with the applicable circulars issued by the Ministry of Corporate Affairs (MCA) & SEBI, the 38<sup>th</sup> Annual Report for the FY 2022-23 is being sent only by electronic mode (through email) to those Members whose e-mail addresses are registered with the Company/Depositories/RTA.

We hereby request you to take the above information on record and acknowledge its receipt.

Thanking you.

**Yours faithfully,  
Gujarat Terce Laboratories Limited.**

Aalap Prajapati  
Digitally signed by Aalap Prajapati  
Date: 2023.08.01 13:01:56  
+05'30'

**Aalap Prajapati  
Managing Director & CEO  
(DIN: 08088327)**

**Encl.: As above**



focused on the  
**future**

**Gujarat Terce Laboratories Ltd**

38<sup>th</sup> ANNUAL REPORT 2022-23

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It's a common theme in the business world: Organisations constantly strive to grow and look for ways to expand. Because business expansion opens doors to exciting opportunities.

At Gujarat Terce, we have made considerable investments in our business to expand our horizon beyond the established into the unknown.

**We went into new districts of existing states and new states. We hired new people. We intensified our market awareness.**

**The results were heartening. But we believe that we have only scratched the surface yet. We remain singularly focused on the future to generate superior returns from our investments. Our best is yet to come.**

From the Chairman's office

**“We are in the early stage of our growth story, with tremendous runway ahead of us. We will continue to build on the strong initiatives that are in place while exploring new opportunities.”**

*Dear Friends*

I am immensely pleased to write to you after an eventful year.

We entered the fiscal with strained geopolitical and trade relations consequent to the Russia-Ukraine war. This humanitarian crisis brought soaring inflation that enveloped the developed and developing economies. Resiliently, India stood out like a beacon of hope in a dismal overall economic universe.

The pharma sector continued to build upon the respect it gained globally for efficiently managing the pandemic and supplying vaccines to other nations. But India continued to feel the pressure of elevated input prices due to inflationary headwinds and a fragile supply chain worldwide.

Notwithstanding these challenges, the world considers India a reliable pharmaceutical hub that delivers niche solutions to remedy new-age ailments. The cemented trust in India's pharmaceutical sector capabilities promises to open new growth vistas over the medium term.

For Gujarat Terce, it was an eventful year. We widened our marketing reach significantly, which meant more establishments, more people, and increased costs. While the costs were immediate, the returns came with some gestation. Additionally, persistent

high inflation continued to weigh on our cost sheets. While we reported a sizeable loss in the first quarter, we were able to be back on track in the last quarter of FY23. We hope to carry forward this momentum into the current year.

**The question remains how do we do this?**

India is a prescription-based, branded generic pharmaceutical market where doctors closely influence the making and sustaining of any brand's position. We are concentrated on the domestic market. Hence our unwavering focus is on strengthening our brand portfolio with new brands and the position of our existing brands to enhance returns.

From a brand-building perspective, we had a very satisfying run in FY23. Eight precious products generated more than ₹1 crore in revenue, a milestone. Two SKUs launched during the year were well accepted in the market, generating month-on-month volume growth.

Our agenda for the year is simple. Grow our precious products in numbers and performance. For that, we will work on the following:

- \* Rejuvenate our marketing strategies around our precious products showcasing their USPs and superior efficacy to product-

specific cohorts of doctors to increase their awareness and generate prescriptions.

- \* Focus on increasing the productivity of our field force, individual and collective, in the states of our presence.

- \* Launch chronic therapies with superior solutions to seed our future growth levers.

- \* Continue to entrench deeper into the states of our presence until we have covered every district, we wish to be present in.

The combination of these levers should uplift the Company into a new growth orbit, allowing us to create and deliver value to all our stakeholders.

We are in the early stage of our growth story, with tremendous runway ahead of us. We will continue to build on the strong initiatives that are in place while exploring new opportunities.

I am very grateful to all our stakeholders for your belief and trust in this journey, and I look forward to your continued support.

Warm regards

**Aalap Prajapati**  
Managing Director & CEO

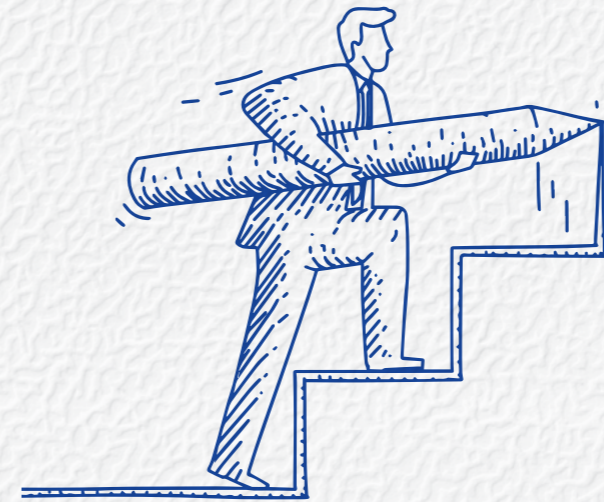
# About us

Gujarat Terce aims to bring affordable healthcare to common people. From humble beginnings in 1985, the Company, over its three-decade history, has focused on developing and delivering formulations to the Indian masses.

Its manufacturing facility in Gujarat, India, manufactures oral solid dosages (tablets and capsules) that cater to 10 therapeutic areas. The Company has a strong R&D that develops and maintains a robust pipeline of products. The R&D team also works on improving operating processes to improve product quality and productivity.

Headquartered in Ahmedabad, the Company is spearheaded by Mr. Aalap Prajapati, MD & CEO, and backed by a strong team that works to transform business strategies into on-ground realities.

The team's devotion towards quality products, innovation, regulatory compliance, and patients' need helps the Company deliver benchmark brands to consumers.



**52**

Brands

**135**

SKUs

**358**

Team size

**4713.70**

Revenue  
(₹ Lakh)

**-167.16**

Profit after Tax  
(₹ Lakh)

**686.27**

Networth  
(₹ Lakh)

**1236.22**

Market Capitalisation  
as on March 31, 2023.  
(₹ Lakh)



## Vision

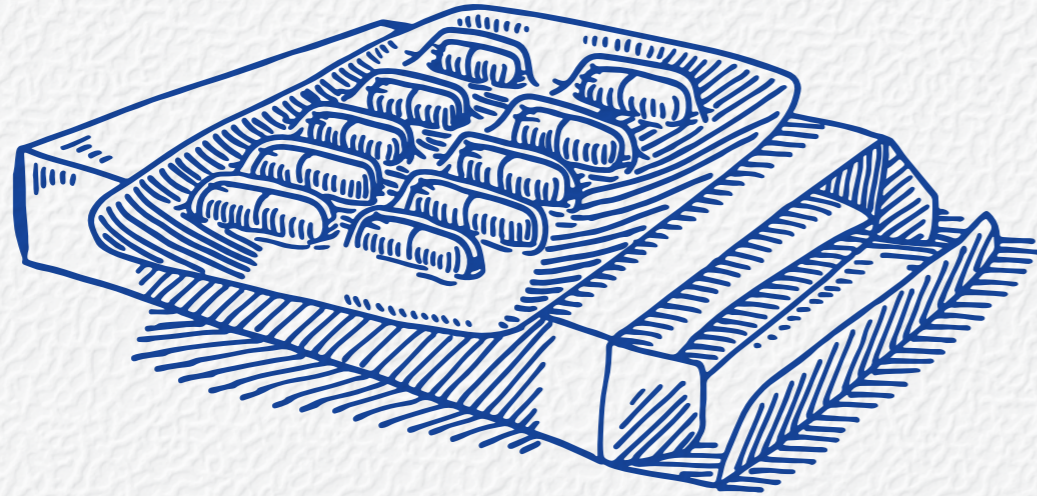
To become a global healthcare brand recognised and trusted for its leadership in quality, innovation, service and ethics.



## Mission

To dedicate ourselves in the service of patients and the healthcare community driven by the best technology and talent for providing effective, affordable and superior medicines and healthcare products.





# Our leading brands

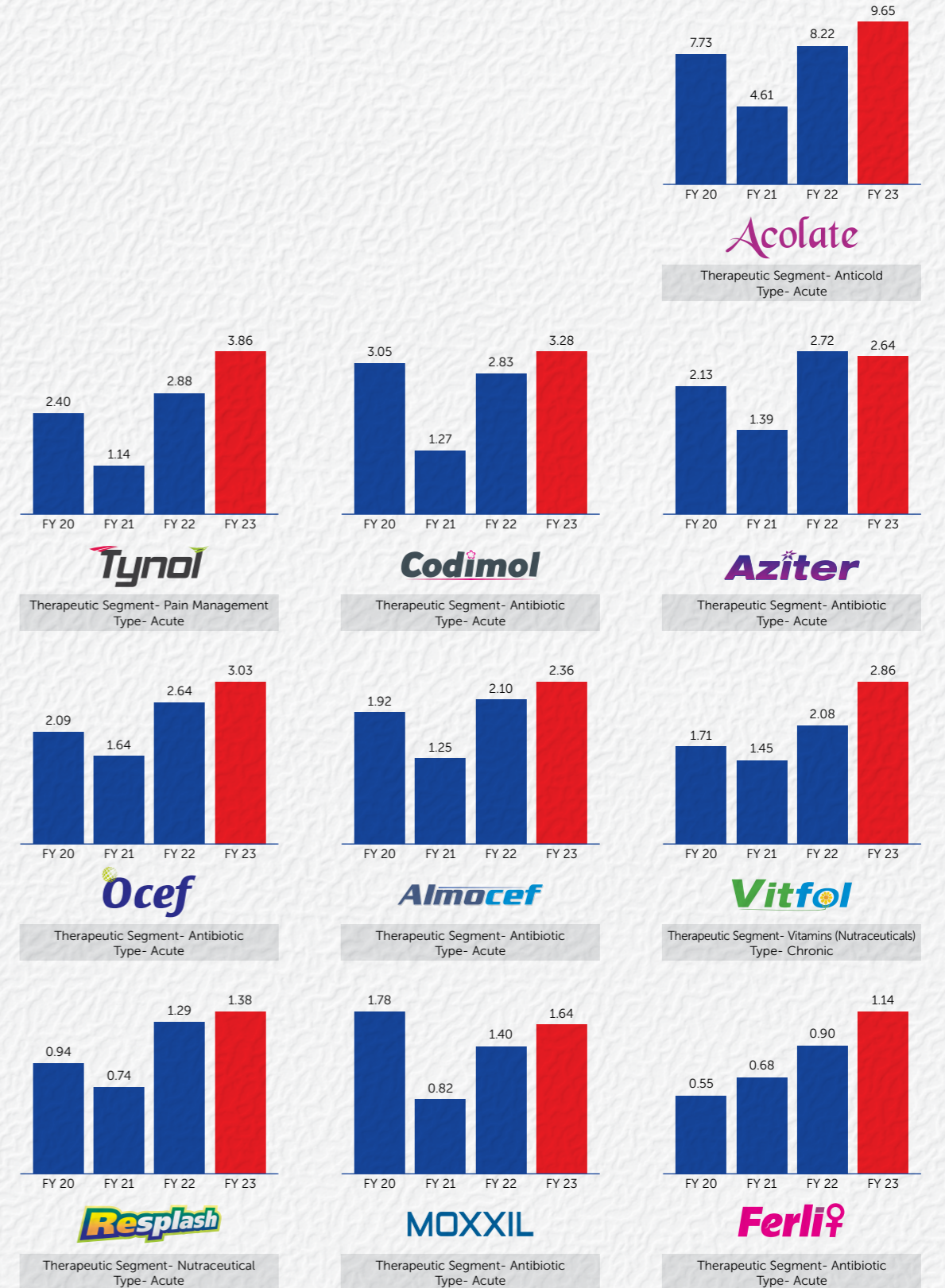
<i>Acolate</i>	<i>Tynol</i>	<i>Codimol</i>	<i>Aziter</i>	<i>Ocef</i>
<i>Almocef</i>	<i>Vitfol</i>	<i>Resplash</i>	MOXXIL	<i>Ferli</i> ♀

Gujarat Terce's has a portfolio of 10 brands that are leaders in their specific categories. Of these, 8 are in the acute segment; the others cater to high-growth chronic therapies.

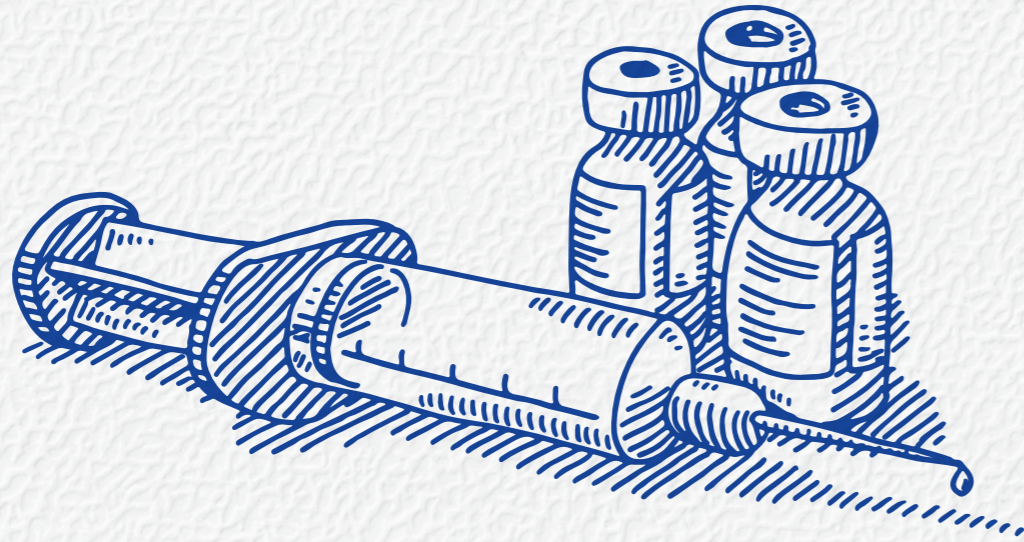
Owing to the product quality and focused marketing efforts, these products are critical growth levers for the Company and contribute a significant share of its revenue. Every year, the Company executes customised marketing campaigns for each product targeted to a specific cohort of medical practitioners. These efforts have yielded significant results – revenue from these products has grown appreciably (save FY21, which was a blip in the overall trend owing to the pandemic).

**71.48%**  
Revenue contribution from key brands in FY23

**14.58%**  
Revenue growth of top 10 brands in FY23 over last year



₹ in crores

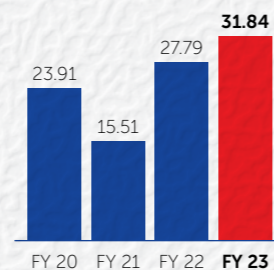


# Our precious products

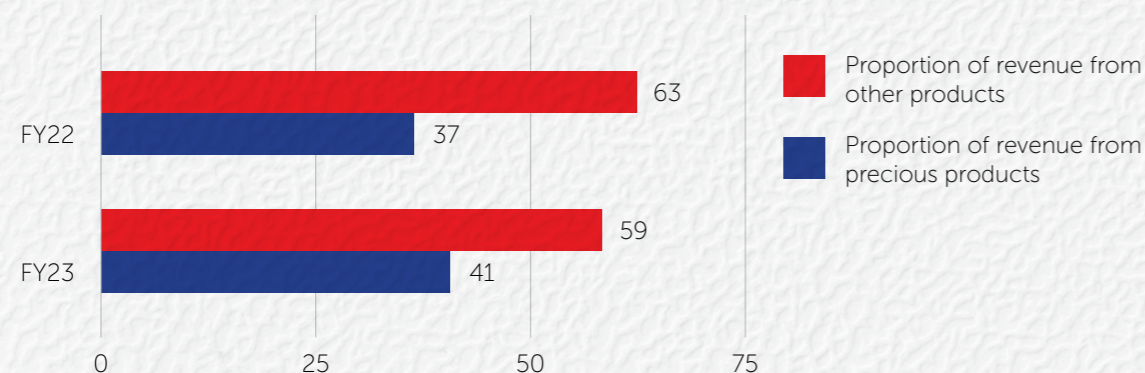
Gujarat Terce has a group of precious products. They are precious owing to their efficacy and their brand recognition among medical practitioners, which enables them to generate sizeable revenue for the Company and have the potential to accelerate profitable business growth over the coming years.

The Company's basket comprises ten precious products, divided into three major categories, 1) GP & Physicians, 2) Pediatricians, and 3) Gynecologists. During this financial year, increased marketing and branding initiatives have resulted in a sizeable increase in revenue from these products.

Revenue from precious products (₹ crore)



Revenue from precious products (Figures = % age of sales)



# Our therapeutic portfolio

Gujarat Terce has balanced product portfolio between acute and chronic therapies.

Acute care therapy, which is specifically designed to treat acute conditions, is typically shorter than inpatient rehabilitation. Acute care therapy is often provided for those who need short-term assistance.

A chronic condition (also known as chronic disease or chronic illness) is a health condition that is persistent or otherwise long-lasting in its effects or a disease that comes with time. Hence, chronic therapies are used for extended periods of time.

