



39TH
ANNUAL
REPORT

23/24

turn
around

GUJARAT TERCE
LABORATORIES
LIMITED



WOW

we made it

happen!

let's face it!

The health of a business is never guaranteed. Even the most successful businesses have faced failure at some point in time.

In business, it is always about people.

If one scrutinises what leads to success, it is because of people.

What failed?

It's People. And what made it turn around? It's again, People.

Hence, when a business turnaround happens, the joy is unimaginable.

So it was with us.



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we realized it was time to evolve

We used this reality as the first stepping stone to begin the climb back up to the top.

We focused on the basics.

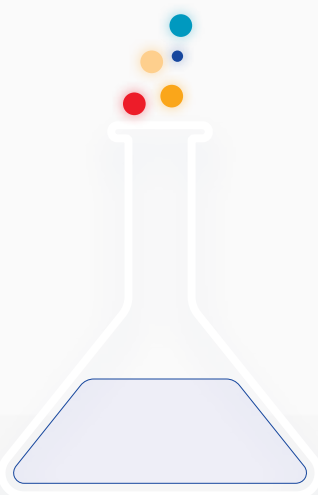
We transformed the legacy blueprint with bold strategies.

We opened ourselves to new possibilities, thoughtfully reconsidering the ways we had always done things.

We made our turnaround ambition an everyday priority.

We changed direction. Instead of continuing with the tide down south, we went against it up north.

Through this report, we celebrate the efforts and dedication of our team, who made the **turnaround** possible.



here is what we

did

we streamlined our working capital



WHEN WE STARTED THE YEAR, WE IDENTIFIED A KEY ISSUE THAT WAS HOLDING US BACK. WHILE WE WERE DOING WELL AT THE TOPLINE, OUR CASH FLOW REMAINED CONSTRAINED. WE AIMED TO REVERSE THE TREND BY COLLAPSING OUR WORKING CAPITAL CYCLE AND BOOSTING OUR CASH FLOW.

1) We tightened the collection cycle

We intensified our business engagements with stockists. We followed up aggressively on past dues. We altered our credit policy to reduce their credit.

We renegotiated the grace periods we offered them.

We motivated our team to enhance their collection efforts and efficiency. The impact was pleasingly positive as our collection cycle improved.

58

Collection (Days) FY23



43

Collection (Days) FY24

2) We reduced our inventory

We meticulously identified pools of non-moving finished goods. We sought areas where this stock was moving at a decent pace.

We improved inventory management to maximise financial performance and ensure a seamless availability of brands.

340.14

Finished Goods inventory as on April 1, 2023 (₹ lakh)



241.33

Finished Goods inventory as on March 31, 2024 (₹ lakh)

we intensified our marketing efforts



WE UNDERSTOOD THAT WORKING FROM WITHIN THE CORPORATE HEADQUARTERS WAS THE LOW-HANGING FRUIT. WE NEEDED TO GET OUT IN THE FIELD TO MAKE A MORE SUBSTANTIAL IMPACT ON OUR PERFORMANCE. BECAUSE THEREIN LAY THE CHEMISTRY FOR OUR RESURGENCE.

1) We fine-tuned our presence

We thought we were performing well in the markets. But were we? We sought to address this. We revisited our pan-India presence.

As part of our ongoing commitment to excellence, we conducted a performance-based evaluation of

our headquarters, resulting in a streamlined structure that prioritises high-impact teams and initiatives.

236

Headquarters, March 31, 2023



175

Headquarters, March 31, 2024

2) We doubled down on brand-building activities

Our portfolio includes several brands with promising growth potential. By strategically focusing on developing these brands and

maximizing their impact, we aim to build stronger relationships with healthcare providers and drive sustainable growth in the years ahead.

318.40

Revenue from leading brands in FY23 (₹ lakh)



321.97

Revenue from leading brands in FY24 (₹ lakh)

3) We widened our prescriber base

To grow our business, we needed to expand our prescriber base, which is doctors. We reached out deeper and wider to strengthen

our connection with doctors with a special emphasis on young doctors. As a result, our productivity per Marketing Representative (MR) jumped.

4.5%

Increase in MR productivity in FY24

9%

Increase in value per prescription in FY24

we strengthened our foundation



OUR PASSION AND PERSEVERANCE HAVE MADE A HUGE DIFFERENCE IN THE EXCITEMENT OF OUR PEOPLE, THE POWER OF OUR CORPORATE BRAND, AND THE RESILIENCE OF OUR ORGANISATION. HERE IS PROOF.

Our Debt dropped

727.22

Total debt as on March 31, 2023 (₹ lakh)



386.65

Total debt as on March 31, 2024 (₹ lakh)

Our Margin improved

(180.80)

EBITDA margin



158.77

EBITDA margin

Our Bottomline changed colour

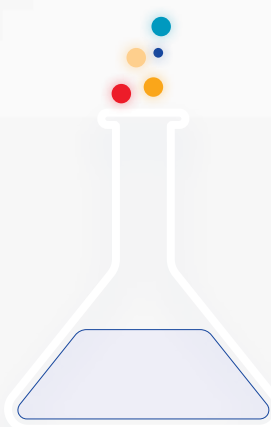
(167.16)

Net Profit, FY23 (₹ lakh)



24.34

Net Profit, FY24 (₹ lakh)



I am confident that our blueprint, which is platformed on process adherence and disciplined determination, will shore our **topline**, scale our **profits** and **profitability** over the coming years, and **elevate** the Company into a new **growth**



**DEAR
SHAREHOLDERS,**

I am delighted to share your Company's Annual Report, which reflects a year of transformation and growth. While FY24 started with challenges, our team's collective passion and dedication turned those challenges into opportunities, culminating in a year of remarkable achievements.

GUJARAT TERCE underwent a significant transformation. By fostering a proactive "why not" mindset and challenging traditional processes, we shifted the company culture from complacency to agility and prioritised performance over loyalty.

This new approach enabled us to tackle a major challenge: a substantial working capital burden. By strategically managing inventory and receivables, we achieved a negative working capital cycle and reduced our Cash Credit utilisation by over 50%.

Simultaneously, we took bold steps in the market, strengthening our brand presence and building relationships with doctors, especially younger ones. This led to increased prescriptions and a higher value per prescription, further solidifying our market position.

Additionally, we implemented a rigorous cost-cutting program, optimising our team and expenses.

These efforts combined to drive a remarkable increase in our net cash flow from operations, from ₹2.67 lakh in FY23 to ₹259.97 lakh in FY24. We also significantly reduced our debt burden, providing a solid foundation for future growth and investment.

Overall, FY24 was a year of significant progress for Gujarat Terce. Our proactive approach, strategic decision-making, and commitment to operational efficiency have positioned us for continued success in the years to come.

As I take a moment to reflect, I am filled with pride at the milestones we've achieved and the goals we've surpassed.

This is a time to appreciate the results of our hard work before embarking on new endeavours.

Looking ahead, we face greater challenges requiring unwavering dedication and increased effort. To maintain our current trajectory, we must continuously optimise our working capital cycle, expand our reach to a wider network of doctors, and diversify our product portfolio to include chronic therapies.

This strategic approach will empower our medical representatives, enabling them to engage more effectively with healthcare professionals and ultimately drive higher prescription volumes and values.

Our improved cash flow will be strategically utilised to reduce debt, bringing us closer to a zero-debt position. In parallel, we are committed to enhancing operational efficiency by implementing comprehensive standard operating procedures (SOPs) across all business functions.

This initiative will transform our company into a system-driven organisation, minimising human biases and strengthening stakeholder trust in our brand.

I have unwavering confidence that our well-defined strategy, grounded in process optimisation and unwavering determination, will propel our revenue growth, expand profitability and elevate our company to new heights of success in the years to come..

In conclusion, I sincerely thank every stakeholder for their contribution to our journey so far. Without them, we would not have reached where we are today and could not continue delivering impact.



Warm regards
Aalap Prajapati
Managing Director & CEO

Gujarat Terce:

committed to making affordable healthcare accessible to everyone

THE COMPANY HAS BEEN COMMITTED TO CREATING AND PROVIDING PHARMACEUTICAL FORMULATIONS TAILORED TO THE NEEDS OF THE INDIAN POPULATION SINCE ITS INCEPTION IN 1985.

Gujarat Terce operates out of its manufacturing facility in Gujarat, India, specialising in producing oral solid dosages, including tablets and capsules, covering a spectrum of 10 therapeutic areas.

The company has established a strong R&D team that continuously nurtures a diverse pipeline of products. This R&D team focuses on developing niche products and supports manufacturing operations to improve product quality and process efficiency.

Gujarat Terce is based in Ahmedabad, Gujarat, and is led by Mr. Aalap Prajapati, MD & CEO, who is supported by a dynamic team. Their unwavering commitment to delivering quality products, adhering to regulatory standards, and meeting the evolving needs of patients enables the company to offer benchmark brands to consumers.



vision

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



mission

To dedicate ourselves to 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

numbers that define us

OUR EXPERIENCE



Years in business

OUR ASSETS

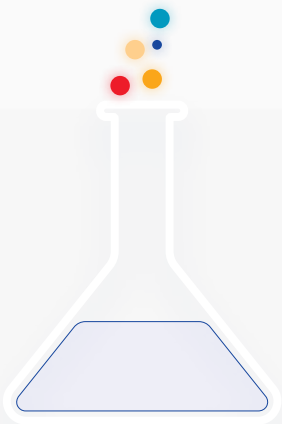
Tangible	
429.88	840.40
Manufacturing facility	Gross Block (₹ lakh)
Intangible	
286	163
Team members	Medical representatives

OUR PRODUCT PORTFOLIO

91	8	73	10
Products	Therapeutic segments	Products catering to acute therapies	Leading brands in acute therapies
		18	4
		Products catering to chronic therapies	Leading brands in chronic therapies

OUR PERFORMANCE

4,797.47	158.77	24.34
Revenue (₹ lakh)	EBITDA (₹ lakh)	Net Profit (₹ lakh)
3,929.05		
Market Capitalisation (₹ lakh), as on 31 st March, 2024		



our operational infrastructure



The Company's manufacturing facility at Chhatral, Gujarat, is a carefully designed, fully automated and environmentally controlled WHO-GMP-compliant facility. It is an ISO:9001-certified plant that produces world-class formulations for India and the world.

The facility houses state-of-the-art machinery to maintain high standards in accordance with global regulatory guidelines. The building is equipped with adequate ventilation, air conditioning, and heating facilities to meet international standards for

low pollution levels and to provide a comfortable working atmosphere. The Company's primary goal is to maximise resource utilisation while maintaining its commitment to product quality. The team diligently strives to optimise its operational procedures to boost output.

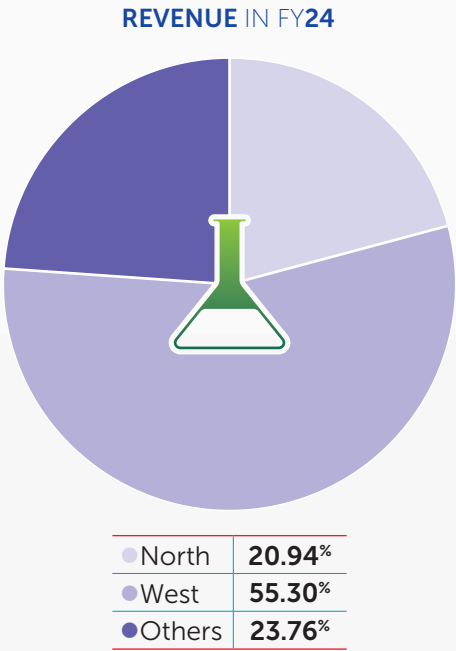
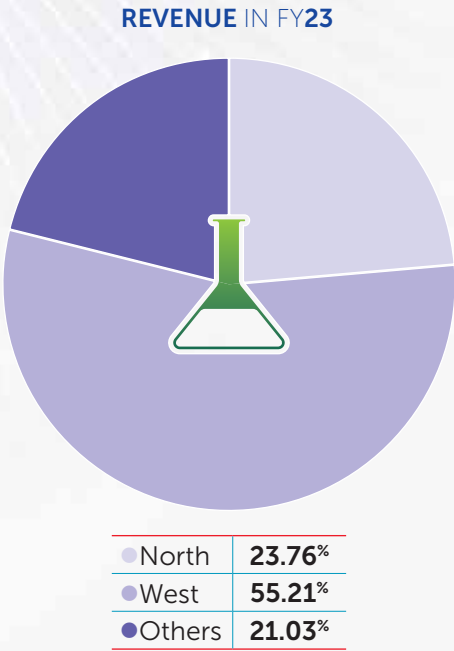
3,375 ^{SQ MT}	73.14
The total area of the facility	Investment in facility in last five years (₹ lakh)
720 ^{LAKH}	504,49,730
Tablets manufacturing capacity	Tablet production in FY24
185 ^{LAKH}	39,56,800
Capsule manufacturing capacity	Capsule production in FY24

our entrenched presence



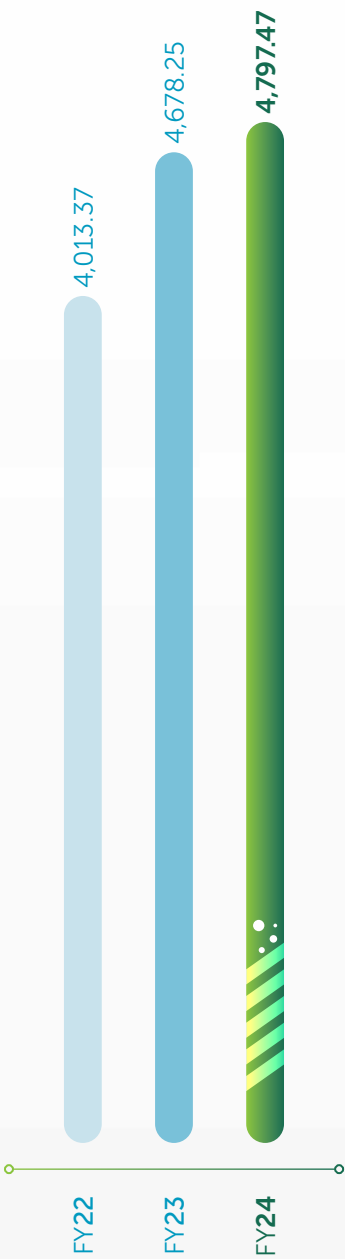
15	330	163	37,460	29,681	455
States covered	Districts of presence	Medical Representatives	Medical Practitioners	Chemists	Stockists

Gujarat Terce markets its products across India; it enjoys a strong presence in the West and North - these regions contribute more than 75% of the Company's revenue. Its team of Medical Representatives (MRs) connects with a wide spectrum of medical practitioners specialising in diverse therapeutic areas. While the team continued to entrench its presence further in the North and West, it focused on expanding its marketing footprint to Central and South India. During the year, the senior management undertook a comprehensive exercise to identify areas/districts that were leaders and laggards in revenue generation. While sharpening its focus on growing revenue from leading districts, the company also exited some laggard areas. This strategic move helped reduce costs, resulting in improved profitability. Additionally, the company altered the terms of trade with its stockists, which enhanced/ improved the working capital cycle.

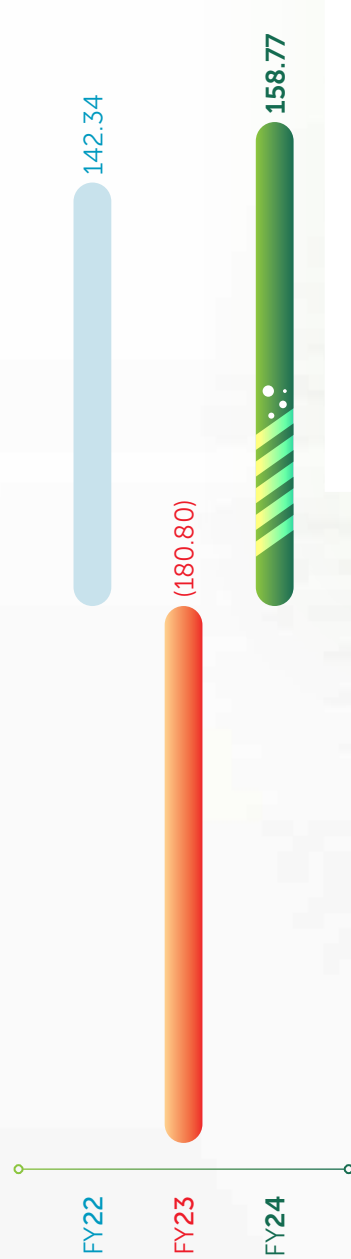


key performance indicators

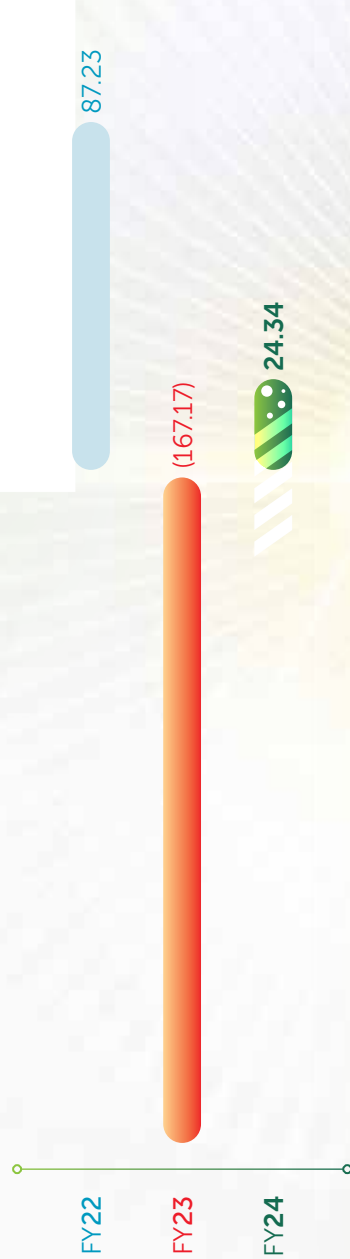
Revenue from Operations
(₹ lakh)



EBITDA
(₹ lakh)



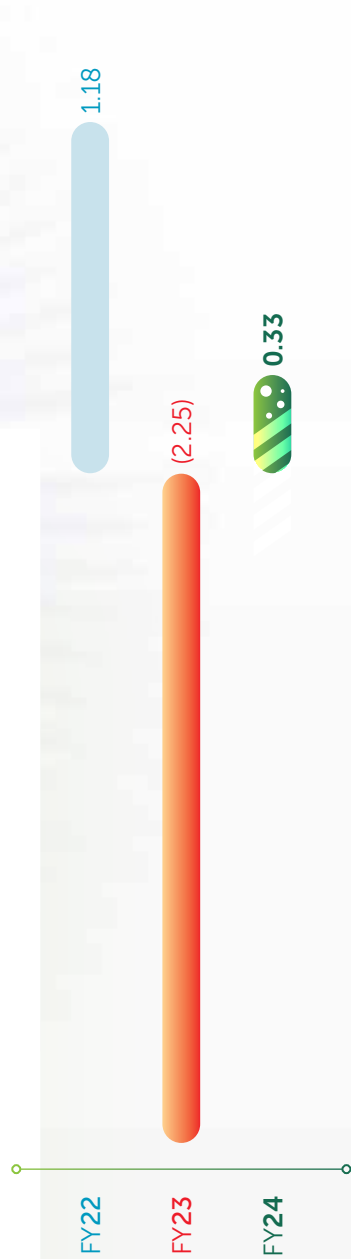
Net Profit- before OCI
(₹ lakh)



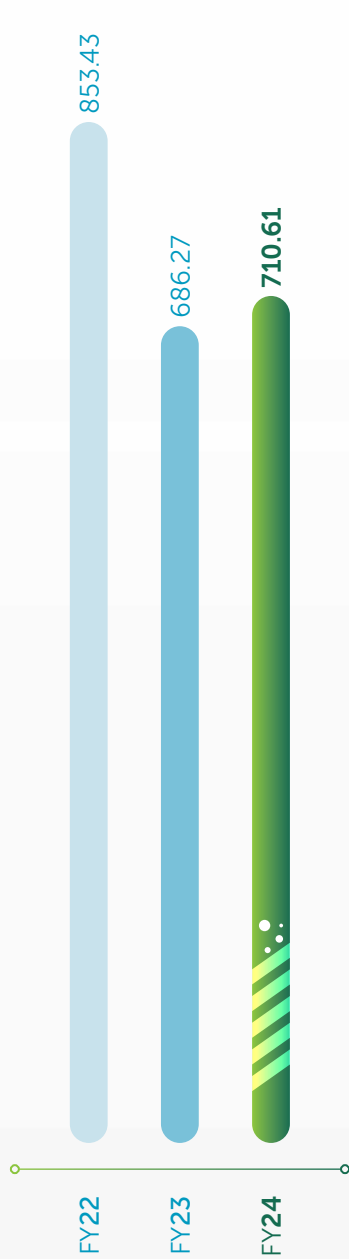
Cash Profit
(₹ lakh)



Earnings per share
(₹)



Networth
(₹ lakh)



our precious products

Gujarat Terce has a portfolio of ten invaluable products, categorised into three main segments:

- 1) Pediatricians
- 2) General Practitioners & Physicians
- 3) Gynecologists

They are precious for their effectiveness and recall among medical professionals, generating significant revenue.

The Company's sustained efforts in marketing and branding in FY24 have led to a notable surge in revenue generated by these products.

Revenue from precious products
(₹ lakh)



REVENUE FROM PRECIOUS PRODUCTS



FY23
Proportion of revenue from other products

REVENUE FROM PRECIOUS PRODUCTS



FY24
Proportion of revenue from precious products

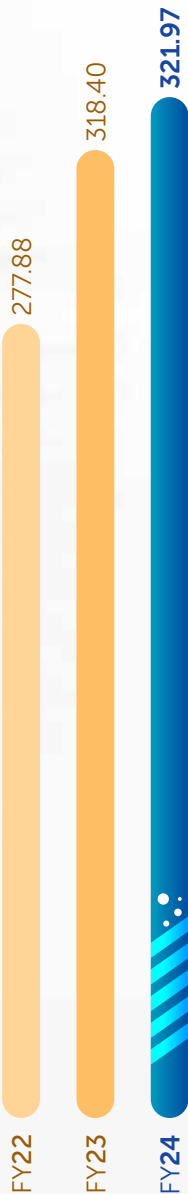
our leading brands

Gujarat Terce has a basket of brands that are leaders known for efficacy and persistent market awareness strategies that have embedded the brands in the minds of practitioners.

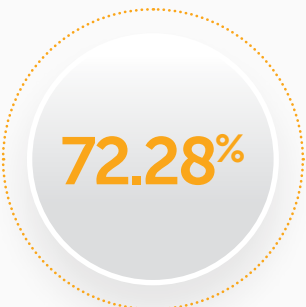
While most brands are in the acute category, a couple of brands address fast-growing chronic therapies.