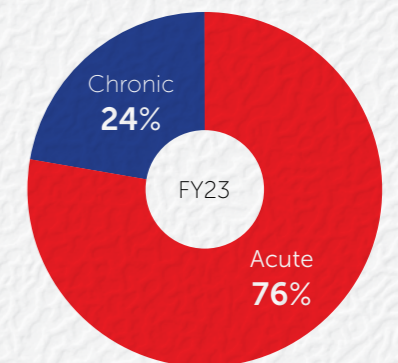
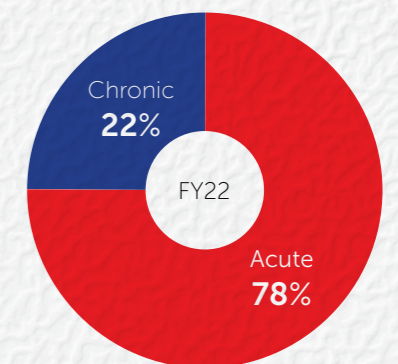
The expected double-digit domestic growth of the pharma market in FY24 and beyond is healthy, considering the high base of previous years, primarily driven by medicines used in treating Covid-19.

Chronic categories are likely to outperform acute segments as visits to hospitals and clinics are back to normal post-covid - a pickup in chronic segment growth is a structurally strong growth driver. The demand for acute therapies (barring covid treatment and management products) is also picking up momentum.

Gujarat Terce enjoys a substantial presence in acute and chronic therapies. Increasing traction for its products enabled the Company to register healthy growth in both segments over the previous year. It also registered a faster-than-the-industry growth in acute and chronic segments (growth figures of Q4/FY23 are showcased below).

The Company's enhanced focus on chronic therapies has resulted in its growing share in the overall revenue mix. This augurs well for the Company in terms of revenue and brand visibility.

Revenue-mix between segments



ACUTE SEGMENT	
Industry growth	Company growth
8%	13%
CHRONIC SEGMENT	
Industry growth	Company growth
11%	20%



## Antibiotics

Antibiotics save millions of lives every year all over the world. In India, the use of antibiotics increased manifold in the past two decades because of the availability of the over-the-counter version of the medicine. Additionally, the Covid pandemic put the antibiotics segment under the spotlight.

For Gujarat Terce, the Antibiotics vertical is the largest revenue contributor for the Company accounting for about 29.51% of its topline. Gujarat Terce has a wide variety of antibiotics in its portfolio. Codimol is one of its leading brand in antibiotics basket that earned a revenue of ₹328.30 lakh in FY23.

### Leading brands in the Antibiotics group

**Codimol**

**Almocef**

**Ocef**

**Aziter**

## Respiratory

The rapid air quality deterioration and toxic smog in the cities owing to rapid industrialization and urbanization, has significantly increased respiratory disorders such as infections, asthma and COPD (chronic obstructive pulmonary disease). In FY23, the sale of respiratory drugs in India increased by 49% to ₹1,579 crore on a year-on-year basis.

Gujarat Terce has a strong presence in the respiratory space with 19 products in its product basket - Acolate is its leading brand. The Company is working on populating this product basket with interesting products over the coming years owing to the growing opportunities emerging from this therapeutic area.

### Leading brands in the Respiratory segment

**Acolate**

## Pain Therapy

Chronic pain becoming one of the country's greatest hidden health crises. Due to changing lifestyles as well as the ageing population, the number of people suffering from chronic pain is increasing.

Gujarat Terce has a healthy presence in this large and growing therapeutic area. Its two leading brands generated about ₹429 lakh revenue during the fiscal under review. This area is will emerge as an important growth lever for the Company over the coming years.

### Leading brands in the Pain Therapy group

**Tynol**

**Algin P**

## Gastroenterology

The Indian gastroenterology segment grew by 8% in FY23 compared to last year. The growth in gastroenterology. Disorders are due to poor dietary practices in the general population and growth in geriatric populations. As a result, growth of this segment is expected to sustain over the medium-term.

The Company has seven products in its Gastroenterology portfolio. Its two products have emerged as leading revenue earners.

### Leading brands in the Gastroenterology space

**Terflora Z**

**Rabter DSR**

## Gynecology

Issues amongst women relating to their menstruation and reproductive organs have been on the rise in recent years. The noteworthy change in lifestyle amongst the female population and increasing awareness regarding health issues has been one of the underlying factors for the recent surge in cases. Increasingly, women are now seeking medical attention and timely treatment for all their gynaecological problems.

Gujarat Terce offers 14 products catering to gynaecology issues with Vitfol being its top brand. The Company's top three brands garnered ₹452 lakh in this fiscal.

### Leading brands in the Gynecology space

**Vitfol**

**Ferli**

**HerHonqr**

## Nutraceutical

Covid-19 has brought the nutraceuticals market under the spotlight. The Indian nutraceuticals market is one of the fastest growing segments in the pharmaceutical sector. It is expected to grow at a CAGR of 17.5% from 2020 to 2025 to reach a value of US\$ 18.3 billion. Rapidly changing lifestyles and increasing health consciousness in urban regions drive the Indian nutraceuticals market. The nutraceutical product portfolio of the Company is very large and wide and caters to quite a wide variety of demographics in India. Its three leading brands garnering a revenue of ₹28.67 lakh cumulatively are growing at a rapid pace.

### Leading brands in the Nutraceutical therapy

**Resplash**

**Vitfol Plus**

**MVIMIN**

## Ayurvedic

Ayurveda is part of India's cultural and medical heritage for centuries. It highlights the use of medicinal plants and herbs for internal healing, preventing illnesses and maintaining wellness. The market for Ayurvedic products in India was worth ₹515.5 billion in 2021. It is anticipated to grow at a 19.8% CAGR between 2022 and 2027 to cross the ₹1,500 billion mark.

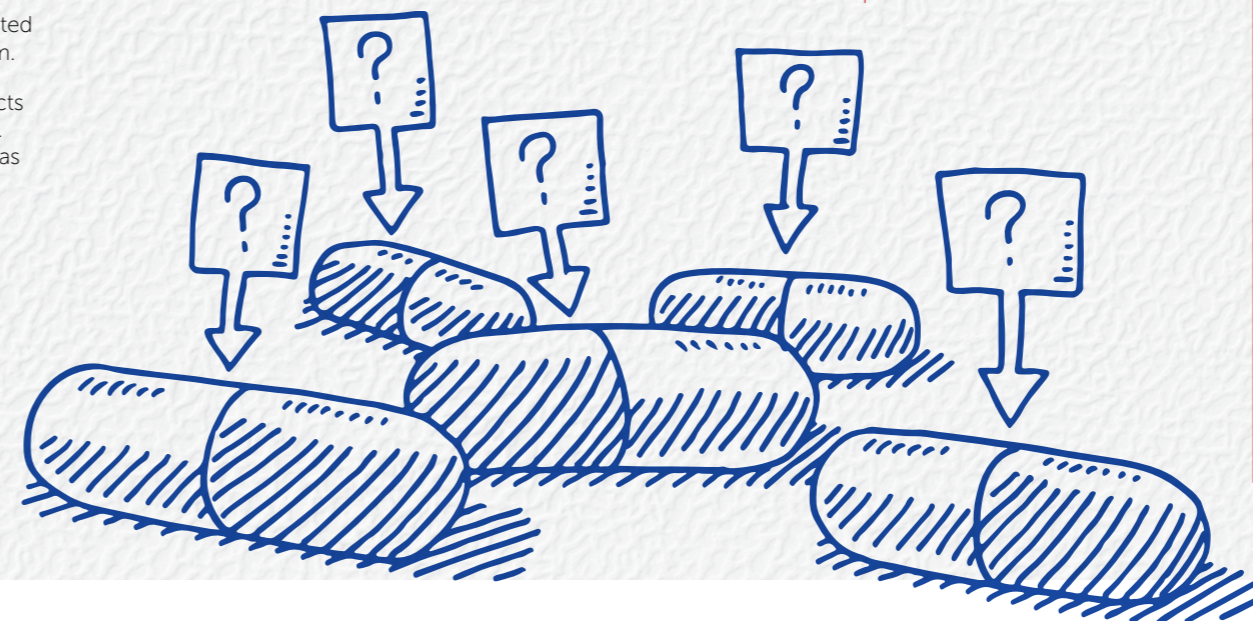
Gujarat Terce has an extensive range of ayurvedic products in the market positioning this therapeutic segment as an important growth lever for the organisation. The leading three brands within this segment generate a revenue of ₹113.28 lakh – and is expected to scale higher as the Company focuses on amplifying the brand visibility.

### Leading brands in the Ayurvedic product offering

**Thyter**

**Instalin**

**Z-Olive**



15-minutes with Mr. Bhagirath Maurya, Chief Financial Officer, on the Company's performance

**“We will sharpen our focus on growing the revenue from our existing precious products and increasing our precious products basket with more SKUs - adding new levers to our growth momentum.”**

**How would you analyze the Company's performance in FY23?**

It was a mixed bag. Our financials showcase a muted performance. Unfortunately, our initiatives did not reflect in our numbers as our newly launched Bihar territory could not give the expected outcomes.

**Could you give some more color to what you just said?**

At the topline, we registered a growth of about 16.56% over the previous year. The growth resulted from our unwavering endeavor to expand our horizon and showcased the growing acceptance of our brands. At the bottomline, we reported a loss primarily because of our team's expansion to manage our expanded market presence. Having said that, I must add that our increased knowledge capital will become an important growth driver in the current year and beyond.

**Did you widen your presence into new states in India?**

We did not widen our footprint but deepened our presence by establishing ourselves in more districts in existing states. This increased the coverage of the states. After covering every potential district in the states of our presence, we will consider widening our footprint to more states.

**What were some of the essential positives for the year?**

We focused on building brands. That was our key achievement in FY23. Our one brand (Acolate) clocked revenue above ₹9 crore for Gujarat Terce. Moreover, three brands (Tynol, Codimol, and Ocef) generated revenue above ₹3 crore individually, another three brands (Vitfol, Aziter, Almocef) generated revenue above ₹2 crore individually, and three brands (Moxsil, Resplash and Ferlit) generated revenue of over ₹1 crore individually. These were very satisfying achievements. And we will work on populating our ₹1 crore basket with many more brands over the coming years.

**How was the Company's performance from a therapy perspective?**

We did well in our lifestyle therapies which were necessary for the Company. Our pediatric and gynecology segments registered remarkable growth, which augurs well for the Company's transformation from a player primarily in acute therapies to a pharma company with a prudently balanced presence between acute and chronic therapies.

**Did you introduce any new products?**

We introduced four new SKUs. Of these two were relaunches which did reasonably well in the market. The two new

products were in the gynecology and pediatric segment. Both products were well accepted by the doctor fraternity and generated healthy volumes.

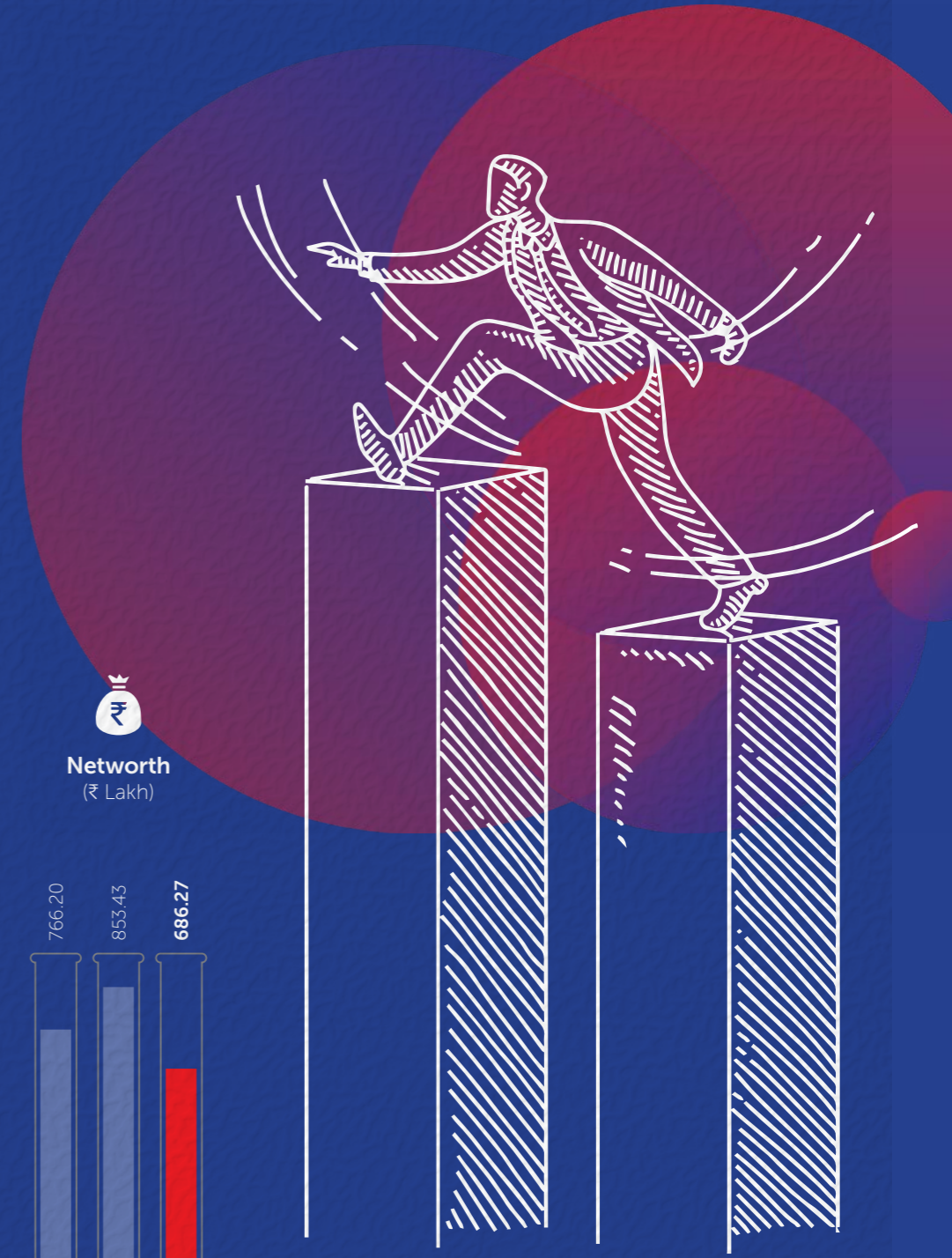
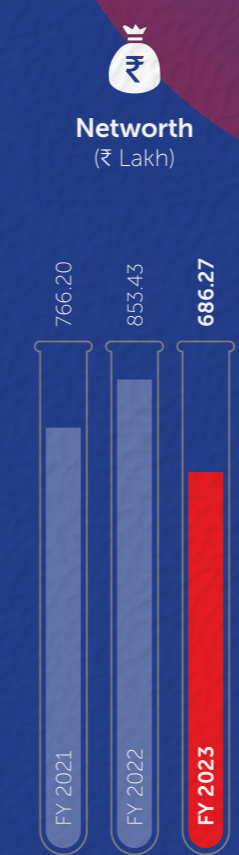
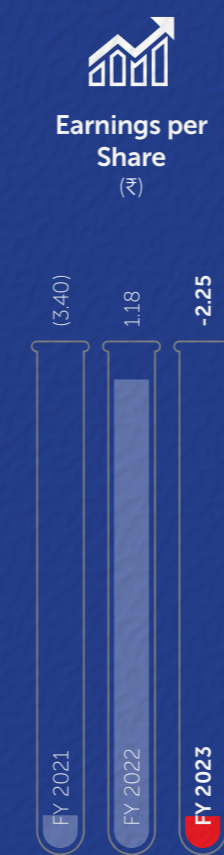
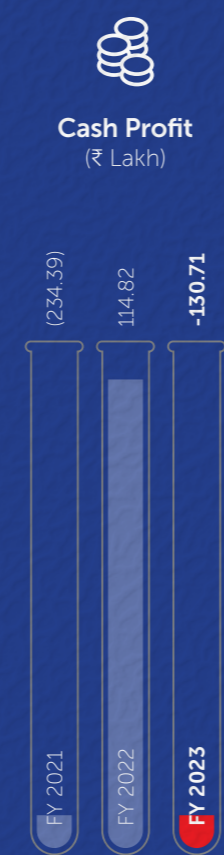
**What were the other reasons for a negative bottomline besides people cost?**

Primarily one. Persistently high inflation bloated our raw material costs. We source 100% of our APIs from domestic sources. But they source their KSM (Key Starting Material) from China – the prices of which scaled significantly. The cost escalation hurt our business profitability. To optimise the impact of the cost escalation, we scaled our batch sizes and negotiated with suppliers.

**What is your take on the Company's prospects in FY24?**

If you look at our quarterly performance, the first quarter was not as expected. Since then, we have moved from strength to strength to register a net profit of ₹0.80 crore in the fourth quarter. We look forward to sustaining this momentum in the current year. For this, we will sharpen our focus on growing the revenue from our existing precious products and increasing our precious products basket with more SKUs – adding new levers to our growth momentum. We remain hopeful in generating healthy top line growth and positive EBIDTA in the next year.

# Our performance over the years





Annexure A

# Management Discussion & Analysis

## A Commentary on the Economy

**Global Economy:** Hints of optimism and hope were observed as the global economy recorded a GDP growth of 3.2% (as per IMF) despite the uncertainties encountered in CY22.

The recovery of the global economy is expected to remain on track as Asia is highlighted as the harbinger of growth (contributing 70% of global growth in 2023), thus, resulting in a surge of growth across the region, unlike the somber context of global demand.

Trade in goods and services has shown positive statistics as reported by UNCTAD: Trade in goods grew 10% from last year to approximately US\$25 trillion due to higher energy prices,

and services shot up by 15% to a record US\$7 trillion.

The global economy plunged as the Silicon Valley Bank and Credit Suisse collapsed in close succession during March 2023. However, the silver lining of the banking turmoil is that it will help slow aggregate activity as banks curtail lending. This should, therefore, partially mitigate the need for further monetary tightening to curb inflation which was registered at 8.7% in 2022 and is expected to decline to 7% in 2023.

A fall of 7% of the US dollar between November 2022 and February 2023 could increase demand for goods since dollars dominate most trade.