The team's efforts in creating customised marketing strategies and branding campaigns for every product have helped progressively increase revenue from each product.

Revenue from key brands
(₹ lakh)

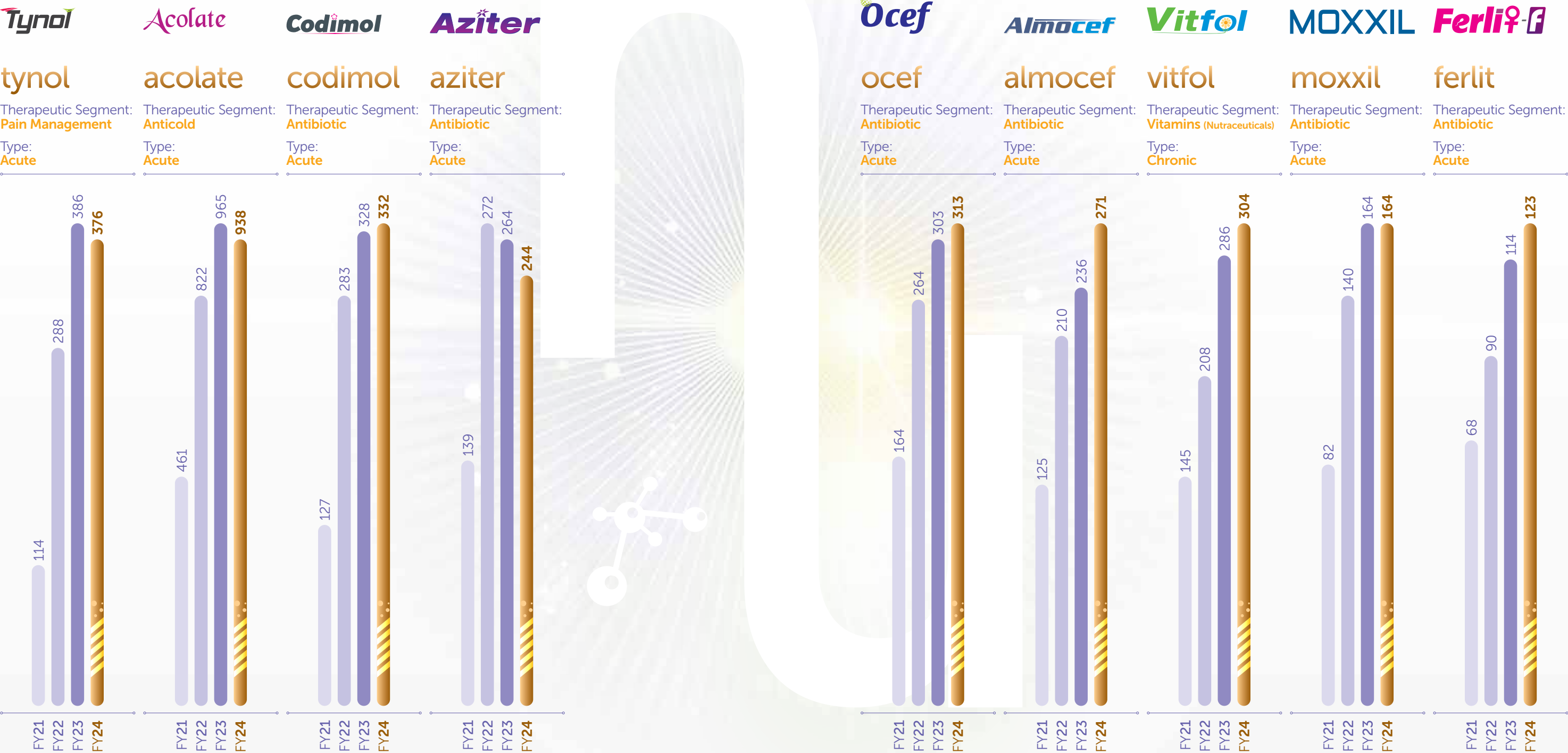


FY24
Revenue growth of top 10 brands over last year



FY24
Revenue contribution from key brands

our leading brands [continued]



our therapeutic presence & prospects

ANTIBIOTICS

Antibiotics, drugs designed to combat bacterial infections, are a cornerstone of modern medicine. The increasing occurrence of acute illnesses due to unpredictable and harsh weather conditions has fueled the demand for these crucial medications.

Our Presence			
8	Key brands	30.13%	
Products	<div><div></div>Codimol</div> <div><div></div>Almocef</div> <div><div></div>Ocef</div> <div><div></div>Aziter</div>	Contribution to total revenue	Codimol , the flagship brand, generated a revenue of ₹331.76 lakh in FY24

Opportunity

India is one of the world’s leading producers of Antibiotics. Globally, the Antibiotics market was valued at US\$ 45.6 billion in 2023 and is estimated to expand at 3.3% CAGR from 2024 to 2032.

RESPIRATORY

Rising pollution and increasing habits of smoking are resulting in a growing incidence of breathing problems like Asthma, COPD (Chronic Obstructive Pulmonary Disease), and lung infections. These realities are driving the demand for respiratory medication.

Our Presence			
3	Key brands	23.32%	
Products	Acolate	Contribution to total revenue	The Company plans to introduce a slew of products in the next couple of years

Opportunity

The global Respiratory drugs market was valued at US\$ 43 billion in 2023 and is anticipated to reach US\$ 64 billion by 2030, witnessing a CAGR of 5.8% during the forecast period 2024-2030.

PAIN THERAPY

According to statistics, almost 25% of adults suffer from chronic pain; making it a fairly common ailment and one of the main reasons people seek medical attention. In addition to its physical effects, chronic pain can unintentionally affect a patient’s social life, mental health, and general perspective on life.

Our Presence			
7	Key brands	10.74%	
Products	<div><div></div>Tynol</div> <div><div></div>Algin P</div>	Contribution to total revenue	The Company is focused on building this segment as a key growth driver

Opportunity

Globally, the Pain Management market size is estimated at US\$ 78.12 billion in 2024 and is expected to reach US\$ 93.19 billion by 2029, growing at a CAGR of 3.59% during the forecast period (2024-2029).

GYNECOLOGY

The demand for effective treatment is expected to rise due to the projected increase in gynecological illnesses, propelling the market for gynecological medications. A survey featuring responses from over 300,000 women aged 18 to 45 across India revealed an astounding 70% were classified as “Women with Menstrual Disorders,” suggesting that this is a widespread issue that impacts most of them. (SOURCE: WION)

Our Presence			
7	Key brands	8.32%	
Products	<div><div></div>Vitfol</div> <div><div></div>Ferlit</div> <div><div></div>HerHonor</div>	Contribution to total revenue	The Company’s top three brands garnered ₹281.94 lakh in revenue

Opportunity

The global Obstetrics and Gynecology drugs market was valued at US\$ 14.07 billion in 2022 and is anticipated to grow at a CAGR of 7.6% from 2022 to 2030.

NUTRACEUTICAL

Nutraceutical dietary supplements, which include vitamins, minerals, and herbal extracts, are in high demand and account for a sizeable share of the industry. These supplements address a variety of health objectives, such as boosting energy and the immune system. The nutraceutical market is expected to rise steadily, with Gen Z and millennials continuing to seek products that cater to their dietary needs, lifestyle choices, and health goals.

Our Presence			
7	Key brands	12.22%	
Products	<div><div></div>Resplash</div> <div><div></div>Vitfol Plus</div> <div><div></div>Mvimin</div>	Contribution to total revenue	The Company’s top three brands garnered ₹398.83 lakh in revenue

Opportunity

India’s Nutraceutical market is prepped to be a global leader at US\$ 4-5 billion. It is expected to grow approximately US\$ 18 billion by 2025. The global Nutraceuticals market size was estimated at US\$ 317.22 billion in 2023 and is projected to grow at a 9.6% CAGR from 2024 to 2030.

AYURVEDIC

The growing demand for herbal and natural medicines in domestic and foreign markets is expected to fuel the expansion of the Ayurvedic product market. This is a result of the growing acceptance of organic and plant-based supplements. Government bodies are adopting various measures to increase public knowledge of Ayurvedic products.

Our Presence			
22	Key brands	8.07%	
Products	<div><div></div>Thyter</div> <div><div></div>Instalin</div>	Contribution to total revenue	The leading three brands generated a revenue of ₹90.02 lakh and is expected to scale higher as the Company focuses on amplifying the brand visibility

Opportunity

Ayurvedic market was worth US\$ 10.21 bn. In 2022, overall Revenue is anticipated to rise at a rate of 15.63% from 2023 to 2029, reaching almost US\$ 28.21 bn in 2029.

GASTROENTEROLOGY

Gastroesophageal reflux disease (GERD), fissures, haemorrhoids, gallstones, ulcerative colitis, and irritable bowel syndrome (IBS) are among the gastrointestinal illnesses that are becoming increasingly common worldwide. Stress, a sedentary lifestyle, food sensitivity, bacterial or viral infections, and poor diet are the key contributors to the increased incidence of both acute and chronic gastrointestinal diseases.

Our Presence			
6	Key brands	6.27%	
Products	<div><div></div>Telflora Z</div> <div><div></div>Rabter DSR</div>	Contribution to total revenue	This segment is an important business segment which will emerge as a strong growth driver over the coming years

Opportunity

The Gastroenterology market in India is forecasted to achieve a Revenue of US\$ 4.91bn by 2024. It is anticipated that the Revenue will experience a compound annual growth rate (CAGR 2024-2028) of 5.10%.



management discussion & analysis



indian
economy

In FY24, the Indian economy displayed remarkable strength, with a GDP growth of 7.6% on the back of good performance by the manufacturing and construction sectors. The industrial sector is projected to post a decent 7.9% growth, up from 4.4% registered last year. This optimistic outlook may be attributed to the strong performance of the manufacturing sector, which is owing to the easing of commodity prices and the resulting boost to business profitability. Notably, energy, metal, and food prices have moderated from their peak in September 2022. Simultaneously, the net direct tax collections (provisional) for FY24 exceeded union budget estimates by 7.40%, reaching ₹1.35 lakh crore. Until January 2024, the government’s revenue spending stood at 79%, and 80% of the

revised FY24 budgetary allocation on capital expenditure was also used up. At the same time, revenue spending stands at 79%. A record 11.11 trillion rupees (about US\$134 billion) will be spent on infrastructure creation in 2024-25 to ensure India remains one of the world’s fastest-growing major economies. The government has focused on infrastructure amidst global challenges like the Russia-Ukraine crisis and the resulting inflation, disrupted supply chains, and adverse impacts on trade. India’s merchandise exports for FY24 totaled US\$437.06 billion, a decrease from US\$451.07 billion in the previous fiscal year. Similarly, goods imports dropped to US\$677.24 billion from US\$715.97 billion in FY23.

India has been trying to shift its trade strategy from East to West through free-trade agreements with major economies. Ongoing negotiations involve prominent nations such as the U.S., the UK, Australia, Japan, Peru, Chile and ASEAN(The Association of Southeast Asian Nations) countries. By the close of 2024, India is poised to finalise, or at least be, in the advanced stages of negotiations on free-trade agreements with almost all major economies. In FY25, the RBI estimates the Indian economy to grow at 7%, partly due to rising rural demand, indicating higher consumption potential.



GROWTH IN GROSS VALUE ADDED				
	2022-23 (Year-on-Year Change)	2023-24 (Year-on-Year Change)	First half 2023-24 (Year-on-Year Change)	Second half 2023-24 (Year-on-Year Change)
Gross value added	7	6.9	7.6	6.2
Agriculture, forestry and fishing industry	4	1.8	2.4	1.4
Industry	4.4	7.9	9.3	6.7
Mining & quarrying	4.6	8.1	7.6	8.4
Manufacturing	1.3	6.5	9.3	3.9
Electricity, gas, water supply and other utility services	9	8.3	6.4	10.3
Construction	10	10.7	10.5	10.9
Services	9.5	7.7	8	7.5
Trade, hotels, transport, communication & broadcasting services	14	6.3	6.6	6.1
Public administration, defence and other services	7.2	7.7	7.7	7.7
Public administration, defence and other services	7.2	7.7	7.7	7.7

SOURCE: CENTRE FOR MONITORING INDIAN ECONOMY PROWESS, MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND AUTHOR'S COMPUTATION



global pharma
industry

The global pharmaceutical sector has seen a shift owing to higher healthcare awareness, rising respiratory diseases, shifts in lifestyles, a surge in pharmaceutical research and development (R&D) expenditure, a growing ageing population, a rise in the number of surgical procedures, robust economic growth in emerging markets and an increasing number of approvals for haematology/ oncology (cancer) drugs.

Despite a plateau in global medicine use in 2023, the pharmaceutical market reached an estimated US\$1.6 trillion, according to Statista, a rise of over US\$100 billion from 2022. This growth is expected to continue, driven by Asian markets like China and India, which are projected to expand at rates exceeding 3%, with the global market reaching an average growth rate of 2.3% by 2028.

In the last five years, Latin American countries have expanded faster than those in other areas, and the forecast indicates that they will continue to expand at a rate of 1.9% each year. Because of their higher per capita usage, North America, Western Europe, and Japan are predicted to have slower growth rates in the use of pharmaceutical products. It is anticipated that volume growth in Eastern Europe will resume in 2024 on patterns that existed before the conflict in Ukraine broke out.

By 2028, 400 billion defined daily doses will be added to worldwide medicine usage. Over the last five years, there has been an increase of 414 billion defined daily doses. This estimate is based on modelling

medicine volumes shipped according to defined daily dose assumptions.

China, India and the Asia-Pacific region are predicted to have the biggest volume growth over the next five years, with growth rates

above 3% CAGR. Lower volume growth in higher-income regions such as North America, Western Europe and Japan is linked to more established health systems and existing medical access.

TRENDS IN THE GLOBAL PHARMACEUTICAL INDUSTRY

Continued dominance of Small Molecule drugs

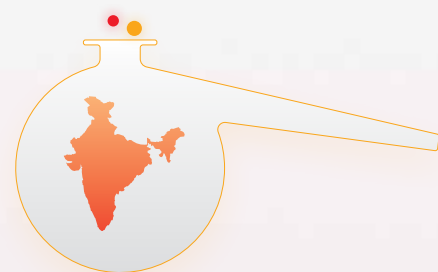
In 2024, small-molecule pharmaceuticals will still hold a 54.9% share of worldwide revenues, dominating the pharmaceutical industry. This is because they are less expensive than biologics and are simpler to manufacture, formulate and administer. These small-molecule drugs have also been shown to be effective and safe, and they contribute effectively to the treatment of the four main medical specialities that account for more than half of the growth in the pharmaceutical industry worldwide. These include diabetes, respiratory disorders, autoimmune diseases and cancer.

Increasing adoption of Biologics

By 2024, biologics should become increasingly prevalent as they provide more specialised and effective therapies for various illnesses. Biologics can target specific molecules or cells involved in disease processes because they are derived from living organisms. They are, therefore, more effective and efficient than conventional small-molecule medications. It is also anticipated that more cutting-edge and potent biological drugs may hit the market as technology progresses and R&D spending rises.

Curative therapies

The treatment approach has changed significantly, from controlling to curing diseases. 'Cell and gene therapies' are called curative therapies. The most often utilised vectors for gene therapy are viruses that have been genetically altered. These revolutionary breakthroughs can solve long-term therapy requirements for chronic illnesses or hard-to-treat ailments.



indian pharma industry

India is the world's biggest supplier of generic pharmaceuticals and is renowned for its reasonably priced vaccines and generic medications. The pharmaceutical sector in India has grown over the previous nine years at a compound annual growth rate (CAGR) of 9.43%, placing it third in the world in terms of pharmaceutical manufacturing capacity.

India's pharmaceutical industry provides more than half of the world's demand for different vaccinations, 40% of the U.S. market for generic drugs, and 25% of the UK market for all medications. Despite declining total goods exports, pharmaceutical exports increased 9.6% to

US\$27.8 billion in FY24. This is the largest export growth for the pharmaceutical industry in the last three years.

According to experts, important categories, including API (active pharmaceutical ingredients) and generic formulations, which account for 73% of all exports, have grown strongly in important markets like the U.S., Europe, and Africa.

India's pharmaceutical market is expected to grow to US\$130 billion by 2030 and US\$65 billion by 2024.

Some government schemes for the Indian pharmaceutical industry are listed beside:

- The Government has initiated the Promotion of Research and Innovation in the Pharma and MedTech sector (PRIP) scheme, worth ₹5,000 crore, to transform India's cost-based pharma MedTech industry into one centered on innovation. The initiative intends to boost the country's research infrastructure
- The Government has modified a scheme that provides financial support to pharmaceutical companies to help them modernise their facilities and manufacture medicines that meet international standards. The Government has also extended the reach of the Pharmaceuticals Technology Upgradation

Assistance Scheme (PTUAS). This scheme was redesigned to encompass pharmaceutical manufacturing units with a turnover of less than ₹500 crore but needs support for upgrading their technology and quality

- The government has also released an order where pharmaceutical companies must inform the licensing authority about recalling a drug and report product defects, deterioration, or faulty production under the revised Schedule M guidelines. Previously, there was no provision to inform the licensing authority about drug recalls

Some budget allocations under the Union Budget 2024-25 are mentioned below:

- The Interim Union Budget 2024-25 states that the Department of Pharmaceuticals will spend ₹4,089.95 crore in the fiscal year 2024-25, of which approximately ₹2,143 crore will go towards PLI schemes. This represents an increase of 78.6% over the ₹1,200 crore allotted in the previous fiscal year
- The budget allocation for the Jan Aushadhi Scheme, which aims to provide affordable drugs, would increase by over 1.5 times, from ₹115 crore in the current fiscal year to ₹285.50 crore in the fiscal year 2024-2025

- The Promotion of Bulk Drug Parks under the central sector scheme, 'Development of Pharmaceutical Industry' will be allocated ₹1,000 crore instead of the BE of ₹900 crore in 2023-24; the allocation for Promotion of Medical Device Parks will be reduced from ₹200 crore in the BE for the current fiscal year, to ₹150 crore in 2024-25
- An allocation of ₹40 crore for the Assistance to Medical Device Clusters for Common Facilities (AMD-CF) is significantly higher than the current fiscal year's expenditure of ₹33 crore. The allocation for Assistance to the Pharmaceutical Industry for Common Facilities (API-CF)/ Cluster Development is ₹50 crore instead of ₹51 crore allocation in the BE for 2023-24

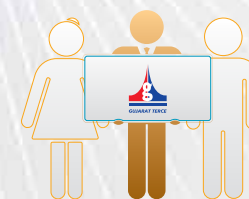
TRENDS IN THE INDIAN PHARMACEUTICAL INDUSTRY

Generic drug manufacturing

Indian pharmaceutical businesses are taking advantage of the opportunity presented by many major medicine patents expiring to manufacture affordable generic versions for both domestic and international markets. This development reinforces India's standing as a major worldwide powerhouse for pharmaceuticals and advocates for accessible healthcare.

The emergence of new Go-To-Market (GTM) models

Traditional channels of distribution are changing. To better engage consumers, businesses are looking into direct-to-consumer marketing, tele-medicine platform partnerships and online pharmacy.

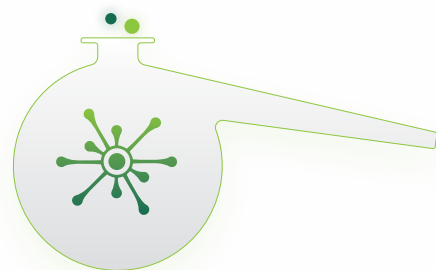


Gujarat Terce Laboratories Limited is a pharmaceutical firm in Ahmedabad that produces and distributes branded generic medications. Its foundation is based on the core values of EXCELLENCE & COMPASSION.

about the company

The Company offers a wide range of products under 52 Brands, totalling 135 items, and its portfolio covers 10 therapeutic categories.

Continuous commitment to research has allowed the Company to spot gaps in the current treatments for certain illnesses and fill them with effective solutions.



operational performance

FY 2024 was a seminal year for the organisation. Serious efforts in manufacturing and marketing helped the Company scale the efficiency of its operations. On the shop floor, the Company

focused on optimising costs at all levels. Also, the team persevered in increasing productivity by optimising processes.

On the field, the team streamlined its working capital (inventory and

receivables), which unlocked significant funds. The team worked on increasing its prescriber base, which generated increased volumes.



financial overview

The Company registered a superior all-round performance in FY24 with a healthy uptick in revenue from operations and a reversal in profitability. Net loss incurred in FY23 turned to a Net Profit.

This performance was due to the sales team's efforts on the field, improved working capital management policies and cost optimisation initiatives. The Company worked diligently in sweating its assets (product brands, people resources and operational infrastructure) to improve business returns.

The improved cash flow was prudently deployed to reduce debt to arrive at a zero-debt position in the near future. Going forward, the Company will continue to streamline its business operations with a special focus on working capital management. This would improve business liquidity and unleash significant value for its stakeholders.

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	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%
Debtors Turnover ratio	Net Credit Sales	Average Trade Receivable	7.03	6.95	1%	
(a) Current ratio	Current Assets	Current Liabilities	0.92	0.97	5%	
(b) Debt-Equity ratio	Long Term Debt+Short Term Debt	Shareholders' Equity	0.54	1.06	49%	Debt obligations have been reduced by a reduction in current liabilities as well as increase in profit
(c) Interest Service Coverage ratio	EBIT	Interest	1.80	-3.01	160%	Interest has been serviced by the company out of profits earned by the company during the year
(i) Operating Profit Margin (%)	EBIT	Net Sales	3%	-5%	155%	Due to a decrease in expenses related to sales, the net profit ratio has improved
(i) Net Profit Margin (%)	Net Profit	Net Sales	1%	-4%	125%	Due to a decrease in expenses related to sales, the net profit ratio has improved
(d) Return on Net Worth (%)	Earnings After Interest, Tax, Depreciation & Amortisation	Net Worth	3.43%	-24%	114%	The company has earned profits in the current year vis-à-vis losses incurred in the previous year

INTERNAL CONTROL & ITS ADEQUACY

The Company has appointed DV Shah & Associates as its internal auditor. 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 safeguard all assets against unauthorised use or disposition loss. Significant issues are brought to the audit committee's attention for periodic 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 to monitor statutory and operational issues. Adherence to statutory compliance is a key focus area for the Company's leadership team.

The Company continuously strives 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.

Gujarat Terce continues to build its teams with quality talent and emphasises conducting frequent training modules to empower employees.