Tensions escalating worldwide might cause an economic slowdown as IMF forecasts growth to fall from 3.4% in 2022 to 2.8% in 2023. The upside amidst the gloom is the world's onset of the path to sustainability, with demand spurring for environmentally sustainable goods, thus decelerating the need for high carbon content or fossil fuels.



**Indian Economy:** FY23 witnessed considerable disruptions due to the pandemic-induced contraction, geopolitical tensions and inflation, which recorded a downward trend in the world economy. Despite the turmoil, India soared steadily, recording real GDP of 7.2% for FY23.

India conducted the largest vaccination drive involving over 2 billion doses, saving 3.4 million lives, and it yielded a positive economic impact by preventing a loss of US\$18.3 billion, according to a report by Stanford University.

The country's robust economic growth was underpinned by strong investment activity enabled by the Government's increased capex push to 2.5% of the GDP in FY22 compared to the long-term average of 1.7% of GDP (FY09 to FY20). With impetus placed on a Capex-led

growth strategy, it will enable India to keep the growth-interest rate differential positive, leading to a sustainable debt to GDP in the medium run.

Private final consumption expenditure as a share of GDP FY23 was significantly high – possibly the highest since FY15, which boosted production activity and enhanced capacity utilisation across all sectors.

With a robust annual growth rate of 4.6% over the last six years, the agriculture sector has been able to contribute towards the overall growth of the economy and food security while the industrial sector showed a rise of 3.7% of the overall Gross Value Added (GVA) during the first half of FY23.

A surge in exports was witnessed at 13.84% during FY23, supported by the rupee's depreciation against the dollar.

The economy's resurgence was also backed by GST, which has stabilised to become a vital source of revenue for the Government, with its collection increasing at 24.8% YoY basis. The collection of indirect taxes grew by 14% YoY in FY23, surpassing the required rate of 3.5%, thus achieving the full-year target.

Retail inflation peaked at 7.8% in April 2022. It was controlled by RBI's monetary tightening cycle, which led to its decline to less than 6% in March 2023 - within RBI's tolerance limits.

The economy is steadily getting positioned to tread the pre-pandemic growth path as the Economic Survey 2022-23 highlighted that India has recovered from the pandemic and is expected to register a growth rate of 6-6.5% in FY24.



## A bit about our business space

### Global Pharma Industry:

During early 2020, the Covid-19 pandemic got the world into a spiral and established clarity about the fact that without new therapies, particularly vaccines, an unending cycle of lockdowns and cycles would persist globally. Consequently, pharmaceutical companies came into the limelight and were compelled to provide results quickly, gradually accelerating their growth globally. Today, it is one of the fastest-growing industries in the world, with a CAGR of 5.70%. Its revenue is projected to reach US\$1,163.00bn in 2023.

The rise in chronic diseases and a steady increase in the geriatric population across the globe susceptible to serious ailments is anticipated to fuel the expansion of the pharmaceutical sector worldwide. Increased use of personalised medicines is also expected to contribute to the industry's growth. Oncology Drugs account for the largest segment in the pharmaceutical industry, with a projected volume of US\$202.30bn in 2023.

The global generics market was valued at USD 439.37 billion in 2022 and is projected to hit around USD 670.82 billion by 2030, growing at a CAGR of

5.4%. Further, due to a rise in chronic diseases and increased clinical trials globally, the global formulation development market is expected to garner US\$51,901.3 Million in revenue and rise at a CAGR of 9.0% during the 2022-2031 time frame.

**Indian Pharma Industry:** As the frontrunner in producing cost-effective and quality-controlled generic drugs, India supplies around 20% of the global pharmaceutical demand in volume. It is currently ranked third in pharmaceutical production by volume after evolving into a thriving industry growing at a CAGR of 9.43% in the past nine years.

The country is backed by the branded generics market and the domestic players who have established their niche through early investments and nascent formulation development capabilities, contributing to the industry's growth and recognition. The Pharma sector currently contributes around 1.72% of the country's GDP.

One of the greatest success stories in medicine is the accessibility to affordable HIV treatment from India. India is one of the biggest suppliers of low-cost vaccines in the world.

Owing to the low price and high quality, Indian medicines are preferred worldwide, rightly making the country the 'Pharmacy of the World.'

Further, Foreign Direct Investment (FDI) flows into the Pharma Industry have quadrupled, from US\$180 million in FY19 to US\$699 million in FY22. Carrying forward this growth momentum, drug and pharmaceutical exports during April-October 2022 was 22% higher than the corresponding pre-pandemic period of FY20.

The efforts put in by the Government to boost this sector are evident through schemes like Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs), which targets to increase the number of PMBJKs to 10,500 by the end of March 2025, its product basket comprising of 1,451 drugs and 240 surgical instruments. Further, The Ministry's scheme "Strengthening of Pharmaceutical Industry (SPI)," with a total financial outlay of US\$60.9 million (₹500 crore), extends support required to existing pharma clusters and MSMEs across the country to improve their productivity, quality and sustainability.

The market size of India's pharmaceutical industry is

anticipated to reach US\$65 billion by 2024 and US\$130 billion by 2030. The government data states that this industry is worth approximately US\$50 billion, with over US\$25 billion of the value coming from exports.

### Evolving Trends

**M&A:** The Indian pharmaceutical, healthcare and biotech sector has been attracting increasing investor interest for quite some time. Foreign investment during the first six months of 2022 was US\$699 million, as against US\$559 million during the same period in 2021. Moreover, the Department of Pharmaceuticals approved 21 FDI proposals worth ₹46.8 billion for brownfield pharmaceutical projects during the first nine months of 2022.

**Proactive Quality Management System:** The Government had earlier implemented a comprehensive traceability system known as Drug Authentication & Verification Application (DAVA) for both export and domestic markets 2015. With the recent rise in inferior quality formulations from India, pharma companies must significantly strengthen their self-monitoring systems recognising their moral responsibility.

**Precision Medicine:** Precision medicine emerged from the concept of personalisation and customisation of medical care. The most critical component is to diagnose and treat each patient individually. Precision medicine offers real-time insights into how a specific patient's body responds to pharmaceuticals by combining data management, data privacy, and data analysis through Machine Learning. This knowledge is supposed to improve advanced clinical manufacturing procedures to prepare the needed dosage depending on age, comorbidities, and other clinical parameters.

**Tech Adoption:** The modern pharmaceutical and healthcare industries are undergoing a massive change owing to the adoption of advanced technologies. Critical pharma business trends include artificial intelligence (AI), data analytics, system biotechnology, curative medicines, gene editing, bioprinting and blockchain.

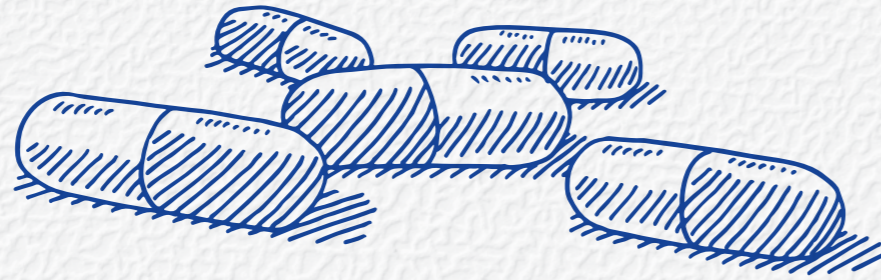
### Growth Opportunities

**Research & Development:** The Union Budget 2023 highlights R&D as a priority for the pharmaceutical industry and has presented pharma research

innovation programs through centers of excellence. The Government has implemented steps to protect intellectual property rights and build a more transparent regulatory environment, which should encourage more investment in R&D. Indian CROs (Contract Research Organisations), offering customised services with a considerable cost advantage, will make the country highly profitable for outsourcing. An estimated investment of US\$419.2 million in R&D will be witnessed in 2023.

### Fostering Collaborations:

During the pandemic, collaborations between academia, Government and industry resulted in an effective strategy for advancing research projects. Continuous communication and coordination between corporate leaders and government officials proved essential during the pandemic and, thus, should remain so in the future.



### Government initiatives

**Strengthening Pharmaceutical Industry (SPI):** Under the Scheme for Strengthening Pharmaceutical Industry (SPI), it addresses the need for Pharma clusters and MSMEs to improve their productivity, quality and sustainability. The scheme aims to foster resilience and future readiness in the existing infrastructure facilities to make India a global leader in the Pharma Sector. The sub-schemes under SPI include:

Assistance to Pharmaceutical Industry for Common Facilities (APICF)	Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)	Pharmaceutical & Medical Devices Promotion and Development Scheme (PMPDS)
It aims to increase the existing pharmaceutical clusters' capacity for long-term expansion.	Its goal is to aid the Micro, Small and Medium Enterprises (MSMEs) to help achieve compliance with national and international regulatory standards.	Its motive is to bring experts together from academia, industry, and policy to exchange knowledge and experience for the betterment of the pharmaceutical and medical device industries.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) aims to deliver generic medications at affordable prices through outlets called Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK).

Union Budget 2022-23	Union Budget 2023-24
<ul style="list-style-type: none"> <li>₹86,200 crore has been allocated to the Ministry of Health &amp; Family Welfare.</li> <li>The Government will promote thematic funds for the sunrise sector, like Digital Economy Pharma; the Government's share would be 20%.</li> <li>Tax breaks and incentives for private healthcare facilities in Tier-III, Tier-IV cities and villages have been announced.</li> <li>The National Digital Health Ecosystem was announced, an open forum consisting of registries of health providers &amp; facilities, universal access to health facilities and unique health identities.</li> <li>The 35% yearly increase in budgetary support to capital expenditure could encourage building of new hospitals and other medical facilities.</li> <li>PSSY was allocated ₹10,000 crore, 43% higher than last year, to boost medical education and set up AIIMS infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>The allocation to the Ministry of Health &amp; Family Welfare was ₹89,155 crore.</li> <li>An allocation of ₹2,980 crore was made to The Department of Health Research, out of which the Indian Council of Medical Research (ICMR) received ₹2,360 crore with impetus on establishing ICMR labs to promote research and innovation.</li> <li>To attain the vision of "Make AI in India and Make AI work for India," three Centres of Excellence for Artificial Intelligence will be set up in top educational institutions.</li> <li>The AYUSH ministry received ₹3,647 crore, an increased allocation of 28% compared to FY23.</li> <li>The Ministry has set aside ₹6,835 crore to establish 22 new All India Institute of Medical Sciences (AIIMS).</li> <li>The establishment of 157 new medical colleges has been announced, which will help bridge the gap in the number of nurses required per bed.</li> <li>A mission for eliminating sickle cell anemia by 2047 has been announced, which will allow universal screening of 7 crore people between 0 and 40 years in affected tribal areas.</li> </ul>

## Segmental Review

**Ayurvedic Medicine:** As the prevalence of medical disorders and health-conscious mindset among consumers increases, people constantly seek a safe and healthy alternative to synthetic chemicals, bolstering the market for ayurvedic medicine. These medicines use herbal supplements that help restore body balance by addressing various health concerns without causing any side effects. The Indian ayurvedic products market size reached INR 626 billion in 2022. Further, the estimates presented by the IMARC Group suggest that the market will reach INR 1,824 billion by 2028, exhibiting a growth rate (CAGR) of 19.3% during 2023-2028.

**Respiratory Medicine:** Respiratory medicines are used to treat pulmonary diseases. Respiratory infections, increased exposure to air pollution and the growing smoking population globally are expected to augment the demand for innovative and effective treatment of respiratory diseases. An estimate suggests that the respiratory drugs market is poised to grow by US\$26.95 bn during 2022-2026 progressing at a CAGR of 5.96% during the forecast period.

**Gynaecology Medicine:** This field focuses on women's reproductive health issues, including diagnosing and treating diseases of the female reproductive organs. A significant rise in the number of women who have ovarian cancer has been observed, which would potentially increase the demand for gynecological drugs. According to an estimate, the global gynecology drug market grew from US\$26.46 bn in 2022 to US\$28.09 bn in 2023 at a CAGR of 6.2%.

**Antibiotics:** Antibiotics refer to medicines that are among the most prescribed courses worldwide for battling bacterial infections, primarily in outpatient settings. The widespread infectious diseases, vulnerable aging population and the need for new and effective antibiotics drive the market growth.

**Pain Therapy:** Pain is a symptom of various injuries, infections and diseases, which can be acute or chronic. To cope with the same, a pain management plan is advised, which includes medications, injections, therapy and exercise. Revenue in the Analgesics segment amounts to US\$33.16bn in 2023. The market is expected to grow annually by 6.49% (CAGR 2023-2027).

**Gastroenterology:** The study of diseases related to the Gastrointestinal tract (from mouth to anus) comes under the field of gastroenterology. A digestive disease may develop due to multiple factors such as fatigue, diet or smoking. Alcohol intake causes a significant risk for cancer in the Gastrointestinal (GI) tract. Approximately 40% of adults suffer from GI problems that increase with age.

**Nutraceutical:** Nutraceutical is an umbrella term that includes products derived from food sources that offer extra health benefits along with essential nutritional value found in foods. These products are often grouped into four categories: dietary supplements, functional food, medicinal food, and pharmaceuticals. The global nutraceuticals market size was valued at US\$291.33 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 9.4% from 2023 to 2030.





## About the Company

Gujarat Terce Laboratories Limited is an Ahmedabad-based pharmaceutical company manufacturing and marketing branded Generics. Its roots are entrenched in the founding principles of COMPASSION and EXCELLENCE.

The Company has an extensive basket of 52 Brands (135 products) with a portfolio contributing to 10 therapeutic areas. Its unwavering focus on research has enabled it to identify gaps in existing health remedies in select therapies and plug them with effective solutions.

### Operational performance

It was an exciting year as the sales teams worked tirelessly in expanding the Company's marketing presence and increase revenue from its precious products. The Company deepened its presence in existing states. Besides, the Company worked on optimising its operating costs under all heads with considerable success. The Company added few good products which will allow it to increase the revenue share from chronic therapies.

### Financial performance

FY23 was a mixed bag for the Company. While the topline improved over the previous year, the bottomline dropped, with the Company reporting a Net Loss for the year under review.

Revenue from operations increased by 16.57% from ₹4013.37 lakh in FY22 to ₹4678.25 lakh owing to an increase in sales volumes. This is a positive for the Company as it showcases growing acceptance of the Company's products.

Inflationary headwinds prevailing through the year impacted business profitability. EBITDA dropped by 238.30% from ₹130.73 lakh in FY22 to ₹-180.80 lakh in FY23. Consequently, the Company reported a Net Loss of ₹167.16 lakh in FY23 profit of ₹87.23 lakh in FY22. And Networth dropped to ₹686.27 lakh as on March 31, 2023, from ₹853.43 lakh as on March 31, 2022. The Company's total debt stood at ₹727.22 lakh on March 31, 2023, against ₹667.1 lakh on March 31, 2022.

### Significant changes, i.e., a change of 25% or more in the key financial ratios

Following the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May 2018, the details of significant changes, i.e., change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations are reported hereunder:



Particulars	Numerator	Denominator	2022-23			2021-22		
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
Current Ratio	Total Current Assets	Total Current Liabilities	1604.79	1660.8	0.97	1547.5	1321.36	1.17
Debt Equity Ratio	Borrowings	Total Equity	727.22	686.27	1.06	667.18	853.43	0.78
Trade Receivable turnover Ratio	Revenue from Operations	Average trade Receivables	4678.25	673.035	6.95	4013.37	532.47	7.54
Net Profit Ratio	Net Profit	Revenue from Operations	-167.16	4678.25	-0.04	87.13	4013.37	0.0217
Return on net worth	PAT	Net worth	-167.16	686.27	-24%	87.23	853.43	10%
Interest Coverage Ratio	EBIT	Interest	-217.25	72.14	-3.01	114.75	40.1	2.86
Operating Profit Ratio	EBIT	Sales	-217.25	4678.25	-5%	114.75	4013.37	3%

### Internal control & its adequacy

The Company has appointed DV Shah & Associates as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements.

The Company maintains appropriate internal control systems, including monitoring procedures, to ensure that all assets are safeguarded against unauthorised use or disposition loss. Significant issues are brought to the audit committee's attention for periodical review.

The Company policies, guidelines and procedures provide adequate checks and balances to ensure all transactions are authorised, recorded and reported correctly. 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 the notice of the Audit Committee of the Board, following which corrective action is recommended for implementation. All these measures facilitate the timely detection of any irregularities and early remedial steps with no monetary loss.

The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. Adherence to statutory compliance is a key focus area for the Company's entire leadership team.

We continuously strive to integrate the entire organisation, from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain.

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

### Human resource

Gujarat Terce values its intellectual capital as an essential growth driver for doing business sustainably and profitably. It invests time and money to develop various programs that help upgrade its workforce in terms of skill and capability to address current and future business needs.

During the year under review, the Company organised programs to upgrade the skillset of its shopfloor employees and seminars and workshops for select middle management members to develop their leadership attributes.

The Company stresses people-to-people interaction to ensure the best working chemistry between the management and the workers. This has increased operational productivity and engagement, leading to a remarkable rise in effective person-hour utilisation. Industrial Relations continued to be cordial. The Company had 358 employees on its rolls as on March 31, 2023.

### Risk management

At Gujarat Terce, our risk strategy is determined by a risk appetite defined by a series of risk criteria. The criteria are based on sectoral circumstances, internal capabilities, and our earnings target within accepted volatility limits.

The Board and leadership team work tirelessly to mitigate possible risks that bring along potential disruption in smooth business operations. This explains our creation of a robust risk management framework that caters to strategic, financial, operational and climate risks.