HUMAN RESOURCE

Gujarat Terce values its employees as they champion the business and determine its success or failure. The Company dedicates resources in terms of time and finances towards crafting diverse programmes to enhance its workforce's skill set and capabilities. These initiatives are geared towards effectively meeting present and future business demands.

The Company takes several initiatives to upgrade its employees' skills. Furthermore, a culture of continuous learning and feedback is cultivated, encouraging employees to expand their horizons and pursue their passions. By prioritising the growth of its employees, Gujarat Terce not only ensures a skilled and motivated workforce but also cultivates a vibrant and dynamic organisational culture where individuals can flourish personally and professionally.

The emphasis on interpersonal communication within the Company fosters strong working relationships between the management and employees. This focus has notably boosted operational efficiency and employee engagement. Industrial Relations continued to be cordial. The Company had 286 employees on its rolls as of March 31, 2024.

RISK MANAGEMENT

At Gujarat Terce, the approach to risk management is guided by a carefully crafted risk appetite, which is established through a set of criteria that consider sector-specific conditions, internal capacities and the Company's financial objectives within acceptable levels of volatility.

The Board and leadership teams are dedicated to proactively addressing potential risks that could disrupt business operations. This commitment is evident in developing a robust risk management framework that addresses strategic, financial, operational and environmental 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 business.

turn
around

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

Mrs. Ripal Sukhadiya

REGISTERED OFFICE & FACTORY

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

ADMINISTRATIVE OFFICE

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

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 39th Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held at 12:00 p.m. on Tuesday, 17th September, 2024 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, 2024, together with the reports of Board of Directors and Auditors thereon.**

SPECIAL BUSINESS

- To increase the limit of remuneration payable to Mr. Aalap Prajapati, Managing Director**

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

"RESOLVED THAT pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for payment of remuneration to Mr. Aalap Prajapati (DIN: 08088327), who was appointed as Managing Director of the Company at the 37th Annual General Meeting held on August 24, 2022, as set out in the Explanatory Statement, for the financial year from April 01, 2024 to March 31, 2025 and further for the remaining period of his tenure from April 1, 2025 to October 28, 2026, and that such remuneration shall be the minimum remuneration payable in terms of Schedule V of the Act in case of no profits or inadequate profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.

FURTHER RESOLVED THAT save and except as aforesaid, all other terms and conditions of appointment of Mr. Aalap Prajapati (DIN: 08088327), passed at the 37th Annual General Meeting shall continue to remain in force and effect."

FURTHER RESOLVED THAT the Board of Directors of the Company (which shall be deemed to include any committee constituted/ to be constituted by the Board) be and is hereby authorised to increase, alter, vary and modify the remuneration of the Managing Director, Mr. Aalap Prajapati (DIN: 08088327) during his existing tenure within the overall limit of maximum remuneration as aforesaid and to do all such acts, deeds, matters and things as may be deemed necessary and settle any question or difficulty that may arise for giving effect to this resolution without being required to seek any further consent or approval of the Members of the Company."

By Order of the Board of Directors

Ripal Sukhadiya

Date: 09/08/2024
Place: Ahmedabad

Company Secretary
& Compliance Officer

NOTES:

- The Ministry of Corporate Affairs (the "MCA") vide its General Circular No.14/2020 dated 08/04/2020, Circular No.17/2020 dated 13/04/2020, Circular No.22/2020 dated 15/06/2020, Circular No.33/2020 dated 28/09/2020, Circular No.39/2020 dated 31/12/2020 and Circular No.10/2021 dated 23/06/2021, Circular No. 20/2021 dated 08/12/2021, Circular No. 03/2022 dated 05/05/2022 and Circular No. 11/2022 dated 28/12/2022 in relation to "Clarification on passing of Ordinary and Special Resolution by the Companies under Companies Act, 2013 read with rules made thereunder, through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" (hereinafter, collectively referred as the "MCA Circulars") and in compliance with the provisions of the Companies Act, 2013 (the "Act") this AGM is being convened to be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at a common venue and accordingly, the Annual General Meeting (the "AGM") of the Company will be held through VC or OAVM in compliance with the aforesaid circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made there

- under. The registered office of the Company shall be deemed to be the venue for the AGM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 4. Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") with respect to the requisite Item of the Notice is annexed hereto and forms part of this Notice.
 6. In Compliance with aforesaid Circulars issued by MCA, the Notice for AGM of the Company, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or Depository Participants or the Registrar and Share Transfer Agent (the "RTA"). In case any Member is desirous of obtaining hard copy of the notice of the AGM of the Company, may send request to the Company's e-mail address at cs@gujaratterce.com mentioning Folio No. DP ID and Client ID.
 7. Members who have questions or seeking clarifications on the items as contained in this Notice are requested to send email to the Company on cs@gujaratterce.com on or before 5:00 PM on Tuesday, 10th September, 2024. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process. The Company will allot time for members to express their views or give comments during the meeting.
 8. The Members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID, cs@gujaratterce.com on or before 5:00 PM on Tuesday, 10th September, 2024. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.
 9. Pursuant to Section 113 of the Act, institutional / corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, before e-voting / attending AGM, to cs@gujaratterce.com
 10. 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 Bigshare Services Private Limited 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 Bigshare Services Private Limited.
 11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <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 respectively and the AGM Notice is also available on the website of Bigshare Services Private Limited (agency for providing the Remote e-Voting facility) i.e. <https://ivote.bigshareonline.com>
 12. **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.

13. 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.
14. 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.

15. **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.

16. 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.

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 Bigshare Services Private Limited 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 Bigshare Services Private Limited. 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 Saturday, 14th September, 2024 (9:00 a.m.) and ends on Monday, 16th September, 2024 (5:00 p.m.) The remote e-voting module shall be disabled by Bigshare Services Private Limited 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. Tuesday, 10th September, 2024. 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 10th September, 2024.

Bigshare i-Vote E-Voting System

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on 14/09/2024 (9.00 a.m.) and ends on 16/09/2024 (5.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10/09/2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional

shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<div><div>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</div><div>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers’ website directly.</div><div>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</div><div>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.</div></div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<div><div>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div><div>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</div><div>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</div></div>
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. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

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

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on "LOGIN" button under the 'INVESTOR LOGIN' section to Login on E-Voting Platform.
- Please enter you 'USER ID' (User id description is given below) and 'PASSWORD' which is shared separately on you register email id.
 - o Shareholders holding shares in CDSL demat account should enter 16 Digit Beneficiary ID as user id.
 - o Shareholders holding shares in NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
 - o Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on I AM NOT A ROBOT (CAPTCHA) option and login.

Note: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?'

- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'Reset'.
(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "VOTE NOW" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "IN FAVOUR", "NOT IN FAVOUR" or "ABSTAIN" and click on "SUBMIT VOTE". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on "REGISTER" under "CUSTODIAN LOGIN", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with "User id and password will be sent via email on your registered email id".
NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can

use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'CUSTODIAN LOGIN' tab and further Click on 'Forgot your password?'
- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'RESET'.
(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "DOCUMENTS" option on custodian portal.
 - Click on "DOCUMENT TYPE" dropdown option and select document type power of attorney (POA).
 - Click on upload document "CHOOSE FILE" and upload power of attorney (POA) or board resolution for respective investor and click on "UPLOAD".
Note: The power of attorney (POA) or board resolution has to be named as the "InvestorID.pdf" (Mention Demat account number as Investor ID.)
 - Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "VOTE FILE UPLOAD" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
 - Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "UPLOAD". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
 - Custodian can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM/AGM through VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEW EVENT DETAILS (CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to attend the AGM/AGM under the dropdown option.
- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "VIDEO CONFERENCE LINK" option.
- Members attending the AGM/AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/AGM are as under:-

- The Members can join the AGM/AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/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/AGM.
- 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/AGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.



Annexure-I

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The Members of the Company at the 37th Annual General Meeting held on August 24, 2022 had re-appointed Mr. Aalap Prajapati (DIN: 08088327), by way of a special resolution, as the Managing Director of the Company for a term of five years, with effect from October 28, 2021, as per the terms and conditions specified therein.

The details of remuneration paid to Mr. Aalap Prajapati (DIN: 08088327), Managing Director from October 28, 2021 are as under:

Financial year	Remuneration paid
2021-22	₹12.00 Lakhs
2022-23	₹13.77 Lakhs
2023-24	₹32.20 Lakhs

The company has not committed any default in payment of dues to any bank or any other secured creditor.

Based on the recommendation of the Nomination and Remuneration Committee, the Board implemented a Long-Term Incentive Plan (‘the Plan’) to reward the senior leadership and eligible employees of the Company. The Plan is targeted to reward the employees for their performance as well as to motivate them to contribute to the growth and profitability of the Company and in its Board meeting dated 20/06/2024 approved increase of remuneration to managing Director is ₹84.00 Lakhs i.e. within limit as provided under section II(b)(iii) of schedule V of the Companies Act 2013.

Pursuant to the provisions of Schedule V to the Companies Act, in case of no profits or inadequate profits during the tenure office appointment the said remuneration shall be paid as minimum remuneration.

Statement to the extent as applicable, as required under Section II(B)(iv) of the Schedule V of the Companies Act, 2013 is as under :

General Information

Nature of industry	Pharmaceutical
Date or expected date of commencement of commercial production.	NA
In the case of new companies, the expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	NA
Financial performance based on given indicators.	The turnover of the company increase 2.55% compare to previous year and financial performance are improved
Foreign Investments or collaborators, if any.	NIL

Information about the Managing Director

Name	Aalap Natwarbhai Prajapati
Designation	Managing Director
DIN	08088327
Date of Birth	29/11/1988
Date of Appointment	01/04/2018
Qualifications	B. Tech Electronic, MBA
Shareholding, if any	5.45%
Experience in specific functional areas	More than 12 years
Directorship held in other company	NIL
Chairman/Member of the Audit Committee and Stakeholders’ Grievance Committee in other company	NIL
Past Remuneration	₹32.20 Lakhs
Proposed Remuneration	₹84.00 Lakhs
Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person	For Managing Director’s and CEO’s the salary in pharma sectors is about ₹75.00 Lakhs to 102.00 Lakhs. The median salaries are up to ₹57.57 Lakhs per year. Given this figures, remuneration as provided is within acceptable range and its competitive and aligns with industries standard for similar position.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Yes as a Managing Director.

Except Mr. Aalap Prajapati (DIN: 08088327), Mr.Natwarbhai Prajapati (DIN : 00031187) & Mr.Amritbhai Prajapati(DIN : 00699001) none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise in the above Resolutions.

Pursuant to the recommendations of Nomination and Remuneration Committee, your Directors recommend the Resolution set out in Item No. 2 as a Special Resolution for approval of the Members.

By Order of the Board of Directors

Date: 09/08/2024
Place: Ahmedabad

Ripal Sukhadiya
Company Secretary
& Compliance Officer



BOARD'S REPORT

To,
The Members of
GUJARAT TERCE LABORATORIES LIMITED

Your Director's have pleasure in presenting the 39th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2024

1. FINANCIAL HIGHLIGHTS

The financial performance of your company for the year ending March 31, 2024 is summarized below:

(₹ In Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	4,797.47	4,678.25
Other Income	32.10	35.45
Profit before Interest, Depreciation, Other expenses & Tax	1,482.96	1,305.26
Finance Cost	67.60	72.14
Depreciation	36.78	36.45
Other expenses	1,324.19	1,486.06
Net Profit before Tax	54.39	-289.39
Tax Expense	0	0
Deferred Tax	30.06	-122.23
Net Profit after Tax	24.33	-167.16

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the reporting period company's performance was satisfactory in terms of revenue generation as the same has generated total revenue of ₹4,797.47 Lakhs which is 119.22 Lakhs more than the last year's turnover. Company has generated other income of ₹32.10 Lakhs during the year as compared to the other income generated in the previous year amounting ₹35.45 Lakhs. The company has earned net profit of ₹24.33 Lakhs during the year as compared to the loss of ₹167.16 Lakhs in the previous financial year. The Board is taking the necessary steps to improve the performance of the Company and to have better working results in the coming years.