The Company's risk management framework sets guidelines to ensure sustainability within the Business Model. The risk management committee works closely on curating the mitigation plans for possible risks that might impact our business.

### Cautionary Statement

The Management Discussion & Analysis Report may contain certain forward-looking statements 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 such as Government policies, tax laws, and political and economic development could influence the Company's operations.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Natwarbhai P. Prajapati	[DIN 00031187]	Chairman
Mr. Amritbhai P. Prajapati	[DIN 00699001]	Whole Time Director
Mrs. Chhayaben A. Shah	[DIN 01435892]	Independent Director
Mr. Viplav S. Khamar	[DIN 07859737]	Independent Director
Mr. Surendrakumar Sharma	[DIN 06430129]	Independent Director
Mr. Aalap Prajapati	[DIN 08088327]	Managing Director & CEO
Mr. Navinchandra Patel	[DIN 08702502]	Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Bhagirath Ramhit Maurya

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ashka Solanki (till 06.09.2022)  
Mrs. Ripal Sukhadiya (from 06.03.2023)

### REGISTERED OFFICE & FACTORY

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

### ADMINISTRATIVE OFFICE

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

### STATUTORY AUDITORS

M.A. Shah & Co.  
Chartered Accountants  
Navaliwala Building,  
Station Road,  
Anand – 388001, Gujarat

### SECRETARIAL AUDITOR

GKV & Associates  
Practicing Company Secretary  
215, S.F., Sunrise Business Centra,  
Gurukul Cross Road,  
Nikol to Ring Road,  
Ahmedabad- 382350

### BANKER

BANK OF BARODA  
Ellisbridge Branch,  
Pritamnagar 1st Slop, Ellisbridge,  
Ahmedabad-380006, Gujarat  
HDFC BANK LTD.  
C.G. ROAD Branch,  
Ground Floor Silver Brooke-A Opp. Doctor House,  
Nr. Parimal Cross Roads,  
C.G. Road, Ahmedabad – 380006, Gujarat

### REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.  
Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai – 400093.

## NOTICE

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held on Friday, 25th August 2023 at 12:00 Noon through video conferencing or other audio-visual mode to transact the following business.

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the reports of Board of Directors and Auditors thereon.**
- To appoint a director in place of Mr. Natwarbhai Prajapati (DIN: 00031187) who retires by rotation and being eligible, offers himself for re-appointment.**

### SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Mr. Surendra Kumar Sharma (DIN: 06430129), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from August 10, 2018 up to August 09, 2023 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of the Director and based on the recommendation

of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from August 10, 2023 up to August 09, 2028 (both days inclusive).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

- To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded for continuation of holding of office of Whole Time Director by Mr. Amritbhai Prajapati (DIN: 00699001) upon attaining the age of 70 (Seventy) years on 24 May, 2024, on the existing terms and conditions duly approved in the Annual General Meeting through a Special Resolution passed on 07th September, 2021 and to continue his appointment for next five consecutive years i.e. from 24th May 2024 till 23rd May 2029 .”

**“RESOLVED FURTHER THAT** save and except as aforesaid, the Special Resolution approved and passed by the Members in the Annual General Meeting dated 07th September, 2021 with respect to the appointment of Mr. Amritbhai Prajapati (DIN: 00699001), as Whole Time Director shall continue to remain in full force and effect”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Amritbhai Prajapati (DIN: 00699001) as Whole time Director within the overall limits under the Act subject to such other approval that may be necessary and 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 to give effect to the aforesaid Resolution.”

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

. By Order of the Board of Directors

**Ripal Sukhadiya**

Date: May 13, 2023 Company Secretary  
Place: Ahmedabad & Compliance Officer

**THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and December 28, 2022 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  7. Ishan Shah, Advocate has been appointed as the scrutinizer to scrutinize the remote, e-voting, process before/ during the AGM in a fair and transparent manner.
  8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the
1. In terms of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') issued by the Ministry of Corporate Affairs ('MCA'), the Annual General Meeting ('AGM') is being held through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, August 25, 2023 at 12:00 noon (IST). The proceedings of the 38th AGM shall be deemed to be conducted at the Registered Office of the Company at 122/3 Ravi estate, Bileshwarpura, Chhatral, T.A.: Kalol, Gandhinagar, Gujarat 382729.
  2. **THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM SATURDAY, AUGUST 19, 2023 TO FRIDAY, AUGUST 25, 2023 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF THE ANNUAL CLOSING AND ANNUAL GENERAL MEETING.**
  3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS**

Notice calling the AGM has been uploaded on the website of the Company at <https://www.gujaratterce.in/annual-reports/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**9. Updation of PAN and other details**

SEBI vide its Circular dated March 16, 2023 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

In terms of above Circular, Folios of Physical shareholders wherein any one of the above said details such as PAN, email address, mobile number, bank account details and nomination are not available, are required to be frozen with effect from October 1, 2023 and such physical shareholders will not be eligible to lodge grievance or avail service request from the RTA of the Company and will not be eligible for receipt of dividend in physical mode.

Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. As per the above SEBI Circular, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, after December 31, 2025.

Accordingly, individual letters have been sent to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details.

10. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company had stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.

Further, Members may please note that SEBI has, vide its Circular dated January 25, 2022 mandated Listed Companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate; claim

from Unclaimed Suspense Account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4.

11. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ Registrar to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. This request should be submitted in Form ISR-1. Members holding shares in physical form are requested to submit the filled-in form to the Company or to the Registrar in physical mode as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DPs only and not to the Company.
12. Nomination facility: As per the provisions of Section 72 of the Act and the aforementioned SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.
13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

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

**Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard-2 on General Meetings issued by ICSI and Regulation 44 of the SEBI Listing Regulations, as amended from time to time, read with MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted as mentioned in the Notice of the AGM. For this purpose, the Company has**

appointed NSDL for facilitating voting through electronic means. The facility for casting votes by a Member using remote e-Voting system as well as e-Voting during the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the AGM.

The remote e-voting period begins on Tuesday, August 22, 2023 at 09:00 A.M. and ends on Thursday, August 24, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 18, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 18, 2023.

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





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

##### Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

#### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

- Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ipshah13@gmail.com](mailto:ipshah13@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon

five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sachin Kareliya at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Friday, August 18, 2023, may obtain the login ID and password by sending a request at HYPERLINK "<mailto:evoting@nsdl.co.in>" or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on HYPERLINK "[https://linkprotect.cudasvc.com?url?a=http%3a%2f%2fwww.evoting.nsdl.com&c=E,1,Cwf6ZXjLg5\\_dHbWEVEUmvi6bL\\_IHui-JGgVMFbJbEzD6tlobejVXTic4adOLgmThQFn9juTkKptd0bgKkuJXAz6eAfp57G4Qegcd\\_iRQ4w.,&typo=1](https://linkprotect.cudasvc.com?url?a=http%3a%2f%2fwww.evoting.nsdl.com&c=E,1,Cwf6ZXjLg5_dHbWEVEUmvi6bL_IHui-JGgVMFbJbEzD6tlobejVXTic4adOLgmThQFn9juTkKptd0bgKkuJXAz6eAfp57G4Qegcd_iRQ4w.,&typo=1)"[www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, August 18, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@gujaratterce.com](mailto:cs@gujaratterce.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16

digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@gujaratterce.com](mailto:cs@gujaratterce.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login,

you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under **Join General Meeting** menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their view/ask questions during the meeting may register themselves as the speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@gujaratterce.com](mailto:cs@gujaratterce.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@gujaratterce.com](mailto:cs@gujaratterce.com). These queries will be replied to the shareholder by the Company suitably by email.
6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## 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 No. 3,4 and 5.

### ITEM NO. 3

Mr. Surendrakumar Sharma (DIN: 06430129) was appointed as an Independent Director on the Board of the Company at the meeting of the Members held on September 24, 2018, to hold office up to August 09, 2023 ("first term"). The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered his professional background, expertise and experience and contributions made by him towards the Company during his tenure and found that the continued association of Mr. Surendrakumar Sharma (DIN: 06430129) would be beneficial to, therefore on their meeting held on May 13, 2023 had re-appointed him as the Independent Director subject to the approval of the Shareholders at the ensuing Annual General Meeting. Hence, it is desirable to re-appoint him in order to avail his services as an Independent Director without any disruption.

Accordingly, it is proposed to approve and ratify the re-appointment of Mr. Surendrakumar Sharma (DIN: 06430129) as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from August 10, 2023 upto August 09, 2028. Mr. Surendrakumar Sharma (DIN: 06430129) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as a Director. The Company has also received a declaration from Mr. Surendrakumar Sharma (DIN: 06430129) that he meets the criteria of independence as prescribed in under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Directors recommend the Special Resolution as set out at Item No. 3 of the accompanying Notice, for members' approval.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

### ITEM NO. 4

The Shareholders of the Company at the 36th Annual General Meeting held on 07th September, 2021 had approved reappointment of Mr. Amritbhai Prajapati (DIN: 00699001) as a Whole Time Director of the Company for a period effective from 24th June, 2021 to 24th May, 2024 through a Special Resolution under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company. Mr. Amritbhai Prajapati (DIN: 00699001), Whole Time Director will attain the age of 70 years on 24th May, 2024. The Company seeks consent of the members by way of special resolution to continue his appointment for next five consecutive years i.e. from 24th May 2024 till 23rd May 2029 after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013. The Board therefore recommends the Special Resolutions for your approval.

Mr. Amritbhai Prajapati (DIN: 00699001), aged 69, is Diploma in Textile. His association with the Company added immense value to Company's Financial Stability. Accordingly, looking at his expertise and long experience of business and corporate management, the Board of Directors recommends the Special resolution set out at Item No.4 of the accompanying Notice for the approval of the Members. The Board is of the view that the continued association of Mr. Amritbhai Prajapati (DIN: 00699001) would benefit the Company, given the knowledge, experience and performance of Mr. Amritbhai Prajapati (DIN: 00699001), and contribution to Board processes by him. In the opinion of the Board, Mr. Amritbhai Prajapati (DIN: 00699001) fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as a Whole Time Director.

The Directors recommend the Special Resolution as set out at Item No. 4 of the accompanying Notice, for members' approval.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution for your approval.

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

### Annexure to the Notice

Name, Age and Qualification of the Director	Date of Appointment	Expertise in functional Areas	Names of the Companies in which he holds Directorships and Memberships of Committee of the Board
Mr. Surendrakumar Sharma (60 years) Bsc. Chemistry & MBA in Marketing	10.08.2018	He has expertise in pharmaceutical marketing of more than 37 years.	Director in: Gujarat Terce Laboratories Limited Committee Membership: Audit Committee and Nomination & Remuneration Committee
Mr. Amritbhai Prajapati (69 years) Diploma in Textile	01.03.2006	He has an expertise in pharmaceutical industry for more than 20 years	Director in: Gujarat Terce Laboratories Limited Committee Membership: None

## DIRECTOR'S REPORT

To,

The Members of

### GUJARAT TERCE LABORATORIES LIMITED

The Board of Directors have pleasure in presenting their 38<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2023.

#### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended on March 31, 2023 is summarized below:

(₹ In Lakhs)

Particulars	Current Year 2022-23	Previous Year 2021-22
Revenue from operation	4678.25	4013.37
Profit before Interest and Depreciation	(180.78)	142.34
Less: Interest	72.14	40.09
Profit Before Depreciation	(252.92)	102.25
Less: Depreciation	36.45	27.59
<b>Profit Before Tax</b>	<b>(289.39)</b>	<b>74.66</b>
Less/Add: Tax Expenses		
Current Tax		-
Deferred Tax	(122.23)	(12.57)
<b>Total Tax Expenses</b>	<b>(122.23)</b>	<b>(12.57)</b>
<b>Profit for the year</b>	<b>(167.16)</b>	<b>87.23</b>

#### 2. STATE OF COMPANY'S AFFAIRS

- The gross sales and other incomes for the financial year under review was ₹ 4713.70 lakhs as against ₹ 4043.97.00 lakhs in the previous year, recording a growth of 16.56 %.
- The loss before tax was Rs. 289.39 lakhs for the financial year under review as against profit before tax of Rs. 74.66 lakhs for the previous financial year registering decline of 487.61%.
- The loss after tax for the financial year under review was Rs. 167.16 lakhs as against profit after tax of Rs. 87.23 lakhs for the previous financial year, registering decline of 291.63 %.

#### 3. CAPITAL EXPENDITURE:

As on March 31, 2023 the gross fixed assets (tangible and intangible) stood at ₹ 833.39 lakhs (previous year ₹ 827.84 lakhs) and the net fixed assets (tangible and intangible), at ₹ 398.79 Lakhs (previous year ₹ 429.29 lakhs). Capital Expenditure during the year amounted to ₹ 6.31 lakhs (previous year ₹ 211.41 Lakhs).

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

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

#### 5. 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.

#### 6. CHANGE IN THE NATURE OF BUSINESS

During the Financial Year 2022-2023 Company has not commenced any new business nor discontinued or sold or disposed off any of its existing businesses or hived off any segment or division.

## 7. SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2023, was ₹ 7,42,03,000 comprising of 74,20,300 Equity Shares of ₹ 10.00 each. The Company has not issued any Equity Shares during FY 2022-2023. There was no change in Share Capital during the year under review.

## 8. MEETINGS OF THE BOARD OF DIRECTORS

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

## 9. CORPORATE GOVERNANCE

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

## 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 11. DIVIDEND

In view of the losses incurred from the financial year 2022-23 and also recognizing the need to conserve cash to address working capital needs, the Board of Directors of the Company did not recommend any dividend for the year under review.

## 12. DEPOSITS

The Company does not have 'Deposits' as contemplated under Chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any such deposit during the financial year ended on March 31, 2023.

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

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

- **Commodity Price Risks**

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

- **Regulatory Risks**

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

- **Human Resources Risks**

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

- **Strategic Risks**

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

## 14. DIRECTOR RETIRING BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Natwarbhai Prajapati (DIN: 00031187) will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015, details of Directors retiring by rotation are provided under explanatory statement of the Notice of the 38th Annual General Meeting.

## 15. RE-APPOINTMENT OF DIRECTORS

The Board of directors, on the recommendations of the Nomination and Remuneration Committee (NRC) have re-appointed Mr. Surendra kumar Sharma (DIN: 06430129) as an Independent Director of the Company w. e. f. August 10, 2023 to August 09, 2028 for the second term for five consecutive years, subject to the resolution to be passed by the Shareholders at the 38th Annual General Meeting.

Further, the Board on the recommendation of the Nomination & Remuneration Committee have decided to continue the tenure of Mr. Amritbhai Prajapati, Whole-Time Director of the Company even after his attainment of age of seventy years for the term of five consecutive years w.e.f May 24, 2024, to May 23, 2028 subject to the approval of the members of the Company at the ensuing Annual General Meeting.

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

## 16. CHANGE IN KEY MANAGERIAL PERSONNEL

Ms. Ashka Solanki resigned from the position of Company Secretary & Compliance Officer of

the w.e.f September 06, 2022 and Mrs. Rupal Sukhadiya was appointed as the Company Secretary & Compliance Officer of the Company w.e.f March 06, 2023.

## 17. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, senior Management and their Remuneration including criteria for determining qualifications, positive attributes, Independence of a director. The details of the Nomination and Remuneration Policy are covered in the Corporate Governance Report. The said policy has also been uploaded on the Company's website at <http://gujaratterce.in/Codes-and-Policies>

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

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

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

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

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

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on March 30, 2023, to evaluate the performance of the Chairman, Non- Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

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

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

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

Your directors have expressed their satisfaction with the evaluation process.

## 19. AUDITORS

### Statutory Auditors

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

### Internal Auditors

On recommendation of Audit Committee, the Board of Director has appointed M/s D V Shah & Associates, Chartered Accountants, Ahmedabad as Internal Auditor of the Company in terms of Section 138 of the Companies Act, 2013 and rules made thereunder, from Financial Year 2023-24 to 2025-26.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2023, was carried

out by the Secretarial Auditors, GKV & Associates, Company Secretaries, Ahmedabad.

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

GKV & Associates has been appointed as the Secretarial Auditor of the Company for the Financial Year 2023-24.

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

The observations made in the Auditors' Report of M.A. Shah & Co., Chartered Accountants for the year ended March 31, 2023, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

## 21. REPORTING OF FRAUD BY AUDITORS:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

## 22. COMMITTEES OF THE BOARD

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on March 31, 2023:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee

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

## 23. AUDIT COMMITTEE

A duly constituted Audit Committee consists of majority of Independent Directors with Mr. Surendrakumar Sharma, Independent Director, as the Chairman of the Committee. The other members of the Audit Committee are Mr. Viplav Khamar and Smt. Chhayaben Shah, Independent Directors. The terms of reference of the Audit Committee, details of meetings held during the

year and attendance of members of the Audit Committee are set out in the Report on Corporate Governance, which forms part of this Report.

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

## 24. LOANS & ADVANCES

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

## 25. DIRECTORS' RESPONSIBILITY STATEMENT

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

**Board of Directors hereby confirms that,**

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- 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 of March 31, 2023 and of the profit or loss of the company for that period.
- 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.
- It has prepared the annual accounts on a going concern basis.
- 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.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 26. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 is available on the Company's website at <https://www.gujaratterce.in/annual-returns/> under Investor tab.

## 27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

## 28. INSURANCE

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

## 29. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

## 30. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

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

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

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

### 31. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Whistle Blower Policy is available on the Company's website at [http://gujaratterce.in/assets/upload/CodesandPolicies/Whistle\\_Blower\\_Policy\\_GTLL.pdf](http://gujaratterce.in/assets/upload/CodesandPolicies/Whistle_Blower_Policy_GTLL.pdf)

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

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

### 33. GENERAL DISCLOSURES

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

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.

- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- (iii) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (iv) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- V) During the financial year under review, no such agreement was entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, whose purpose and effect is to, impact the management or control of the Company or impose any restriction or created any liability of the Company.

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

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

### 35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

The Audit Committee regularly reviews the major findings of the Internal Audits and corrective measures taken thereon to ensure the efficacy of the Internal Control process. These reviews are done with respect to different locations and functions to help take effective steps for ensuring compliance.

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

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

Pursuant to the requirement of Section 134(3)(q) of the Act, read with Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2022-23 there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

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

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

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

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under.

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

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

### 39. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS

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

### 40. HUMAN RESOURCE

Your Company recognizes its employees as most valuable resource and ensures strategic alignment of Human Resource Initiatives and practices to business priorities and objectives. Its constant endeavor is to invest in Human Talent and Talent Management Processes to improve capabilities and potentials of human capital of the organization to cope with challenging business environment, varying needs of the customers and bring about customers delight by focusing on the Customers' needs. Attracting, developing and retaining the right talent and keeping them motivated will continue to be a key strategic initiative and the organization continues to be focused on building up the capabilities of its people to cater to the business needs. Given growth plans of the Company, an important strategic focus is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future.

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



#### 41. OTHER DISCLOSURES:

During the year under review:

- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and or its operations in future;
- No proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;

#### 42. ACKNOWLEDGEMENT

Your directors express their gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of

the commitment and contribution made by the employees at all levels.

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

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

Sd/-  
**Natwarbhai Prajapati**  
Chairman  
DIN: 00031187

Place: Ahmedabad  
Date: 13.05.2023

#### ANNEXURE-B

##### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2023

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

To,  
The Members,  
**Gujarat Terce Laboratories Limited**

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2023 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 March 31, 2023 according to the provisions of:

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – (not applicable);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- i. Issued further Share Capital;
  - ii. Listed Debt Capital;
  - iii. Proposed to Delist its Equity Shares;
  - iv. Proposed to Buy Back any of its Securities.
6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:  
Drugs and Cosmetics Act, 1940 and Rules 1945, The Drug Price Control Order, 2013; Food Safety and Standards Act, 2006, The Trade Marks Act, 1999, Sales Promotion Employees (Conditions and Services) Act, 1976, Importer Code (IEC Code), The Narcotic Drugs and Psychotropic Substances Act, 1985; The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954; Uniform Code for Pharmaceutical Marketing Practices (UCPMP) and Labour Laws, etc.

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

- 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).
- Clauses of Listing Agreements (applicable till November 30, 2015) entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 2015).

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

**We further report that:**

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

ensure compliance with all the applicable laws, rules, regulations and guidelines;

**We further report that:**

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

**We further report that:**

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), we are of the 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.

**GKV and Associates**  
Company Secretaries

**Gautam Virsadiya**  
Proprietor

Date: 24/06/2023 ACS: 31820; COP: 19866  
Place: Ahmedabad UDIN- F012366E000492890

**ANNEXURE-C**

**STATEMENT OF DISCLOSURE OF REMUNERATION**

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

**A. PARTICULARS OF REMUNERATION**

**I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Chairman, Managing Director, Executive Directors, CEO, Company Secretary and CFO during the financial year 2022-23:**

Sr. No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage (%) increase in Remuneration
1	Mr. Natwarbhai P Prajapati	Chairman	8.42:1	Nil
2	Mr. Amritbhai P Prajapati	Whole-Time Director	1.89:1	Nil
3	Mr. Aalap N. Prajapati	Managing Director & CEO	6.41:1	200% w.e.f. 01-03-2023
4	Mr. Bhagirath R. Maurya	Chief Financial Officer	2.43:1	15% w.e.f. 01-04-2022
5	Ms. Ashka Solanki*	Company Secretary	0.07:1	Nil
6	Ms. Ripal Sukhadiya#	Company Secretary	0.07:1	NA

\*Ms. Ashka Solanki has resigned from the position of Company Secretary of the company with effect from 06th September, 2022. Remuneration till that date is recorded.

#Ms. Ripal Sukhadiya was appointed as Company Secretary of the company with effect from 06th March, 2023. Remuneration from that date is recorded.

**Note:**

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

II. Sr. No.	Particulars	Details
1	% increase in the median remuneration of employee in the financial year 2022-23	-8.66%
2	Total number of permanent employees on the rolls of the Company as on March 31, 2023 (on standalone basis)	358
3	The median remuneration of employees of the Company during the year under review.	Rs. 2.16 Lakhs
4	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentage increase in the remuneration of all employees other than the managerial personnel was 8.91% for the FY 2022-23. The average percentage increase in the remuneration of Managerial Personnel was 48% for the FY 2022-23. The average increase in the remuneration of both, the managerial and employees was determined based on the overall performance of the Company. Further the criteria for remuneration of employees is based on the internal evaluation of key performance areas while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination and Remuneration Committee and approved by the board of directors.

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

## B. PARTICULARS OF EMPLOYEES

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

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

Sr. No. Employee	Name & Designation of Employee	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment	Age	Name of Previous Employment	% of Equity Shares held	Relative of Director or Manager
1	Natwarbhai Prajapati	18.10	Permanent	B.Sc, D.Pharma	38	28/03/1985	67	-	8.03	Chairman
2	Aalap Prajapati	13.77	Permanent	B.Tech Electronic, MBA	11	01/02/2012	33	-	0.003	Managing Director and Son of Chairman
3	Sunitha R. Ajmeer	10.90	Permanent	B.Sc	12	01/10/2010	49	FIRST EMPLOYMENT	NIL	NA
4	Deepak Bhatnagar	24.17	Permanent	B.Sc	30	01/05/1994	47	NOEL PHARMACEUTICALS BOMBAY TABLET MANUFACTURING PVT LTD.	NIL	NA
5	Rajendra Joshi	17.77	Permanent	B.Sc, MBA Marketing	25	01/07/1998	42	BOMBAY TABLET MANUFACTURING PVT LTD.	NIL	NA
6	Mahendra Sharma	11.31	Permanent	B.Sc. & B. Pharm	20	01/04/2003	46	First Employment	NIL	NA
7	Shashi Prakash	11.29	Permanent	B.Sc	23	01/01/2000	45	AGLOWMED LIMITED	NIL	NA
8	Nirmal Kant Sharma	11.29	Permanent	M.Sc. in organic chemistry	19	01/05/2004	45	Dura tax lab. Ltd	NIL	NA
9	Narayanlal suthar	11.68	Permanent	B.Sc. and Diploma in Pharmacy	6	01/05/2017	45	Ozone Pharmaceutical Ltd	NIL	NA
10	Mohammed Irfan	10.43	Permanent	B.Sc. & B. Pharm	21	01/03/2002	47	First Employment	NIL	NA

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

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

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

Sd/-  
Natwarbhai Prajapati  
Chairman  
DIN: 00031187

Place: Ahmedabad  
Date: 13.05.2023

## ANNEXURE- D

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. CONSERVATION OF ENERGY

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

Electricity	Current Year	Previous Year
Unit Consumption	148524	152738
Total Amount	1140365	940272
Average Cost	7.68	6.15
Own generation:	N.A.	N.A.

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

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

#### B. TECHNOLOGY ABSORPTION

- The efforts made towards technology absorption: The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products.
- The benefits derived like product improvement, cost reduction, product development or import substitution: The Company has not made any investment and taken any specific measure to reduce energy cost per unit. However, it intends to conserve energy for future generation.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): There is no technology imported during last three years as The Company's operations do not require significant import of technology.
- The expenditure incurred on Research and Development: Nil

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	2022-23	2021-22
Earning: Export in terms of actual inflows	-	-
Outgo: Imports in terms of actual outflows	-	-

(Amt. in Lakhs)

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

Natwarbhai P. Prajapati  
Chairman  
DIN:00031187

Place: Ahmedabad  
Date: 13.05.2023

## REPORT ON CORPORATE GOVERNANCE

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

### 1. CORPORATE GOVERNANCE

#### 1.1 Gujarat Terce's Philosophy On Corporate Governance:

At Gujarat Terce, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers, together with Company's ongoing contributions to the local communities through meaningful "Corporate Conscience" will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive Company in our industry and our mission to create value for all our stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees and communities surrounding our factory, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth.

#### 1.2 The Corporate Structure:

Terce's Corporate Structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and

responsibility so as to meet the expectations of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors:- The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, governance standards, reporting mechanism and accountability and decision making process to be followed.
- (ii) Committees of Directors:- The committees of the Board such as Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee are focused on financial reporting, audit and internal controls, appointment and remuneration of Directors and Senior Management Employees, Legal & Compliances issues.
- (iii) Executive Management:- The entire business including the support functions are managed with clearly demarcated responsibilities and authorities at different levels.

### 2. BOARD OF DIRECTORS

#### A. COMPOSITION OF THE BOARD OF DIRECTORS

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

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

The Board, as part of its succession planning exercise, periodically reviews its composition to

ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Board of the Company is having an optimum combination of Executive and Non-Executive Directors. The Board consists of 7 Directors out of which, 3 are Executive Directors and 4 are Non-Executive Independent Directors. The Chairman of the Company is an Executive Director and Promoter of the Company and hence the

requirement that at least one-half of the Board shall consist of Independent Directors is complied with as the Company has 4 Independent Directors. All of the Independent Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

#### As on March 31, 2023, the composition of the Board is as under which is in conformity with the Listing Regulations and the Act:

Category	Name of Directors	No. of Directors	% of No. of Directors
Promoter & Executive Directors	Mr. Natwarbhai Prajapati (Chairman & Whole-Time Director) Mr. Aalap Prajapati (Managing Director & CEO) Mr. Amritbhai Prajapati (Whole-Time Director)	03	42.86
Non-Executive & Independent Directors	Mr. Surendrakumar Sharma Mr. Viplav Khamar Smt. Chhayaben Shah Mr. Navinchandra Patel	04	57.14
<b>Total</b>		<b>07</b>	<b>100</b>

#### Composition/Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other Companies as on March 31, 2023:

Sr. No.	Name of Director	Category	Relationships between directors inter-se	Attendance of Meetings during 2022-23		Last Annual General Meeting Attended	Other Directorships/Board Committees (Numbers)			List of Directorship held in Other Listed Companies and Category of Directorship
				Board Meeting held during his/her tenure	Board Meeting attended during his/her tenure		Directorships in Other Cos.	Committee membership	Committee Chairmanship	
1	Mr. Natwarbhai Prajapati	Promoter, Non-Independent and Executive director	-	7	7	Yes	-	-	-	-
2	Mr. Aalap Prajapati	Promoter, Non-Independent and Executive Director	Son of Natwarbhai Prajapati	7	7	Yes	-	1	-	-
3	Mr. Amritbhai Prajapati	Promoter, Non-Independent and Executive director	Brother of Natwarbhai Prajapati	7	6	Yes	-	-	-	-
4	Mrs. Chhayaben Ashwinbhai Shah	Independent and Non-Executive Director	-	7	5	No	-	2	-	-
5	Mr. Viplav Khamar	Independent and Non-Executive Director	-	7	7	Yes	-	2	1	-
6	Mr. Surendrakumar Sharma	Independent and Non-Executive Director	-	7	7	Yes	-	1	1	-
7	Mr. Navinchandra Patel	Independent and Non-Executive Director	-	7	5	Yes	-	-	-	-

**Note:**

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

None of the Directors is a director in more than 20 Companies and more than 10 public limited Companies, in terms of Section 165 of the Companies Act, 2013. Also, none of the Directors is a member of neither more than 10 Committees, nor acts as Chairman of

more than 5 Committees across all Companies in which they are Directors, as required under Regulation 26 of the Listing Regulation. The Independent Directors fulfill the requirements stipulated in Regulation 25(1) of the Listing Regulations.

**B. BOARD MEETINGS**

The gap between two Board meetings did not exceed 120 days. The schedule of Board/Committee meetings are communicated in advance to the directors/committee members to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

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

S No.	Place: Ahmedabad	Board Strength	No. of Directors Present
1	30.05.2022	7	7
2	03.06.2022	7	7
3	05.08.2022	7	6
4	06.09.2022	7	4
5	14.11.2022	7	7
6	31.01.2023	7	7
7	06.03.2023	7	6

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

**D. No. of Securities held by non-executive director as on March 31, 2023**

Mr. Surendrakumar Sharma – 300 equity shares  
Mrs. Chhayaben Ashwinbhai Shah – Nil  
Mr. Viplav Suryakantbhai Khamar – Nil  
Mr. Navinchandra Patel- Nil

**E. Independent Directors:**

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

**F. Separate Meeting of Independent Directors:**

During the year under review, the Independent Directors met on March 30, 2023, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

**G. Board Procedure:**

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial

plan, and capital investment along with strategic decisions. With an objective to ensure maximum presence of Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual Directors and consideration of their convenience. The Agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In case of a special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board Meeting. The information as

required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Board also reviews the declarations made by the Chairman, Managing Director, Factory Manager, Accounts Head, CFO and Company Secretary of the Company regarding compliance with all applicable laws, on a quarterly basis.

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

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

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

**I. Web link**

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

- For below Policies:

- Code of conduct for director and senior management
- Criteria of making payments to non-executive directors
- Policy on Related Party Transaction
- Policy on Familiarization Programme for Independent Directors
- Policy on Materiality
- Preservation of Documents and Archival Policy
- Terms and condition for Appointment of Independent Director
- Nomination and Remuneration Policy
- Policy on code of fair Disclosures
- Policy and Procedures for inquiry in case of leak of UPSI

- Risk Management Policy
- Whistle Blower Policy
- Code of conduct as per SEBI (PIT) Regulations, 2015
- Policy on Prevention of Sexual Harassment

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

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

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

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

#### K. Confirmation on the independence of the Independent Directors

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

#### COMMITTEES OF BOARD OF DIRECTORS

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

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

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

##### (i) AUDIT COMMITTEE

The Company is having a duly constituted Audit Committee and as on March 31, 2023, all of the members of Audit Committee are Independent Directors having expertise in financial and accounting areas. Audit Committee of the Board has been constituted as per Section 177 of the Act read with Regulation 18 of the Listing Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of

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

##### Terms of reference

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

##### i. Financial Statements

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discussion and review, with the management and auditors, the annual/ quarterly financial statements before submission to the Board, with particular reference to:
  - Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of sub-section 3(c) of section 134 of the Companies Act, 2013.
  - Disclosure under 'Management Discussion and Analysis of Financial Condition and Results of Operations.'

- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entities involving estimates based on exercise of judgement by management.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transaction.
- Disclosure of contingent liabilities.
- Scrutinize inter corporate loans and investments.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

##### ii. External Audit

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

##### iii. Internal Audit

- To review on a regular basis the adequacy of internal audit function.
- To review the appointment, removal, performance and terms of remuneration of the Internal Auditor.

Composition of Audit Committee and attendance of each member during the meetings held in FY 2022-2023 are given below:

Name	Designation	Category	No of meetings attended during the year 2022-23
Mr. Surendrakumar Sharma	Chairman	Non- Executive Independent Director	4
Mr. Viplav Khamar	Member	Non- Executive Independent Director	4
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	3

##### (ii) NOMINATION AND REMUNERATION COMMITTEE

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

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

##### iv. Internal Control

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

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the 37th Annual General Meeting held on 24th August, 2022 to answer the shareholders' queries. The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Regulation 18 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

During the period under review, the Audit Committee met Four times on 30.05.2022, 05.08.2022, 14.11.2022, and 31.01.2023.

##### Terms of reference

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

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

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

The Committee has held twice Meetings during the FY 2022-23 i.e. 31.01.2023, and 06.03.2023.

Composition of Nomination and Remuneration Committee and attendance of each member during the meetings held in FY 2022-23 are given below:

Name	Position	Category	No of meetings attended during the year 2022-23
Mr. Surendra Kumar Sharma	Chairman	Non- Executive Independent Director	2
Mr. Viplav Khamar	Member	Non- Executive Independent Director	2
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	2

#### PERFORMANCE EVALUATION

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

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

#### NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company has been posted on the website of the Company at [www.gujaratterce.in/wp-content/uploads/2021/10/Nomination\\_and\\_Remuneration\\_Policy-1.pdf](http://www.gujaratterce.in/wp-content/uploads/2021/10/Nomination_and_Remuneration_Policy-1.pdf). The said Policy is directed towards rewarding performance, based on review of

achievements periodically and is in consonance with the existing industry practice. The key factors considered in formulating the Policy are as under:

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

The Company does not have any Employee Stock Option Scheme.

#### (iii) REMUNERATION TO DIRECTORS

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

- b. The criteria for making payments to non- executive director: Mentioned in the below link of the Company website <http://gujaratterce.in/Codes-and-Policies>
- c. Disclosures with respect to remuneration:

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

Name of the director	service contracts (Term of Appointment)	Remuneration & Perquisites and other allowance (Amt. in lakhs.)	Commission	Sitting Fees	Notice Period & Severance Fees	Total
Mr. Natwarbhai P. Prajapati	upto 29/05/2027	18.10	0	0	30 days	18.10
Mr. Amritbhai P. Prajapati	upto 24/05/2024	4.05	0	0	30 days	4.05
Mrs. Chhayaben A. Shah	upto 29/06/2025	0	0	0	30 days	0
Mr. Surendrakumar P. Sharma	upto 09/08/2023	0	0	0	30 days	0
Mr. Viplav S. Khamar	upto 26/06/2027	0	0	0	30 days	0
Mr. Aalap N.Prajapati	upto 27/10/2026	13.77	0	0	30 days	13.77
Mr. Navichandra Prajapati	Upto 31/03/2025	0	0	0	30 days	0

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

#### (iv) STAKEHOLDER RELATIONSHIP COMMITTEE

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

#### Terms of reference

The terms of reference of the Committee include reviewing and redressing complaints from shareholders such as non-receipt of annual report, transfer of shares, issue of duplicate share certificates, etc.; to oversee and review all matters connected with transfers,

transmissions, dematerialization, rematerialization, splitting and consolidation of securities; to oversee the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services; and to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, BSE and any other regulatory authority or under any applicable laws, as amended from time to time.