3. CAPITAL EXPENDITURE:

As on March 31, 2024 the gross fixed assets (tangible and intangible) stood at ₹840.40 lakhs (previous year ₹833.39 lakhs) and the net fixed assets (tangible and intangible), at ₹369.16 Lakhs (previous year ₹398.79 lakhs). Capital Expenditure during the year amounted to ₹7.37 lakhs (previous year ₹6.31 Lakhs).

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

The company has not transferred any amounts in the Reserves in terms of Section 134(3)(J) of the Companies Act, 2013.

5. DIVIDEND

The Board of Directors of the Company, after considering holistically the relevant circumstances has not recommended any dividend for the current financial year with a view to conserve the profits generated.

6. CHANGE IN THE NATURE OF BUSINESS

During the period under review, the Company has not changed its line of business in such a way that amounts to commencement of any new business or discontinuance, sale or disposal of any of its existing businesses or hiving off any segment or division.

7. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this

financial statement relates on the date of this report except the Demand of ₹576.30 Lakhs for tax liabilities towards certain disallowances with interest for A.Y. 2011-12 to 2014-15 were allowed in favour of Income Tax Department. The Board has decided to file appeal against the order.

8. SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2024, 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 2023-2024. There was no change in Share Capital during the year under review.

Distribution of Shareholding (As on March 31, 2024)

Shareholding	No of Shareholder	% of Holders	Shares	% of Holding
1-500	12578	94.67	1492827	20.12
501-1000	320	2.41	273354	3.68
1001-2000	143	1.08	226094	3.05
2001-3000	64	0.48	163466	2.20
3001-4000	37	0.28	131574	1.77
4001-5000	29	0.22	135019	1.82
5001-10000	42	0.32	305130	4.11
100001-999999999	73	0.55	4692836	63.24
Total	13286	100.00	7420300	100.00

On the basis of category:

Category	No of Shares Holder	% of Shareholders	No. of shares	% of Holding
Clearing Members	2	0.02	1834	0.02
Corporate Bodies	21	0.16	87696	1.18
Group Companies	1	0.01	1075900	14.50
Non Resident Indian	19	0.14	44243	0.60
Other Directors	1	0.01	300	0.00
Promoter	6	0.05	1664327	22.43
Director Relatives	1	0.01	7500	0.10
Public	13235	99.62	4538500	61.16
Total	13286	100.00	7420300	100.00

9. Transfer of unclaimed dividend to Investor Education and Protection Fund

There was no unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, remaining unclaimed/unpaid in relation to the Company hence the Company is not required to transfer any amount to Investor Education and Protection Fund (IEPF).

10. Particulars of Loans, Guarantees and Investments

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

11. Information about Subsidiary/ JV/ Associate Company

Company does not have any Subsidiary, Joint venture or Associate Company.

12. Deposits

During the year under review, your Company has not invited any deposits from public/shareholders as per Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

13. 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 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/Code-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.

14. Directors and Key Managerial Personnel

There has been no Change in the constitution of Board during the year.

Composition of board of directors as on 31/03/2024 is as following:

S. No.	Name	Designation	DIN	Date of Appointment
1	Mr. Prajapati Natwarbhai Parsottam	Whole-time Director	00031187	28/03/1985
2	Mr. Amritbhai Purshottamdas Prajapati	Whole-time Director	00699001	01/03/2006
3	Ms. Chhayaben Ashwinbhai Shah	Director	01435892	31/03/2015
4	Mr. Viplav Suryakantbhai Khamar	Director	07859737	27/06/2017
5	Mr. Prajapati Aalap Natubhai	Managing Director	08088327	01/04/2018
6	Mr. Surendrakumar Prakashchandra Sharma	Director	06430129	10/08/2018
7	Mr. Navinchandra Patel	Director	08702502	26/02/2020
8	Mr. Bhagirath Ramhit Maurya	CFO	BFSPM1373Q	17/12/2018
9.	Mrs. Ripalben Sachinkumar Sukhadiya	Company Secretary	CUAPS6172B ACS No. 43635	21/03/2023

15. Declaration by Independent Directors

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

16. Meetings

(A) 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 Five times in financial year details of which are summarized as below:

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	13/05/2023	7	7
2	11/08/2023	7	6
3	08/11/2023	7	7
4	05/02/2024	7	7
5	29/03/2024	7	7

(B) Separate Meetings of Independent Director

During the year under review, the Independent Directors met on February 5, 2024 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.

(C) Committee Meetings:

(i) Audit Committee Meetings

During the period under review, the Audit Committee met Four times on 13.05.2023, 11.08.2023, 08.11.2023, 05.02.2024.

Composition of Audit Committee and attendance of each member during the meetings held in FY 2023-2024 are given below:

Name	Designation	Category	No of meetings attended during the year 2023-24
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 Policy and Committee Meetings

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	30.10	0	0	30 days	30.10
Mr. Amritbhai P. Prajapati	upto 23/06/2026	4.06	0	0	30 days	4.06
Mr. Aalap N.Prajapati	upto 27/10/2026	32.20	0	0	30 days	32.20

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

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/Code-and-Policies>

The Committee has held One Meeting during the FY 2023-24 i.e. 05.02.2024.

Composition of Nomination and Remuneration Committee and attendance of each member during the meetings held in FY 2023-24 are given below:

Name	Position	Category	No of meetings attended during the year 2023-24
Mr. Surendra Kumar Sharma	Chairman	Non- Executive Independent Director	1
Mr. Viplav Khamar	Member	Non- Executive Independent Director	1
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	1

(iii) Stakeholders Relationship Committee Meetings

The Committee has held One Meeting during the FY 2023-24 i.e. 05.02.2024.

The Composition of Stakeholders Relationship Committee and attendance of each member during the meetings held in financial year 2023-24 are given below.

Name	Position	Category	No. of meetings attended out of one (1) meeting held during the year 2023-24
Mr. Viplav Khamar	Chairman	Non- Executive Independent Director	1
Smt. Chhayaben Shah	Member	Non- Executive Independent Director	1
Mr. Aalap N. Prajapati	Member	Managing Director	1

17. General Meeting(s) held during the year

During the financial year, following general meeting was held. The provisions of the Companies Act, 2013 were adhered to while conducting the meeting:

Sr. No.	Nature of meeting	Date of Meeting	Total Number of Members entitled to attend meeting	Number of members attended
1	Annual General Meeting	25/08/2023	13576	39

Passing of Resolution by Postal Ballot:

None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2024. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

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.

18. Corporate Governance

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

19. 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**

20. Board Evaluation

In compliance with the Companies Act, 2013 the performance evaluation of the Board was carried out during the year under review. The Company has prepared an annual performance evaluation policy for performance evaluation of Independent Directors, Board and the Committees.

21. Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- The directors had 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;

- The directors had prepared the annual accounts on a going concern basis; and
- Company being unlisted sub clause (e) of section 134(5) is not applicable.
- 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.

22. Internal control systems and their adequacy

The Company has laid down an effective Internal Financial Control System.

All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.

Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard

and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Managing Director and Board of Directors for review and necessary action.

23. Fraud Reporting

There were no frauds reported by the auditor during the year under sub-section (12) of section 143 other than those which are reportable to the Central Government.

24. Extract of Annual Return

In compliance to provisions of section 134 (3) (a) of the Companies Act, 2013 copy of the Annual Return referred to in sub section (3) of Section 92 of the Act as prepared in Form No. MGT 7 is placed on the website of the company, weblink of the same is <https://www.gujaratterce.in/annual-returns/>.

25. Corporate Social Responsibilities (CSR)

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to the constitution of the Corporate Social Responsibility Committee.

26. Energy conservation, technology absorption & Foreign Exchange Earnings and Outgo

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:

- Steps taken or impact on conservation of energy: The steps taken or impact on conservation of energy;

The steps taken or impact on conservation of energy; Electricity	Current Year	Prev Year
Unit Consumption	1,84,151	148524
Total Amount	13,64,976	1140365
Average Cost	7.41	7.68
Own generation:	N.A.	N.A.

- Steps taken by the company for utilizing alternate sources of energy including waste generated: Nil
- Capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- Efforts, in brief, 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.
- Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. 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 3 years reckoned from the beginning of the financial year), following information may be furnished: There is no technology imported during last three years as The Company's operations do not require significant import of technology.
 - Details of technology imported: Nil

- (b) Year of import: Nil
- (c) Whether the technology been fully absorbed: N.A.
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore: N.A.
- (iv) The expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo

Earnings	Nil
Outgo	₹23,737.00

27. Business Risk Management

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.
- **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 initiated 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.

28. Significant and material orders passed by the regulators or courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

29. Auditors:

◆ **Statutory Auditors & their Report**

At the Annual General Meeting held on 21/08/2020, M/s M.A. Shah & Co., Chartered Accountants (FRN: F112630W) was appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2024-2025.

Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

◆ **Cost Auditor**

The Cost Audit pursuant to section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 is not applicable to the company.

◆ **Secretarial Auditor**

According to the provision of section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed GKV & Associates, Practicing Company Secretary(ies), on 13/05/2023 to undertake the Secretarial Audit of the Company for the financial year ended 2024.

The Secretarial Audit Report Submitted by GKV & Associates, for the financial year ended 2024 in the prescribed form MR-3 is annexed to the report as Annexure B.

The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.

◆ **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, for financial year ended 2024.

30. Credit Rating of Securities

The Company has not obtained any credit rating of its securities.

31. Details of failure to implement any corporate action:

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)	Yes
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

32. Particulars of Employees:

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.

However, none of the employees of the Company have received remuneration exceeding the limit as stated in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

33. Statement regarding compliances of applicable Secretarial Standards

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.

34. GENERAL DISCLOSURE

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.

35. 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.

36. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

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

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

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

37. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has in place an anti-sexual harassment policy in line with the requirements of

the sexual harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Further the company was committed to providing a safe and conducive work environment to its employees during the year under review. Your directors further state that during the year under review, there were no cases filed pursuant to the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Summary of sexual harassment complaints received and disposed of during the financial year:-

No. of complaints received : Nil
No. of complaints disposed of : Nil
No. of complaints pending : Nil
No. of complaints unsolved : Nil

38. Vigil Mechanism / Whistle Blower Policy

The Company has formulated a vigil mechanism (whistle bower policy) as per Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013 for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company as prescribed under the Companies Act, 2013. This vigil mechanism shall provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The said policy has also been uploaded on the Company's website at <http://gujaratterce.in/Code-and-Policies>

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 endeavour 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

For & on behalf of the Board of Directors
Gujarat Terce Laboratories Limited

Prajapati Natwarbhai Parsottam

DIN : 00031187

Chairman

R/o : 34, Raghukul Bungalows, Nr. Gulab Tower,, Sola Road Thaltej, Thaltej Gujarat India 380059

Date: 09/08/2024

Place: Ahmedabad

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. Cautionary Statement

The statements contained in the Board's Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

42. Acknowledgement

Your directors wish to express their grateful appreciation to the continued co-operation received from the banks, government authorities, customers and shareholders during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff, and workers of the company.