The Committee has held Four Meetings during the FY 2022-23 i.e. 30.05.2022, 05.08.2022, 14.11.2022 and 31.01.2023.

The Composition of Stakeholders Relationship Committee and attendance of each member during the meetings held in financial year 2022-23 are given below.

Name	Position	Category	No. of meetings attended out of four (4) meeting held during the year 2022-23
Mr. Viplav Khamar	Chairman	Non- Executive Independent Director	4
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	3
Mr. Aalap N. Prajapati	Member	Executive Whole Time Director	4

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

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2022	0
Investor complaints received during the year ended on March 31, 2023	0
Investor complaints resolved during the year ended March 31, 2023	0
Investor complaints pending as on March 31, 2023	0

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

Ms. Ashka Solanki was appointed as the Secretary to the Committee till 06.09.2022 thereafter Mrs. Ripal Sukhadiya was appointed as the Secretary to the Committee and the Compliance Officer for the compliances of capital market related laws with effect from 06.03.2023

**(v) GENERAL BODY MEETINGS:**

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

Year	Venue of AGM	Date & Time	No. of special resolutions passed
2019-20	Through Video Conferencing/Other Audio Visual Means ('VC'/OAVM)	21/08/2020 at 11:00 a.m.	<ul style="list-style-type: none"> <li>Appointment of Mr. Navinchandra Patel (DIN: 08702502), as an Independent Director</li> <li>Re-appointment of Smt. Chhayaben Ashwinbhai Shah (DIN: 01435892), as an Woman Independent Director of the Company</li> </ul>
2020-21	Through Video Conferencing/Other Audio Visual Means ('VC'/OAVM)	07/09/2021 at 11:00 a.m.	<ul style="list-style-type: none"> <li>Levy of Charges for delivery of any document to member through a particular mode requested by such member.</li> <li>Re-appointment of Mr. Amritbhai Prajapati (DIN 00699001), as Whole-time Director of the Company.</li> </ul>
2021-22	Through Video Conferencing/Other Audio Visual Means ('VC'/OAVM)	24/08/2022 at 11:30	<ul style="list-style-type: none"> <li>Appointment of Mr. Natwarbhai Prajapati (DIN 00031187), as the Whole Time Director of the Company.</li> <li>Re-appointment of Mr. Viplav Khamar (DIN: 07859737) as the Independent Director of the Company</li> <li>To consider and approve appointment of Mr. Aalap Prajapati (DIN 08088327) as the Managing Director of the Company</li> </ul>

2. Passing of Resolution by Postal Ballot: None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2023. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

**(vi) MEANS OF COMMUNICATION**

Quarterly and Annual Financial Results of the Company were submitted to the Stock Exchanges immediately after the Board approves them. Thereafter, the same were published in The Business Standard-English, Jai Hind- Gujarati and also put the same on its website at <https://www.gujaratterce.in/financial-results/>. 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.

**(vii) 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](mailto:cs@gujaratterce.com)

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

**b. Annual General Meeting**

The 38th Annual General Meeting will be held on Friday, 25th August, 2023 at 12:00 noon through video conferencing mode.

Financial Year: 2023-24

First quarter results: July/August 2023

Second quarter results: October 2023

Third quarter results: February 2024

Annual results: April/May/June 2024

Annual General Meeting: August/September 2024

**c. Book Closure**

The Register of Members and the Share Transfer Register will be closed from Saturday, 19th August, 2023 to Friday, 25th August, 2023 (both days inclusive).

**d. Dividend Payment Date - Not applicable**

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

**f. Annual Listing fees for the year 2023-24 have been paid to the stock exchange.**

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

**g. Stock Codes: 524314**

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

Month	Bombay Stock Exchanges(BSE) (In Rs. Per share)	
	High Price	Low Price
April, 2022	35.00	24.20
May, 2022	41.40	26.05
June, 2022	43.40	31.15
July, 2022	34.65	30.55
August, 2022	38.00	20.25
September, 2022	23.90	18.50
October, 2022	19.95	17.55
November, 2022	21.60	14.55
December, 2022	21.40	16.70
January, 2023	20.75	17.30
February, 2023	20.05	15.85
March, 2023	18.40	14.80

**i. International Securities Identification Number (ISIN) : INE499G01013**

**j. Corporate Identity Number (CIN) : L24100GJ1985PLC007753**

**k. Registrar & Transfer Agent**

Bigshare Services Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.

Tel: 022 62638200; Fax: 022 62638299

E-mail-: [sandeep@bigshareonline.com](mailto:sandeep@bigshareonline.com), [Investor@bigshareonline.com](mailto:Investor@bigshareonline.com); Website - [www.bigshareonline.com](http://www.bigshareonline.com)

**l. Share Transfer System**

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

**m. Distribution of Shareholding (As on March 31, 2023)**

On the basis of Share held:

SHAREHOLDING	NO OF SHAREHOLDER	% OF HOLDERS	SHARES	% OF HOLDING
1-500	12854	94.07	1553530	20.94
501-1000	368	2.69	312933	4.22
1001-2000	175	1.28	280823	3.78
2001-3000	86	0.63	216607	2.92
3001-4000	43	0.31	155346	2.09
4001-5000	32	0.23	147838	1.99
5001-10000	43	0.31	329431	4.44
100001-9999999999	63	0.46	4423792	59.62
<b>Total</b>	<b>13664</b>	<b>100.00</b>	<b>7420300</b>	<b>100.00</b>



On the basis of category:

Category	No of Shares Holder	% of Shareholders	No. of shares	% of Holding
Clearing Members	3	0.02	1835	0.02
Corporate Bodies	19	0.14	46178	0.62
Group Companies	1	0.01	1075900	14.50
Non Resident Indian	24	0.18	98575	1.33
Other Directors	1	0.01	300	0.00
Promoter	6	0.04	1621632	21.85
Director Relatives	1	0.01	7500	0.10
Public	13609	99.60	4568380	61.57
<b>Total</b>	<b>13664</b>	<b>100.00</b>	<b>7420300</b>	<b>10000</b>

**n. Dematerialization of Shares And Liquidity**

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

During the year, the Company has electronically confirmed Demat requests for 11,100 equity shares. As on March 31, 2023, 83.75% of the total shares issued by the Company were held in dematerialized form.

- Liquidity: The Company's Shares are liquid on BSE.
- o. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from a Company Secretary-in-Practice for timely dematerialisation of shares and for reconciliation of the share capital

of the Company on a quarterly basis. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- p. Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2023: There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2023
- q. **Plant Location:** 122/2, Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar 382729
- r. **Compliance Officer:** Ms. Ripal Sukhadiya
- s. **Address for Correspondence:**  
All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.  
**1) Gujarat Terce Laboratories Limited**  
D-802, The First, B/h Keshavbaug Party Plot, Vastrapuar Ahmedabad-380051  
Tel – 079-41005079  
E-mail: [cs@gujaratterce.com](mailto:cs@gujaratterce.com),  
[ho@gujaratterce.com](mailto:ho@gujaratterce.com)
- t. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**  
Not Applicable

**(viii) OTHER DISCLOSURES**

**a. Related Party Transactions**

Transactions with related parties, as per requirements of Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the

ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company is obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis Policy on dealing with Related Party Transactions can be viewed in the Company's website at [www.gujaratterce.com](http://www.gujaratterce.com) and the same has been amended on May 13, 2023.

**b. Details of non-compliance by the Company, penalties and structures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years:**

No strictures or penalties have been imposed on the Company.

**c. Whistle Blower Policy/ Vigil Mechanism:**

The Company has formulated Whistle Blower Policy in conformity with the Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013, the same has been hosted on the company website at <http://www.gujaratterce.in/Codes-and-Policies> to provide a mechanism for directors and employees of the company to approach the Ethics Counselor/ Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organization: No personnel have been denied access to the Audit Committee, if any, during the year.

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2023 is given in the Directors' report.

**e. web link where policy on dealing with related party transactions:**

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

**f. Commodity Price Risk and Hedging activities:**

Not Applicable

**g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

**h. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority:**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:**

Not Applicable

**j. Total fees for all services paid by the listed entity, on a standalone basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the Statutory Auditors are given in Note 30 to the Standalone Financial Statements.

**(ix) Non Mandatory Requirements:**

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

**Discretionary Requirements:**

- The Company does not maintain a separate office for the Non-Executive Chairman as Chairman
- There is a separate Posts of Chairman & CEO
- The quarterly financial results are published in the newspapers of wide circulation and are not sent to individual shareholders. Further,

the financial results are available on the website of the Company and of the Stock Exchange where the shares of the Company are listed, i.e. BSE Ltd.

- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports to the Audit Committee.

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

**Mandatory Requirements:**

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

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

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	NA
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1), (2), (3), (4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Website	46(2)(b) to(i)	Yes

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

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

1. The Company does have a General Code of Conduct approved by its Board of Directors, which is posted on its website <https://www.gujaratterce.in/code-and-policies/> and
2. All the members of the Board of Directors and Senior Management of the Company have individually submitted statements of affirmation of compliance with the said Code of Conduct for the financial year ended March 31, 2023.

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

**Aalap Prajapati**  
Managing Director & CEO  
DIN: 08088327

Place: Ahmedabad  
Date: 13.05.2023

**MD / CEO & CFO CERTIFICATION**

Mr. Aalap Prajapati (MD/CEO), and Mr. Bhagirath R. Maurya (CFO) of the Company hereby certify to the Board that:

- a) We have reviewed the Financial Statements for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
  - i. The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
  - ii. The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year, if any;
  - ii. Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad  
Date: 13.05.2023

**Aalap Prajapati**  
Managing Director & CEO

**Bhagirath R. Maurya**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Based on our verification of the registers, records, forms, returns and disclosures received from the Directors of Gujarat Terce Laboratories Limited having CIN L2GJ1985PLC007753 and having registered office at 122/2 RAVI ESTATE, BILESHWARPURA, CHHTRAL, GANDHINAGAR 382729, GUJARAT (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

### GKV & Associates

Practising Company Secretary  
ACS 31820 , C.P. NO 19866  
UDIN: F012366E000492835

Date: 24.06.2023  
Place: Ahmedabad

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

I have examined compliance of conditions of Corporate Governance by Gujarat Terce Laboratories Limited (the Company), for the year ended March 31, 2023, as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015 of the said Company with stock exchanges.

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

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

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

### GKV & Associates

Practising Company Secretary  
ACS 31820 , C.P. NO 19866  
UDIN: F012366E000492881

Date: 24.06.2023  
Place: Ahmedabad

## Independent Auditor's Report

To the Members of **Gujarat Terce Laboratories Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the financial statements of Gujarat Terce Laboratories Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

- In January 2018, the board of directors of the company had decided to discontinue the operations of the Metal Division, which had already been suspended by the management for some years. Since the financial year ending on 31st March 2018, the Metal Division has been classified as Discontinued Operations. At the time of such classification, the recoverable amount of items of property, plant and equipment was estimated based on the report of a registered valuer. For the financial year ended on 31st March 2023, no financial transactions or impairment losses have been identified for the said division.

#### Information other than the financial statements and auditors' report thereon

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting

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

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
  - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the matter to be included in the Auditor's Report under section

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The details of pending litigations of the Company have been disclosed in Note 34 to the financial statements. However, no impact of the same has been determined on its financial position, as the matter is pending before the respective authorities.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- i) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
  - (ii) The management has represented, that, to the best of its knowledge and

belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and

(iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- j) No dividends have been declared or paid during the year by the company.
- k) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended on 31st March 2023.

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

**CA Parag Patel**  
(Partner)  
Membership No.: 155916

Place: Anand  
Date: 13-05-2023  
UDIN: 23155916BGVINU5673

#### Annexure 'A'

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

##### We report that:

- i. a. i. The company has not maintained records showing full particulars, including quantitative details and situation of its property, plant and equipment. However, the required details have been examined to the extent available in the books of accounts and ledgers maintained by the company.
- ii. The company does not hold any intangible assets that have been recorded in the books of accounts.
- b. As explained to us, property, plant and equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
- d. The company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- e. As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
- b. During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company, except for the quarter ended on 30th June 2022, wherein a variation of ₹ 3,98,680.00 was observed.
- iii. a. During the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity:
  - i. the aggregate amount during the year with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates is ₹ Nil and balance outstanding at the balance sheet date is ₹ Nil.
  - ii. the aggregate amount during the year with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates is ₹ 60,00,000/- and balance outstanding at the balance sheet date is ₹ 2,04,71,154.00/-.
- b. According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest.
- c. There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.
- d. Since the term of arrangement do not stipulate any repayment schedule, we are unable to comment whether the amount is overdue or not.
- e. No loan or advance in the nature of loan granted, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f. The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment:
  - i. Aggregate amount of loans or advances of above nature given during the year is ₹ 60,00,000/-.
  - ii. Percentage thereof to the total loans granted is 100%.
  - iii. Aggregate amount of loans granted to promoters, related parties as defined

- in clause (76) of section 2 of the Companies Act, 2013 is Nil.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non-charging of interest on the loans of ₹ 8,00,000/-.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. The company has maintained cost records as prescribed under section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2018 for the current financial year.
- vii. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March 2023 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable in respect of income tax goods and services tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given by the management, the company is not declared wilful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given by the management, the Company has not obtained any funds by way of term loans during the year, other than the term loans availed of during the preceding year(s).
- d. In our opinion and according to the information and explanations given by the management, no funds raised on short term basis have been utilised for long term purposes.
- e. In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
- b. The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. a. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. a. According to the information and explanations given by the management, the company has an internal audit system commensurate with the size and nature of its business.
- b. The reports of the Internal Auditors for the period under audit were considered by us.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b. In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- xvii. Based on our examination, the company has incurred cash losses of ₹ 252.94 lakh in the current financial year. There were no cash losses in the preceding year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. Based on our examination, the provisions of section 135 are not applicable on the company. Hence this clause is not applicable to the company.
- xxi. The company is not required to prepare consolidate financial statements. Hence, this clause is not applicable to the company.

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

**CA Parag Patel**  
(Partner)  
Membership No.: 155916

Place: Anand  
Date: 13-05-2023  
UDIN: 23155916BGVINU5673

## Annexure 'B'

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

We have audited the internal financial controls over financial reporting of Gujarat Terce Laboratories Limited ("the Company") as of 31st March 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Parag Patel**  
(Partner)  
Membership No.: 155916

Place: Anand  
Date: 13-05-2023  
UDIN: 23155916BGVINU5673



## Balance Sheet

as at 31<sup>st</sup> March, 2023

Particulars	Note No.	(Figures in ₹ Lakhs)	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	2	398.79	429.29
(b) Financial Assets			
(i) Investments	3	27.24	27.15
(ii) Trade Receivables			
(iii) Loans	4	204.71	240.66
(iv) Others (to be specified)	5	8.19	7.68
(c) Deferred Tax Assets (net)	6	152.27	30.04
(d) Other Non-current Assets	7	456.73	456.73
		<b>1,247.93</b>	<b>1,191.55</b>
<b>2. Current assets</b>			
(a) Inventories	8	442.98	643.10
(b) Financial assets			
(i) Investments			
(ii) Trade receivables	9	798.60	547.47
(iii) Cash and cash equivalents	10	202.99	150.92
(iv) Bank balances other than (iii) above			
(v) Loans	11	12.83	12.83
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)	12	13.63	10.12
(d) Other Current Assets	13	133.76	183.06
<b>Total current assets</b>		<b>1,604.79</b>	<b>1,547.50</b>
<b>Total Assets</b>		<b>2,852.71</b>	<b>2,739.05</b>
<b>EQUITY and LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	14	742.03	742.03
(b) Other equity	15	-55.76	111.40
<b>Total equity</b>		<b>686.27</b>	<b>853.43</b>
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	146.12	230.02
(ii) Trade Payables			
(a) Total outstanding dues of Micro enterprises and Small enterprises			
(b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises			
(iii) Other Financial Liabilities	17	189.73	192.73
(b) Provisions	18	169.79	141.51
(c) Deferred Tax Liabilities (net)			
(d) Other Non-current Liabilities			
<b>Total non-current liabilities</b>		<b>505.64</b>	<b>564.26</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	581.10	437.16
(ii) Trade payable	20		
(A) Total outstanding dues of micro enterprises and small enterprises		408.10	22.43
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		176.99	380.07
(iii) Other financial liabilities			
(b) Other current liabilities	21	119.32	146.24
(c) Provisions	22	375.29	335.47
(d) Income tax liabilities (net)			
		<b>1,660.80</b>	<b>1,321.36</b>
<b>Total equity and liabilities</b>		<b>2,852.71</b>	<b>2,739.05</b>

For M. A. Shah & Co.