Web link

<http://gujaratterce.in/Code-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

ANNEXURE-B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the year ended on March 31, 2024

(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, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2024 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
ACS: 31820; COP: 19866
UDIN- F012366F000983490

Date: 15-08-2024
Place: Ahmedabad

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

- Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2023-24, the percentage increase in remuneration of Chairman, Managing Director, Executive Directors, CEO, Company Secretary and CFO during the financial year 2023-24:

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	11.26:1	Nil
2	Mr. Amritbhai P Prajapati	Whole-Time Director	1.52:1	Nil
3	Mr. Aalap N. Prajapati	Managing Director & CEO	12.04:1	Nil
4	Mr. Bhagirath R. Maurya	Chief Financial Officer	2.61:1	12% w.e.f. 01-04-2023
5	Ms. Ripal Sukhadiya	Company Secretary	0.82:1	NA

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 2023-24	23.48%
2	Total number of permanent employees on the rolls of the Company as on 31 st March, 2024 (on standalone basis)	286
3	The median remuneration of employees of the Company during the year under review.	₹2.67 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	<p>The average percentage increase in the remuneration of all employees other than the managerial personnel was <u>10.46%</u> for the FY 2023-24.</p> <p>The average percentage increase in the remuneration of Managerial Personnel was <u>1.12%</u> for the FY 2023-24.</p> <p>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.</p>

- 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

TOP TEN EMPLOYEES 2023-24

Sr. No.	Name & Designation of Employee	Remuneration Received (₹ in Lakhs)	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment	Age	Name of Previous Employment	% of Equity Shares held	Relative of Director or Manager
1	Natwarbhai Prajapati	30.10	Permanent	B.Sc, D.Pharma	39	28/03/1985	68	-	8.57	Managing Director
2	Aalap Prajapati	32.20	Permanent	B. Tech Electronic, MBA	12	01/02/2012	34	-	0.72	Son of Managing Director
3	Sunitha R. Ajmeer	12.82	Permanent	B.Sc	13	01/10/2010	50	First Employment	NIL	NA
4	Deepak Bhatnagar	28.23	Permanent	B. Sc	31	01/05/1994	48	Noel Pharmaceuticals	NIL	NA
5	Rajendra Joshi	21.16	Permanent	B.Sc, MBA Marketing	26	01/07/1998	43	Bombay Tablet Manufacturing Pvt Ltd.	NIL	NA
6	Shashi Prakash	12.13	Permanent	B.Sc	24	01/01/2000	46	Aglowmed Limited	NIL	NA
7	Nirmal Kant Sharma	12.06	Permanent	M.Sc. in organic chemistry	20	01/05/2004	46	Dura Tax Lab. Ltd	NIL	NA
8	Narayanlal Suthar	13.29	Permanent	B.Sc. and Diploma in Pharmacy	7	01/05/2017	46	Ozone Pharmaceutical Ltd	NIL	NA
9	Praveen Kumar Parmar	11.19	Permanent	B.Sc, LLB, D.Pharm	22	01/03/2002	40	First Employment	NIL	NA
10	Chavda Chintan Bharatbhai	12.93	Permanent	B.Pharm	12	07/04/2014	38	Kamron Laboratories Ltd.	0.009	NA

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

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

Date: 09.08.2024
Place: Ahmedabad

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

Natwarbhai P. Prajapati
Chairman
DIN: 00031187

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 on 31st March 2024, 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, 2024, its profit/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 value 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 2024, 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 scepticism 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 in 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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 matters 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.
 - (iv) 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;

- (v) 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
- (vi) 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.
- i) No dividends have been declared or paid during the year by the company.
- j) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

Pramesh Doshi, FCA
(Partner)
Membership No.: 045319

Place: Anand
Date: 29 May 2024
UDIN: 24045319BJXZT4065

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 and no material deviations have been 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 ₹ Nil and balance outstanding at the balance sheet date is ₹ 212.39 lakh.
- 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. No loans or advances of the above nature have been given during the year.
- ii. Percentage thereof to the total loans granted is 100%.

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| <p>iii. No loans have been granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.</p> <p>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 lakhs.</p> <p>v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.</p> <p>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.</p> <p>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 2024 for a period of more than six months from the date they became payable.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>b. According to the information and explanations given by the management, the company is not declared wilful defaulter</p> | <p>by any bank or financial institution or other lender.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>c. According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.</p> <p>xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.</p> |
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| <p>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.</p> <p>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.</p> <p>b. The reports of the Internal Auditors for the period under audit were considered by us.</p> <p>xv. The company has not entered into non-cash transactions with directors or persons connected with him.</p> <p>xvi. a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> <p>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.</p> <p>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.</p> | <p>d. According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.</p> <p>xvii. Based on our examination, the company has not incurred cash losses in the current financial year. There were cash losses of ₹ 252.94 lakh in the preceding year.</p> <p>xviii. There has been no resignation of the statutory auditors during the year.</p> <p>xix. On the basis of 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.</p> <p>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.</p> <p>xxi. The company is not required to prepare consolidated financial statements. Hence, this clause is not applicable to the company.</p> |
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Place: Anand
Date: 29 May 2024
UDIN: 24045319BJZXZT4065

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

Pramesh Doshi, FCA
(Partner)
Membership No.: 045319

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 2024, 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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company,
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of 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 March 31, 2024, 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

Pramesh Doshi, FCA
(Partner)
Membership No.: 045319

Place: Anand
Date: 29 May 2024
UDIN: 24045319BJZXZT4065



Balance Sheet

as at 31st March, 2024

(Figures in ₹ Lakhs)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	2	369.16	398.79
(b) Capital Work-in-Progress			
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible Assets			
(f) Intangible Assets under development			
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments	3	27.29	27.24
(ii) Trade Receivables			
(iii) Loans	4	212.39	204.71
(iv) Others (to be specified)	5	8.19	8.19
(i) Deferred Tax Assets (net)	6	122.22	152.27
(j) Other Non-current Assets	7	465.95	456.72
		1,205.20	1,247.92
2. Current assets			
(a) Inventories	8	398.49	442.98
(b) Financial assets			
(i) Investments	9	566.31	798.60
(ii) Trade receivables	10	9.01	202.99
(iii) Cash and cash equivalents			
(iv) Bank balances other than (iii) above			
(v) Loans	11	16.83	12.83
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)	12	4.31	13.63
(d) Other Current Assets	13	127.20	133.76
Total current assets		1,122.15	1,604.79
Total Assets		2,327.35	2,852.71
EQUITY and LIABILITIES			
EQUITY			
(a) Equity share capital	14	742.03	742.03
(b) Other equity	15	(31.42)	(55.76)
Total equity		710.61	686.27
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	92.74	146.12
(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	137.73	189.73
(b) Provisions	18	172.11	169.79
(c) Deferred Tax Liabilities (net)			
(d) Other Non-current Liabilities			
Total non-current liabilities		402.58	505.64
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	293.91	581.10
(ii) Trade payable	20		
(A) Total outstanding dues of Micro, Small and Medium enterprises		415.27	408.10
(B) Total outstanding dues of creditors other than Micro, Small and Medium enterprises		56.03	176.99
(iii) Other financial liabilities			
(b) Other current liabilities	21	138.02	119.32
(c) Provisions	22	310.93	375.29
(d) Income tax liabilities (net)			
		1,214.16	1,660.80
Total equity and liabilities		2,327.35	2,852.71

For M. A. Shah & Co.

Chartered Accountants

Firm Registration No.: 112630W

Pramesh Doshi, FCA

Partner

Membership No.: 045319

Place: Anand

Date: 29 May 2024

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 Profit and Loss

for the period ended 31st March 2024

(Figures in ₹ Lakhs)

Particulars	Note No.	For the year ended on 31 st March 2024	For the year ended on 31 st March 2023
I Revenue from Operations	23	4,797.47	4,678.25
II Other Income	24	32.10	35.45
III Total Income (I + II)		4,829.57	4,713.70
IV Expenses			
(a) Cost of Materials Consumed	25	758.25	603.61
(b) Purchases of Stock-in-Trade		907.02	1,166.76
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	103.80	164.91
(d) Employee Benefits Expenses	27	1,577.53	1,473.16
(e) Finance Costs	28	67.60	72.14
(f) Depreciation and Amortization Expenses		36.78	36.45
(g) Other Expenses	29	1,324.19	1,486.06
Total Expenses (IV)		4,775.18	5,003.09
V Profit/(Loss) before Exceptional Items and Tax (III - IV)		54.39	(289.39)
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V - VI)		54.39	(289.39)
VIII Tax Expenses			
1 Current Tax		-	-
2 Deferred Tax		30.06	(122.23)
Total Tax Expenses (VIII)		30.06	(122.23)
IX Profit/(Loss) for the period from Continuing Operations (VII - VIII)		24.34	(167.16)
X Profit/(Loss) from Discontinued Operations		-	-
XI Tax Expense of Discontinued Operations		-	-
XII Profit/(Loss) from Discontinued Operations (after tax) (X - XI)		-	-
XIII Profit/(Loss) for the period (IX + XII)		24.34	(167.16)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (XIV)		-	-
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		24.34	(167.16)
XVI Earnings per Equity Share (for Continuing Operations) (Figures in ₹)	30		
1 Basic		0.33	(2.25)
2 Diluted		0.33	(2.25)
XVII Earnings per Equity Share (for Discontinued Operations) (Figures in ₹)			
1 Basic		-	-
2 Diluted		-	-
XVI Earnings per Equity Share (for Discontinued and Continuing Operations) (Figures in ₹)			
1 Basic		0.33	(2.25)
2 Diluted		0.33	(2.25)

For M. A. Shah & Co.

Chartered Accountants

Firm Registration No.: 112630W

Pramesh Doshi, FCA

Partner

Membership No.: 045319

Place: Anand

Date: 29 May 2024

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 2024

(Figures in ₹ Lakhs)			
PARTICULARS	For the year ended on 31 st March 2024	For the year ended on 31 st March 2023	
A. Cash Flow from Operating Activities			
Net Profit before tax and extraordinary items (as per Statement of Profit and Loss)	54.39	-289.39	
Adjustments for non-cash/non-trade items:			
Depreciation & amortization expenses	36.78	36.45	
Finance cost	67.60	72.14	
Loss on sale of assets	0.00	0.35	
Interest received	(30.32)	(35.45)	
Other inflows of cash	2.32	28.28	
Operating profits before Working Capital Changes	130.77	(187.62)	
Adjusted For:			
Decrease in trade receivables	232.30	(251.13)	
Decrease in trade payables	(121.31)	182.59	
Decrease in inventories	44.49	200.11	
Decrease in other current liabilities	(56.53)	12.91	
Increase in short term loans & advances	(4.00)		
Decrease in other current assets	34.25	49.32	
Cash generated from Operations	259.97	6.19	
Income tax paid	0.00	(3.52)	
Net Cash flow from Operating Activities (A)	259.97	2.67	
B. Cash Flow from Investing Activities			
Purchase of tangible assets	(7.37)	(6.31)	
Sale of tangible assets	0.22		
Non-current investments purchased	(0.05)	(0.10)	
Interest received	30.32	35.45	
Cash advances and loans made to other parties	(7.68)		
Cash advances and loans received back	1.00	35.96	
Other outflows of cash	(62.23)	(3.50)	
Net Cash used in Investing Activities (B)	(45.79)	61.51	
C. Cash Flow from Financing Activities			
Finance Cost	(67.60)	(72.14)	
Repayment of short-term borrowings	(287.18)	143.93	
Repayment of long-term borrowings	(53.38)	(83.90)	
Net Cash used in Financing Activities (C)	(408.16)	(12.11)	
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(193.98)	52.07	
E. Cash & Cash Equivalents at Beginning of period	202.99	150.92	
F. Cash & Cash Equivalents at End of period	9.01	202.99	
G. Net Increase/(Decrease) in Cash & Cash Equivalents (F-E)	(193.98)	52.07	

For M. A. Shah & Co.
Chartered Accountants
Firm Registration No.: 112630W

Pramesh Doshi, FCA
Partner
Membership No.: 045319

Place: Anand
Date: 29 May 2024

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 2024

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)
74,20,300.00	742.03	-	-	74,20,300.00	742.03

B. Other Equity

(Figures in ₹ Lakh)

	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	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	150.00	41.76	-217.33	-	-	-	-	-	-30.19	-	-55.76
Changes in Accounting Policy or Prior-period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-stated balance at the beginning of the reporting period	-	-	-	150.00	41.76	-217.33	-	-	-	-	-	-30.19	-	-55.76
Total Comprehensive Income for the year	-	-	-	-	-	24.34	-	-	-	-	-	-	-	24.34
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	-192.99	-	-	-	-	-	-30.19	-	-31.42

For M. A. Shah & Co.
Chartered Accountants
Firm Registration No.: 112630W

Pramesh Doshi, FCA
Partner
Membership No.: 045319

Place: Anand
Date: 29 May 2024

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 2024

The previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation. The financial figures in the financial statements have been rounded off to the nearest lakhs.