Chartered Accountants

**CA Parag Patel**

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place: Anand

Date: 13-05-2023

UDIN: 23155916BGVINU5673

For Gujarat Terce Laboratories Limited

**Natwarbhai P. Prajapati**

Chairman

DIN: 00031187

**Aalap Prajapati**

Managing Director &

Chief Executive Officer (CEO)

DIN: 08088327

**Bhagirath Maurya**

Chief Finance Officer (CFO)

**CS Ripalben S. Sukhadiya**

Company Secretary

## Statement of Profit and Loss

for the period ended 31st March 2023

Particulars	Note No.	(Figures in ₹ Lakhs)	
		For the year ended on 31st March 2023	For the year ended on 31st March 2022
I Revenue from Operations	23	4,678.25	4,013.37
II Other Income	24	35.45	30.60
III <b>Total Income (I + II)</b>		<b>4,713.70</b>	<b>4,043.97</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed	25	603.61	711.14
(b) Purchases of Stock-in-Trade		1,166.76	1,076.51
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	164.91	(262.83)
(d) Employee Benefits Expenses	27	2,059.59	1,582.89
(e) Finance Costs	28	72.14	40.09
(f) Depreciation and Amortization Expenses		36.45	27.59
(g) Other Expenses	29	899.63	793.91
<b>Total Expenses (IV)</b>		<b>5,003.10</b>	<b>3,969.30</b>
<b>V Profit/(Loss) before Exceptional Items and Tax (III - IV)</b>		<b>(289.39)</b>	<b>74.66</b>
VI Exceptional Items			
<b>VII Profit/(Loss) before Tax (V - VI)</b>		<b>(289.39)</b>	<b>74.66</b>
<b>VIII Tax Expenses</b>			
1 Current Tax			
2 Deferred Tax		(122.23)	(12.57)
<b>Total Tax Expenses (VIII)</b>		<b>(122.23)</b>	<b>(12.57)</b>
<b>IX Profit/(Loss) for the period from Continuing Operations (VII - VIII)</b>		<b>(167.16)</b>	<b>87.23</b>
X Profit/(Loss) from Discontinued Operations			
XI Tax Expense of Discontinued Operations			
<b>XII Profit/(Loss) from Discontinued Operations (after tax) (X - XI)</b>		-	-
<b>XIII Profit/(Loss) for the period (IX + XII)</b>		<b>(167.16)</b>	<b>87.23</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total Other Comprehensive Income (XIV)</b>		-	-
<b>XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(167.16)</b>	<b>87.23</b>
<b>XVI Earnings per Equity Share (for Continuing Operations) (Figures in ₹)</b>	30		
1 Basic		(2.25)	1.18
2 Diluted		(2.25)	1.18
<b>XVII Earnings per Equity Share (for Discontinued Operations) (Figures in ₹)</b>			
1 Basic			
2 Diluted			
<b>XVIII Earnings per Equity Share (for Discontinued and Continuing Operations) (Figures in ₹)</b>			
1 Basic		(2.25)	1.18
2 Diluted		(2.25)	1.18

For M. A. Shah & Co.

Chartered Accountants

**CA Parag Patel**

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place: Anand

Date: 13-05-2023

UDIN: 23155916BGVINU5673

For Gujarat Terce Laboratories Limited

**Natwarbhai P. Prajapati**

Chairman

DIN: 00031187

**Bhagirath Maurya**

Chief Finance Officer (CFO)

**Aalap Prajapati**

Managing Director &

Chief Executive Officer (CEO)

DIN: 08088327

**CS Ripalben S. Sukhadiya**

Company Secretary



## Statement of Cash Flows

for the period ended 31st March 2023

PARTICULARS	(Figures in ₹ Lakhs)	
	31st March 2023	31st March 2022
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary items (as per Statement of Profit and Loss)	(289.39)	74.66
<b>Adjustments for non-cash/non-trade items:</b>		
Depreciation & Amortization Expenses	36.45	27.59
Finance Cost	72.14	40.09
(Profit)/Loss on Sale of Assets	0.35	-
Interest received	(35.45)	(28.74)
Other Inflows/(Outflows) of cash	28.28	20.72
<b>Operating profits before Working Capital Changes</b>	<b>(187.62)</b>	<b>134.32</b>
<b>Adjusted For:</b>		
(Increase)/Decrease in trade receivables	(251.13)	(30.00)
Increase/(Decrease) in trade payables	182.59	117.64
(Increase)/Decrease in inventories	200.11	(269.15)
Increase/(Decrease) in other current liabilities	12.91	26.62
(Increase)/Decrease in Short Term Loans & Advances		4.68
(Increase)/Decrease in other current assets	49.32	(18.32)
<b>Cash generated from Operations</b>	<b>6.19</b>	<b>(34.22)</b>
Income Tax (Paid)/Refund	(3.52)	(10.12)
<b>Net Cash flow from Operating Activities (A)</b>	<b>2.67</b>	<b>(44.33)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of tangible assets	(6.31)	(211.41)
Non-current Investments (purchased)/sold	(0.10)	-
Interest Received	35.45	28.74
Cash advances and loans made to other parties		(7.23)
Cash advances and loans received back	35.96	
Other Inflow/(Outflows) of cash	(3.50)	103.14
<b>Net Cash used in Investing Activities (B)</b>	<b>61.51</b>	<b>(86.77)</b>
<b>C. Cash Flow from Financing Activities</b>		
Finance Cost	(72.14)	(40.09)
Increase in/(Repayment of) short term Borrowings	143.93	5.92
Increase in/(Repayment of) long term borrowings	(83.90)	187.54
<b>Net Cash used in Financing Activities (C)</b>	<b>(12.11)</b>	<b>153.37</b>
<b>D. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>52.07</b>	<b>22.27</b>
E. Cash & Cash Equivalents at Beginning of period	150.92	128.64
F. Cash & Cash Equivalents at End of period	202.99	150.92
<b>G. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (F-E)</b>	<b>52.07</b>	<b>22.27</b>

### For M. A. Shah & Co.

Chartered Accountants

#### CA Parag Patel

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place: Anand

Date: 13-05-2023

UDIN: 23155916BGVINU5673

### For Gujarat Terce Laboratories Limited

#### Natwarbhai P. Prajapati

Chairman

DIN: 00031187

#### Bhagirath Maurya

Chief Finance Officer (CFO)

#### Aalap Prajapati

Managing Director &

Chief Executive Officer (CEO)

DIN: 08088327

#### CS Ripalben S. Sukhadiya

Company Secretary

## Statement of Changes in Equity

for the period ended 31st March 2023

### A. Equity Share Capital

Balance at the beginning of the reporting period		Changes in Equity Share Capital during the year		Balance at the end of the reporting period	
No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
74,20,300	742.03	-	-	74,20,300	742.03

### B. Other Equity

	Share Application Money pending Allotment	Equity component of Compound Financial Instruments	Reserves and Surplus			Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash-flow Hedges	Revaluation Surplus	Exchange differences on translating financial statements of a Foreign Operation	Other items of Other Comprehensive Income	Money received against Share Warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves								
Balance at the beginning of the reporting period	-	-	150.00	41.76	-50.17	-	-	-	-	-	-30.19	-	111.40
Changes in Accounting Policy or Prior-period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-stated balance at the beginning of the reporting period	-	-	150.00	41.76	-50.17	-	-	-	-	-	-30.19	-	111.40
Total Comprehensive Income for the year	-	-	-	-	-167.16	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in respect of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	150.00	41.76	-217.33	-	-	-	-	-	-30.19	-	-55.76

### For M. A. Shah & Co.

Chartered Accountants

#### CA Parag Patel

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place: Anand

Date: 13-05-2023

UDIN: 23155916BGVINU5673

### For Gujarat Terce Laboratories Limited

#### Natwarbhai P. Prajapati

Chairman

DIN: 00031187

#### Bhagirath Maurya

Chief Finance Officer (CFO)

#### Aalap Prajapati

Managing Director &

Chief Executive Officer (CEO)

DIN: 08088327

#### CS Ripalben S. Sukhadiya

Company Secretary

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

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

### Note No. 1: Statement of Compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, and relevant provisions of the Companies Act, 2013. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

### Basis of preparation of financial statements:

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

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

### Current and non-current classification

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

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

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

from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

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

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

### Use of estimates and judgments

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

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

- Defined Benefit Obligation – Note 18
- Deferred tax assets for carried forward tax losses – Note 6

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

### Significant Accounting Policies

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

#### 1. Property, Plant and Equipment

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

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

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are

capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

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

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

### Subsequent expenditure and componentisation

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

### Depreciation and useful life

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

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

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

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

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

### Derecognition

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

## 2. Impairment

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing

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

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

## 3. Inventories

### Raw Materials

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

### Work-in-Progress and Finished Goods

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

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### Stores and Spares

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

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

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

### Non-current Assets held-for-sale

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

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

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

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

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

### Discontinued Operations

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

## 5. Revenue Recognition

### Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of

products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

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

### Interest Income

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

## 6. Foreign Exchange Translation

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

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

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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

### 7. Income Taxes

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

#### Current Tax

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

In respect of the provisions relating to Minimum Alternate Tax (MAT), the company has availed of the benefit of reduced tax rate u/s 115BAA of the Income Tax Act, 1961, pursuant to which, the company is no longer required to pay the MAT on its income.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which

those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

### 8. Borrowing Costs

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

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

### 9. Provisions

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

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

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

### 10. Employee Benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity,

leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

#### Short-term Employee Benefits

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

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

#### Post-employment Benefits

- **Defined Benefit Plan**

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

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

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

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

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

### 11. Earnings per Share

#### Basic Earnings per Share

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

#### Diluted Earnings per Share

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

### Note No. 2: Property, Plant and Equipment and Intangible assets as at 31st March 2023

Assets	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
		Balance as at 1st April 2022	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2023	Balance as at 1st April 2022	Provided during the year	Deletion/ adjustments during the year	Balance as at 31st March 2023	Balance as at 31st March 2022
<b>Land:</b>											
Factory Land		3.10	-	-	-	3.10	-	-	-	3.10	3.10
<b>Buildings:</b>											
Factory Building	30.00	158.21	-	-	-	158.21	81.55	3.96	-	85.51	76.66
Godown	30.00	65.59	-	-	-	65.59	17.49	2.14	-	19.63	48.10
<b>Plant and Equipment:</b>											
Block & Design	20.00	32.89	-	-	-	32.89	31.93	0.22	-	32.15	0.96
Electric Installation	20.00	63.16	1.18	-	-	64.34	15.07	2.34	-	17.41	48.09
Laboratory Equipment	20.00	41.67	0.19	-	-	41.86	32.00	0.58	-	32.58	9.67
Machinery	20.00	193.07	-	-	-	193.07	101.00	7.02	-	108.02	92.07
<b>Furniture and Fixtures:</b>											
Furniture	10.00	134.88	0.85	-	-	135.73	60.94	9.71	-	70.65	73.94
<b>Vehicles:</b>											
Vehicles	10.00	100.38	-	-	-	100.38	31.56	7.60	-	39.16	68.82
<b>Office Equipment:</b>											
Computers	3.00	29.31	1.13	-	-	30.44	24.08	1.52	-	25.60	5.23
Communication Appliances	3.00	5.58	2.96	-	0.76	7.78	2.94	1.36	0.41	3.89	2.64
<b>Total</b>		827.84	6.31	-	0.76	833.39	398.56	36.45	0.41	434.60	429.28

### Note No. 3: Non-current Investments

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Non-Trade Investment (Valued at cost unless stated otherwise)</b>		
<b>Other non-current investments (Unquoted)</b>		
Fixed Deposits with Banks	27.24	27.15
<b>Gross Investment</b>	<b>27.24</b>	<b>27.15</b>
<b>Net Investment</b>	<b>27.24</b>	<b>27.15</b>
<b>Aggregate amount of unquoted investments</b>	<b>27.24</b>	<b>27.15</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No. 4: Loans & Advances (Non-current)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Advances recoverable in cash or kind or for value to be received</b>		
<b>(i) Other Loans</b>		
(a) Unsecured, considered good	204.71	240.66
<b>Total</b>	<b>204.71</b>	<b>240.66</b>

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

### Note No. 5: Other Financial Assets (Non-current)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Security Deposits</b>		
(a) Unsecured, considered good	8.19	7.68
<b>Total</b>	<b>8.19</b>	<b>7.68</b>

### Note No. 6: Deferred Tax Assets (Net)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deferred Tax Liability</b>		
Deferred Tax Liability on Fixed Assets (Depreciation)	19.58	16.92
<b>Gross Deferred Tax Liability</b>	<b>19.58</b>	<b>16.92</b>
<b>Deferred Tax Assets</b>		
Deferred Tax Assets on Provision for Gratuity	51.00	43.90
Deferred Tax Assets on Provision for Bonus	3.63	3.06
Deferred Tax Assets on Unabsorbed Business Losses	105.25	
Deferred Tax Assets on Unabsorbed Depreciation	11.97	
<b>Gross Deferred Tax Asset</b>	<b>171.85</b>	<b>46.96</b>
<b>Net Deferred Tax Assets</b>	<b>152.27</b>	<b>30.04</b>

### Note No. 7: Other Non-current Assets

Particulars	As at 31st March 2023	As at 31st March 2022
Advances for Material	1.20	1.20
Balances with Statutory Authorities	15.38	15.38
Sterling Resort Time-Share	0.71	0.71
Non-current Assets of Discontinued Operations held for sale (Refer Note 34)	439.44	439.44
<b>Total</b>	<b>456.73</b>	<b>456.73</b>

### Note No. 8: Inventories

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(Valued at cost or NRV unless otherwise stated)</b>		
Raw Material	41.60	30.67
WIP	27.63	16.38
Finished Goods	89.73	225.33
Traded Goods	250.41	290.97
Stores and Spares	26.02	60.70
Advertisement Articles Stock	7.59	19.06
<b>Total</b>	<b>442.98</b>	<b>643.10</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No. 9: Trade Receivables as at 31st March 2023 (Current Year)

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables (considered good)	472.62	312.85	3.29	3.12	1.45	5.28	798.61
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
(v) Provision for doubtful receivables	-	-	-	-	-	-	-

### Note No. 9: Trade Receivables as at 31st March 2022 (Previous Year)

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables (considered good)	302.13	205.66	30.38	3.30	1.50	4.50	547.47
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
(v) Provision for doubtful receivables	-	-	-	-	-	-	-

### Note No. 10: Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Cash in hand</b>		
Cash in hand	4.99	0.92
<b>Total</b>	<b>4.99</b>	<b>0.92</b>
<b>Other</b>		
Short-term Deposits with Bank of Baroda	198.00	150.00
<b>Total</b>	<b>198.00</b>	<b>150.00</b>
<b>Total</b>	<b>202.99</b>	<b>150.92</b>

### Note No. 11: Loans & Advances (Current)

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Advances recoverable in cash or kind or for value to be received</b>		
<b>(i) Other Loans</b>		
(a) Unsecured, considered good		
i. Advances to Employees (Non-Interest-bearing)	12.83	12.83
<b>Total</b>	<b>12.83</b>	<b>12.83</b>

### Note No. 12: Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Income Tax Refundable	13.63	10.12
<b>Total</b>	<b>13.63</b>	<b>10.12</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No. 13: Other Current Assets

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Other Assets</b>		
Balances with Statutory Authorities	94.68	107.80
Insurance Claim Receivable	-	50.00
Prepaid Expenses	27.97	22.34
Advances to Suppliers	11.11	2.93
<b>Total</b>	<b>133.76</b>	<b>183.06</b>

### Note No. 14: Share Capital

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised:</b>		
11000000 (31/03/2022:11000000) Equity shares of ₹ 10.00/- par value	1,100.00	1,100.00
<b>Issued:</b>		
7420300 (31/03/2022:7420300) Equity shares of ₹ 10.00/- par value	742.03	742.03
<b>Subscribed and paid-up:</b>		
7420300 (31/03/2022:7420300) Equity shares of ₹ 10.00/- par value	742.03	742.03
<b>Total</b>	<b>742.03</b>	<b>742.03</b>

### Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

#### Equity shares

₹ in Lakhs

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the beginning of the period</b>	74,20,300	742.03	74,20,300	742.03
Issued during the Period				
Redeemed or bought back during the period				
<b>Outstanding at end of the period</b>	<b>74,20,300</b>	<b>742.03</b>	<b>74,20,300</b>	<b>742.03</b>

### Rights, preferences, and restrictions attached to shares:

#### Equity Shares:

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

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

Type of Share	Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
		No. of Shares	% Of Holding	No. of Shares	% Of Holding
Equity [INV: 10.00]	Natwarbhai P Prajapati	5,98,872	8.07	5,95,872	8.03
Equity [INV: 10.00]	Manjulaben Prajapati	9,27,150	12.49	9,27,150	12.49
Equity [INV: 10.00]	Abundant Tradelink Private Limited	10,75,900	14.50	10,75,900	14.50
<b>Total:</b>		<b>25,98,922</b>	<b>35.06</b>	<b>25,98,922</b>	<b>35.02</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Change in Promoter Shareholding:

Promoter name	Particulars	Current Year			Previous Year			% Change			
		Shares at beginning	Shares at end	% Change	Shares at beginning	Shares at end	% Change				
Natwarbhai P. Prajapati	Equity [NV: 10.00]	595872	8.03	598872	8.07	0.04	595872	8.03	595872	8.03	0.00
Shobhanaben N. Prajapati	Equity [NV: 10.00]	16173	0.22	16173	0.22	0.00	16173	0.22	16173	0.22	0.00
Amritbhai P. Prajapati	Equity [NV: 10.00]	31510	0.42	31510	0.42	0.00	31510	0.42	31510	0.42	0.00
Manjulaben S. Prajapati	Equity [NV: 10.00]	927150	12.49	927150	12.49	0.00	927150	12.49	927150	12.49	0.00
Aalap N. Prajapati	Equity [NV: 10.00]	40666	0.55	47927	0.65	0.10	5271	0.07	40666	0.55	0.48
Shachi R. Oza	Equity [NV: 10.00]	0.00	0.00	7500	0.10	0.10	0.00	0.00	0.00	0.00	0.00
Abundant Trade Link Private Limited	Equity [NV: 10.00]	1075900	14.50	1075900	14.50	0.00	1075900	14.50	1075900	14.50	0.00

### Note No. 15: Reserves and Surplus

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(80.36)	(167.59)
Add: Profit for the year	-	87.23
Less: Loss for the year	(167.16)	-
<b>Closing Balance</b>	<b>(247.52)</b>	<b>(80.36)</b>
<b>Securities Premium Reserve</b>		
Opening Balance	150.00	150.00
<b>Closing Balance</b>	<b>150.00</b>	<b>150.00</b>
<b>General reserve</b>		
Opening Balance	41.76	41.76
<b>Closing Balance</b>	<b>41.76</b>	<b>41.76</b>
<b>Balance carried to balance sheet</b>	<b>(55.76)</b>	<b>111.40</b>

### Note No. 16: Borrowings (Non-current)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Term Loans</b>		
From Banks		
(i) Secured	143.12	227.02
<b>Loans &amp; Advances from Directors &amp; Related Parties</b>		
From Others		
(i) Unsecured	3.00	3.00
<b>Total</b>	<b>146.12</b>	<b>230.02</b>

### Terms of Repayment of Loans:

- Vehicle Loan from HDFC Bank (8347) is repayable in 60 monthly equal instalments of ₹ 71,695 each, starting from 07/12/2021. The total outstanding as at March 31st, 2023, is ₹ 27,70,207.87.
- Vehicle Loan from HDFC Bank (8131) is repayable in 60 monthly equal instalments of ₹ 31,186 each, starting from 05/05/2021. The total outstanding as at March 31st, 2023, is ₹ 10,11,911.17.
- Loan from Bank of Baroda (2820) is repayable in 36 monthly instalments of ₹ 2,31,972 each, after an initial moratorium period of 24 months, i.e., starting from January 2024. The total outstanding as at 31st March 2023 is ₹ 83,51,000/-. Rate of interest on the loan is 10.00% p.a. (BRLLR + 0.65%).

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

- Loan from Bank of Baroda (3018) is repayable in 60 monthly instalments of ₹ 2,62,000 each, starting from April 2022. The total outstanding as at 31st March 2023 is ₹ 86,56,000.00/-. Rate of interest on the loan is 9.35% p.a. (BRLLR + SP (0.25%) + 0.65%).
- Vehicle Loan from HDFC Bank (7951) has been repaid in its entirety during the FY 2022-23.
- Vehicle Loan from HDFC Bank (4043) has been repaid in its entirety during the FY 2022-23.
- Loan from Bank of Baroda (1570) is repayable in 36 monthly instalments, after an initial moratorium period of 12 months, i.e., starting from July 2021. The total outstanding as at 31st March 2022 is ₹ 18,24,993.00. Rate of interest on the loan is 10.35% p.a. (BRLLR + 1%).
- Unsecured loans of ₹ 3,00,000.00 had been received from Abundant Trade Link. No terms of repayment have been specified for the same.
- Loans from Bank of Baroda (2820, 3018 and 1570) are secured by equitable mortgage of factory land and building and residential bungalow of Director Shri Natwarbhai P Prajapati and hypothecation of all plant and machinery, movable fixed assets, stock, book debts and all the current assets of the company, as well as personal guarantee of the following directors:
  - Mr. Natwarbhai P. Prajapati
  - Mr. Amritbhai P. Prajapati
  - Mr. Aalap N. Prajapati

### Note No. 17: Other Financial Liabilities (Non-current)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Others</b>		
Trade/Security Deposits	189.73	192.73
<b>Total</b>	<b>189.73</b>	<b>192.73</b>

### Note No. 18: Provisions (Non-current)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	169.79	141.51
<b>Total</b>	<b>169.79</b>	<b>141.51</b>

Particulars	As at 31st March 2023	As at 31st March 2022
<b>a) Amount recognized in the Balance Sheet</b>		
<b>Opening Net Liability</b>		
Current Provision of Gratuity	32.91	32.20
Long Term Provision of Gratuity	141.51	120.79
<b>Total Opening Liability</b>	<b>174.42</b>	<b>152.99</b>
Expenses Recognized in the Statement of Profit and Loss	33.40	34.65
Less: Employee Benefits paid directly by the employer	-5.20	-13.21
<b>Liabilities/(Assets) recognized in the Balance Sheet</b>	<b>202.62</b>	<b>174.43</b>
<b>b) Expense/(Income) recognized in the Statement of Profit &amp; Loss</b>		
Current Service Cost	5.12	13.92
Interest Cost on Net Benefit Obligation	15.18	12.75
Past Service Cost - Vested Benefits recognized during the period	10.44	-
Net Actuarial (Gain)/Loss in the year	-2.66	-7.97
<b>Amount recognised under Employee Benefits Expense</b>	<b>33.40</b>	<b>34.64</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No. 19: Borrowings (Current)

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Cash Credit from Bank of Baroda	498.08	377.45
	<b>498.08</b>	<b>377.45</b>
Current Maturities of Long-term Debts	83.02	59.72
	<b>83.02</b>	<b>59.72</b>
<b>Total</b>	<b>581.10</b>	<b>437.16</b>

#### Details of guarantee for loans:

- i. Working capital loan which is repayable on demand is secured by equitable mortgage of factory land and building and residential bungalow of Director Shri Natwarbhai P Prajapati and hypothecation of all plant and machinery, movable fixed assets, stock, book debts and all the current assets of the company, as well as personal guarantee of the following directors:
  - a. Mr. Natwarbhai P. Prajapati
  - b. Mr. Amritbhai P. Prajapati
  - c. Mr. Aalap N. Prajapati
- ii. Cash credit interest is charged with interest at the rate of 9.45% (BRLLR + 0.10%).

### Note No. 20 Trade payables

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Micro enterprises and small enterprises	408.10	22.43
(B) Others	176.99	380.07
<b>Total</b>	<b>585.09</b>	<b>402.50</b>

#### Trade Payables Ageing Schedule

₹ in Lakhs

Particular	Current Year						Previous Year					
	Not Due	Less than 1 Yrs.	1-2 Years	2-3 Years	More than 3 Yrs.	Total	Not Due	Less than 1 Yrs.	1-2 Years	2-3 Years	More than 3 Yrs.	Total
MSME	16.83	391.26	0.01	-	-	408.10	17.70	4.73	-	-	-	22.43
Others	7.67	165.39	0.04	-	3.89	176.99	347.88	29.67	-	-	2.52	380.07
Disputed Dues-MSME	-	-	-	-	-	-	-	-	-	-	-	-
Disputed- Others	-	-	-	-	-	-	-	-	-	-	-	-

### Note No. 21: Other Current Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Advances from Customers	5.81	8.54
Creditors for Expenses	82.65	106.76
Interest accrued on trade/security deposits	3.69	3.95
Statutory Remittances (Contribution to PF and ESIC, Professional Tax, GST, TDS Payable etc.)	27.17	26.98
<b>Total</b>	<b>119.32</b>	<b>146.23</b>

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No. 22: Provisions (Current)

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	32.83	32.91
Provision for other Employee-related Liabilities	331.30	298.34
	<b>364.13</b>	<b>331.25</b>
<b>Other Provisions</b>		
Other Provision	11.16	4.22
	<b>11.16</b>	<b>4.22</b>
<b>Total</b>	<b>375.29</b>	<b>335.47</b>

### Note No. 23: Revenue from Operations

₹ in Lakhs

Particulars	31st March 2023	31st March 2022
Sale of products	4,678.25	4,013.37
<b>Net revenue from operations</b>	<b>4,678.25</b>	<b>4,013.37</b>

### Note No 24: Other Income

₹ in Lakhs

Particulars	31st March 2023	31st March 2022
<b>Interest Income</b>		
Interest on Bank Deposits	1.43	1.34
Interest on Other Loans	34.02	27.40
	<b>35.45</b>	<b>28.74</b>
<b>Other Non-operating Income</b>		
Insurance claim on goods lost in transit	-	1.85
	<b>-</b>	<b>1.85</b>
<b>Total</b>	<b>35.45</b>	<b>30.59</b>

### Note No 25: Cost of Material Consumed

₹ in Lakhs

Particulars	31st March 2023	31st March 2022
<b>Inventory at the beginning</b>		
Raw Material	30.67	40.84
Packing Materials	57.69	46.65
Stores Spares	3.00	0.35
	<b>91.36</b>	<b>87.84</b>
<b>Add: Purchase</b>		
Raw Material	498.06	610.88
Packing Materials	77.93	101.44
Stores Spares	3.87	2.34
	<b>579.86</b>	<b>714.66</b>
<b>Less: Inventory at the end</b>		
Raw Material	41.60	30.67
Packing Materials	25.09	57.69
Stores Spares	0.93	3.00
	<b>67.62</b>	<b>91.36</b>
<b>Total</b>	<b>603.60</b>	<b>711.14</b>



## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

### Note No 26: Changes in Inventories

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
<b>Inventory at the end of the year</b>		
Finished Goods	89.73	225.33
Work-in-Progress	27.63	16.38
Traded Goods	250.41	290.97
	<b>367.77</b>	<b>532.68</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	225.33	59.00
Work-in-Progress	16.38	20.53
Traded Goods	290.97	190.31
	<b>532.68</b>	<b>269.85</b>
<b>(Increase)/decrease in inventories</b>		
Finished Goods	135.60	(166.33)
Work-in-Progress	(11.25)	4.16
Traded Goods	40.56	(100.66)
	<b>164.91</b>	<b>(262.83)</b>

### Note No 27: Employee benefit expenses

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
<b>Salaries and Wages</b>		
Salary and Wages	1,909.81	1,449.53
Directors' Remuneration	35.64	33.96
	<b>1,945.45</b>	<b>1,483.49</b>
<b>Contribution to Provident and Other Fund</b>		
Contribution to Provident Fund	73.26	57.72
Gratuity	33.40	34.65
	<b>106.66</b>	<b>92.37</b>
<b>Staff Welfare Expenses</b>	7.48	7.04
<b>Total</b>	<b>2,059.59</b>	<b>1,582.90</b>

### Note No 28: Finance costs

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
<b>Interest</b>		
Interest on long-term loans from banks	3.31	3.01
Interest on short-term loans from banks	56.49	23.60
Interest on long-term loans from others	6.49	6.25
Other interest charges	0.52	0.45
	<b>66.81</b>	<b>33.31</b>
<b>Other Borrowing costs</b>		
Bank charges	5.33	6.79
	<b>5.33</b>	<b>6.79</b>
<b>Total</b>	<b>72.14</b>	<b>40.10</b>

### Note No 29: Other Expenses

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Auditors' Remuneration	1.35	1.35
Bad Debts	-	54.31
Donation and Contributions	3.34	1.25
Freight and Forwarding Expenses	100.22	93.39
Goods Destroyed	6.27	0.86
Insurance Expenses	37.28	29.84

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Insurance Claim Receivable Written Off	41.41	-
Loss on Sale/Disposal of Assets	0.35	-
Office Expenses	58.47	42.47
Other Manufacturing Expenses	40.99	44.78
Power and Fuel Expenses	11.40	15.77
Professional Expenses	21.94	15.37
Promotional Expenses	258.45	218.48
Rates and Taxes	2.29	3.71
Rent	24.54	20.86
Repairs and Maintenance Expenses - Building	2.73	1.75
Repairs and Maintenance Expenses - Machinery	-	2.31
Repairs and Maintenance Expenses - Other	-	16.04
Sales Commission	92.34	80.54
Telephone expenses	13.77	30.82
Travelling Expenses	182.49	120.02
<b>Total</b>	<b>899.63</b>	<b>793.91</b>

### Note No 30: Earnings Per Share

Particulars	₹ in Lakhs			
	Before Extraordinary items		After Extraordinary items	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Basic</b>				
Profit after tax (A)	(167.16)	87.23	(167.16)	87.23
Weighted average number of shares outstanding (B)	74,20,300	74,20,300	74,20,300	74,20,300
Basic EPS (A/B) (₹)	(2.25)	1.18	(2.25)	1.18
<b>Diluted</b>				
Profit after tax (A)	(167.16)	87.23	(167.16)	87.23
Weighted average number of shares outstanding (B)	74,20,300	74,20,300	74,20,300	74,20,300
Diluted EPS (A/B) (₹)	(2.25)	1.18	(2.25)	1.18
Face value per share (₹)	10.00	10.00	10.00	10.00

### Note No 31: Calculation of Financial Ratios

Particulars	Items included in numerator	Items included in denominator	Current Year Ratio	Previous Year Ratio	Change in the ratio by more than 25% as compared to the preceding year	Explanation for deviation of more than 25%
(a) Current Ratio	Current Assets	Current Liabilities	0.97	1.17	No	
(b) Debt-Equity Ratio	Long Term Debt + Short Term Debt	Shareholders' Equity	1.06	0.78	Yes	The company has incurred losses in the current year, due to which, the gross value of equity has reduced, resulting in an increase in the debt-equity ratio.
(c) Debt Service Coverage Ratio	Earnings Before Interest, Tax, Depreciation & Amortisation	Total Principal + Interest on Borrowings	-2.80	2.27	Yes	The company has incurred losses in the current year, resulting in negative EBIT figure and hence, a negative ratio.
(d) Return on Equity Ratio	Earnings After Interest, Tax, Depreciation & Amortisation	Average Shareholders' Equity	-0.22	0.11	Yes	The company has incurred losses in the current year, resulting in negative EBITDA figure and hence, a negative ratio.
(e) Inventory Turnover Ratio	Turnover	Average Inventory	8.61	7.89	No	

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

Particulars	Items included in numerator	Items included in denominator	Current Year Ratio	Previous Year Ratio	Change in the ratio by more than 25% as compared to the preceding year	Explanation for deviation of more than 25%
(f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivable	6.95	7.54	No	
(g) Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payable	3.54	5.21	Yes	Trade Payables have increased at a higher rate in comparison to the turnover in current financial year vis-a-vis previous financial year.
(h) Net Capital Turnover Ratio	Total Sales	Shareholders' Equity	55.00	31.20	Yes	The company has incurred losses in the current year, due to which, the gross value of equity has reduced, resulting in an increase in the capital-turnover ratio.
(i) Net Profit Ratio	Net Profit	Net Sales	-0.06	0.02	Yes	The company has incurred losses in the current year, resulting in negative profit figure and hence, a negative ratio.
(j) Return on Capital Employed	Earnings Before Interest & Tax	Total Assets-Current Liabilities	-0.08	0.08	Yes	The company has incurred losses in the current year, resulting in negative EBIT figure and hence, a negative ratio.
(k) Return on Investment	Earnings After Interest, Tax, Depreciation & Amortisation	Total Capital Employed	-0.12	0.06	Yes	The company has incurred losses in the current year, resulting in negative EBITDA figure and hence, a negative ratio.

### Note No. 32: Related Party Disclosures

#### A. Compensation paid to Key Managerial Personnel:

Particulars	Designation	₹ in Lakhs	
		31st March 2023	31st March 2022
Natwarbhai P. Prajapati	Chairman & Managing Director	18.10	18.00
Aalap N. Prajapati	Managing Director	13.77	12.00
Amritbhai P. Prajapati	Director	4.06	3.96
<b>Total</b>		<b>35.93</b>	<b>33.96</b>

#### B. Other transactions with related parties:

##### a. List of Related Parties:

##### i. Relatives of Key Managerial Personnel:

- Jyotsanaben Prajapati
- Manjulaben S Prajapati
- Neha S Prajapati
- Shachi Ravi Oza
- Shobhanaben N Prajapati

##### ii. Entities in which Key Managerial Personnel have substantial interest:

- Abundnat Tradelink Private Limited
- Terce Nutriart Private Limited

##### b. Transactions during the year:

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Salary Paid	11.93	13.39
Purchases	0.59	-

## NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2023

#### c. Amounts Outstanding at the reporting date:

Particulars	₹ in Lakhs	
	31st March 2023	31st March 2022
Long-term Borrowings (Unsecured)	3.00	3.00

### Note No. 33: Discontinued Operations

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

For the financial year ended on 31st March 2023, no financial transactions have occurred relating to the Metal Division and there are no results to be declared for the same.

The major classes of assets and liabilities of the metal division classified as held-for-sale in accordance with Ind AS 105 as on 31st March 2023 are presented as follows:

Particulars	₹ in Lakhs	
	As at 31st March 2023	As at 31st March 2022
<b>Note No. 7: Other Non-Current Assets</b>		
Property, Plant & Equipment	436.90	436.90
Other Financial Assets	2.54	2.54
<b>Total amount of Non-current Assets Held-for-Sale</b>	<b>439.44</b>	<b>439.44</b>

At the time of classification of the Metal Division as a discontinued operation, the recoverable amount of items of property, plant and equipment was estimated based on the report of a registered valuer. As per the report of the registered valuer dated 18th May 2022, no impairment losses were identified in the value of property, plant and equipment.

### Note No. 34: Contingent Liabilities

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

Signature to notes 1 to 34.

In terms of our separate audit report of even date attached.

For M. A. Shah & Co.

Chartered Accountants

CA Parag Patel

Partner

Membership No.: 155916

Firm Registration No.: 112630W

Place: Anand

Date: 13-05-2023

UDIN: 23155916BGVINU5673

For Gujarat Terce Laboratories Limited

Natwarbhai P. Prajapati

Chairman

DIN: 00031187

Bhagirath Maurya

Chief Finance Officer (CFO)

Aalap Prajapati

Managing Director &

Chief Executive Officer (CEO)

DIN: 08088327

CS Ripalben S. Sukhadiya

Company Secretary





**GUJARAT TERCE**

**Gujarat Terce Laboratories Limited**

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