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 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 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.

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

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

The areas involving critical estimates or judgments are:

- Defined Benefit Obligation – Note 18
- 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

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

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

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

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 value 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 value of an individual asset, the Company estimates the recoverable value 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 value 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 are stated at cost, which comprises cost of purchases. Where a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials may be the best available measure of their net realisable value.

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 2024

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 2024

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 2024

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 2024

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 2024

₹ in Lakhs												
Assets		Gross Block					Accumulated Depreciation/ Amortisation				Net Block	
	Useful Life (In Years)	Balance as at 1 st April 2023	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31 st March 2024	Balance as at 1 st April 2023	Provided during the year	Deletion/ adjustments during the year	Balance as at 31 st March 2024	Balance as at 31 st March 2024	Balance as at 31 st March 2023
Tangible assets												
Own Assets												
Machinery	20.00	193.07	0.69			193.76	108.01	7.03		115.05	78.71	85.05
Block & Design	20.00	32.89				32.89	32.15	0.11		32.25	0.64	0.74
Laboratory Equipment	20.00	41.86	0.06			41.92	32.58	0.58		33.16	8.76	9.28
Factory Land		3.10				3.10					3.10	3.10
Factory Building	30.00	158.21				158.21	85.51	3.97		89.48	68.73	72.70
Godown	30.00	65.59				65.59	19.64	2.15		21.79	43.81	45.96
Vehicles	10.00	100.38				100.38	39.16	7.62		46.79	53.59	61.22
Computers	3.00	30.43	5.09		0.36	35.16	25.60	1.59	0.14	27.05	8.12	4.84
Electric Installation	20.00	64.34	0.78			65.12	17.41	2.38		19.79	45.34	46.93
Communication Appliances	3.00	7.78	0.57			8.36	3.90	1.59		5.49	2.87	3.89
Furniture	10.00	135.74	0.17			135.91	70.65	9.75		80.40	55.51	65.09
Total (A)		833.39	7.37		0.36	840.40	434.60	36.78	0.14	471.24	369.16	398.79
P.Y Total		827.84	6.31		0.76	833.39	398.56	36.45	0.41	434.60	398.79	429.29

Note No. 3: Non-current Investments

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non-Trade Investment (Valued at cost unless stated otherwise)		
Other non-current investments (Unquoted)		
Fixed Deposits with Banks	27.29	27.24
Gross Investment	27.29	27.24
Net Investment	27.29	27.24
Aggregate amount of unquoted investments	27.29	27.24

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

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

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances recoverable in cash or kind or for value to be received		
(i) Other Loans		
(a) Unsecured, considered good	212.39	204.71
Total	212.39	204.71

1. All the above loans have been given for business purpose as well as revenue generation from spare fund.
2. All the above loans are repayable on demand.
3. 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)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security Deposits		
(a) Unsecured, considered good	8.19	8.19
Total	8.19	8.19

Note No. 6: Deferred Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deferred Tax Liability		
Deferred Tax Liability on Fixed Assets (Depreciation)	20.94	19.58
Gross Deferred Tax Liability	20.94	19.58
Deferred Tax Assets on Provision for Gratuity	50.99	51.00
Deferred Tax Assets on Provision for Bonus	7.69	3.63
Deferred Tax Assets on Unabsorbed Business Losses	20.48	105.25
Deferred Tax Assets on Unabsorbed Depreciation	12.29	11.97
Deferred Tax Assets on Non-payment of dues to MSMEs	51.72	
Gross Deferred Tax Asset	143.16	171.85
Net Deferred Tax Assets	122.22	152.27

Note No. 7: Other Non-current Assets

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances for Material	0.20	1.20
Balances with Statutory Authorities	25.60	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
Total	465.95	456.73

Note No. 8: Inventories

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
(Valued at cost or NRV unless otherwise stated)		
Raw Material (At cost)	100.10	41.60
Work in progress (At cost)	22.64	27.63
Finished Goods	100.62	89.73
Traded goods (At cost)	140.71	250.41
Stores and spares (At cost)	4.56	0.93
Advertisement Articles Stock (At cost)	5.64	7.59
Packing Material (At cost)	24.23	25.09
Total	398.49	442.99

Of the above, Finished Goods include goods in transit of ₹ 13.92 lakh.



NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No. 9: Trade Receivables as at 31st March 2024 (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)	404.17	130.82	3.41	25.58	1.65	0.67	566.31
(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 2023 (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)	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. 10: Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Cash in hand		
Cash in hand	9.01	4.99
Total	9.01	4.99
Other		
Short-term Deposits with Bank of Baroda		198.00
Total	0.00	198.00
Total	9.01	202.99

Note No. 11: Loans & Advances (Current)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances recoverable in cash or kind or for value to be received		
(i) Other Loans		
(a) Unsecured, considered good		
i. Advances to Employees (Non-Interest-bearing)	16.83	12.83
Total	16.83	12.83

Note No. 12: Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Income Tax Refundable	4.31	13.63
Total	4.31	13.63

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No. 13: Other Current Assets

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Other Assets		
Balances with Statutory Authorities	91.50	94.68
Other current assets	0.03	
Prepaid Expenses	16.79	27.97
Advances to Suppliers	18.88	11.11
Total	127.20	133.76

Note No. 14: Share Capital

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Authorised:		
11000000 (31/03/2024:11000000) Equity shares of ₹ 10.00/- par value	1,100.00	1,100.00
Issued:		
7420300 (31/03/2024: 7420300) Equity shares of ₹ 10.00/- par value	742.03	742.03
Subscribed and paid-up:		
7420300 (31/03/2024: 7420300) Equity shares of ₹ 10.00/- par value	742.03	742.03
Total	742.03	742.03

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

Equity shares

₹ in Lakhs

	As at 31 st March 2024		As at 31 st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	74,20,300	742.03	74,20,300	742.03
Issued during the Period				
Redeemed or bought back during the period				
Outstanding at end of the period	74,20,300	742.03	74,20,300	742.03

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.

Type of Share	Name of Shareholders	As at 31 st March 2024		As at 31 st March 2023	
		No. of Shares	% Of Holding	No. of Shares	% Of Holding
Equity [NV: 10.00]	Natwarbhai P Prajapati	5,95,872	8.03	5,95,872	8.03
Equity [NV: 10.00]	Manjulaben Prajapati	9,27,150	12.49	9,27,150	12.49
Equity [NV: 10.00]	Abundant Tradelink Private Limited	10,75,900	14.50	10,75,900	14.50
Total:		25,98,922	35.02	25,98,922	35.02



NOTES TO FINANCIAL STATEMENTS

for the period ended 31st March 2024

Details of shares held by Promoters

Promoter name	Particulars	Current Year					Previous Year				
		Shares at beginning		Shares at end		% Change	Shares at beginning		Shares at end		% Change
		Number	%	Number	%		Number	%	Number	%	
Natwarbhai P. Prajapati	Equity (NV: 10.00)	598872	8.07	635817	8.57	0.50	595872	8.03	598872	8.07	0.04
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)	47927	0.65	53677	0.72	0.07	40666	0.55	47927	0.65	0.10
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
Shachi R. Oza	Equity (NV: 10.00)	7500	0.10	7500	0.10	0.00	0	0.00	7500	0.10	0.00
Total		2705032		2747727			2687271		2705032		

Note No. 15: Reserves and Surplus

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	(247.52)	(80.36)
Less: Loss for the year	24.34	(167.16)
Closing Balance	(223.18)	(247.52)
Securities Premium Reserve		
Opening Balance	150.00	150.00
Add: Addition during the year		
Closing Balance	150.00	150.00
General reserve		
Opening Balance	41.76	41.76
Add: Addition during the year		
Closing Balance	41.76	41.76
Balance carried to balance sheet	(31.42)	(55.76)

NOTES TO FINANCIAL STATEMENTS

for the period ended 31st March 2024

Note No. 16 Long-term borrowings

₹ in Lakhs

Particulars	As on 31 st March 2024			As on 31 st March 2023		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Term Loan - From banks						
Vehicle Loan from HDFC Bank (8347) secured	13.49	7.36	20.85	21.31	6.39	27.70
Vehicle Loan from HDFC Bank (8131) secured	3.86	3.26	7.12	7.37	2.75	10.12
Loan from Bank of Baroda (1570) secured		3.65	3.65	3.65	14.60	18.25
Loan from Bank of Baroda (2820) secured	48.71	27.84	76.55	55.67	27.84	83.51
Loan from Bank of Baroda (3018) secured	23.68	31.44	55.12	55.12	31.44	86.56
	89.74	73.55	163.29	143.12	83.02	226.14
Loans and advances from related parties						
Loans and advances from others unsecured	3.00		3.00	3.00		3.00
	3.00		3.00	3.00		3.00
The Above Amount Includes						
Secured Borrowings	89.74	73.55	163.29	143.12	83.02	226.14
Unsecured Borrowings	3.00		3.00	3.00		3.00
Amount Disclosed Under the Head "Short Term Borrowings" (Note No. 19)		(73.55)	(73.55)		(83.02)	(83.02)
Net Amount	92.74	0.00	92.74	146.12	0.00	146.12

Terms of Repayment of Loans:

- Vehicle Loan from HDFC Bank (8347) is repayable in 60 monthly equal instalments of ₹ 71,695 each, starting from December 2021. The total outstanding as on 31st March 2024 is ₹ 20,84,530.15.
- Vehicle Loan from HDFC Bank (8131) is repayable in 60 monthly equal instalments of ₹ 31,186 each, starting from May 2021. The total outstanding as on 31st March 2024 is ₹ 7,12,203.73.
- Loan from Bank of Baroda (2820) is repayable in 36 monthly instalments of ₹ 2,31,972 each, after an initial moratorium period of 12 months, i.e. starting from January 2023. The total outstanding as on 31st March 2024 is ₹ 76,55,084.00.
- Loan from Bank of Baroda (3018) is repayable in 60 monthly instalments of ₹ 2,62,000 each, starting from April 2023. The total outstanding as on 31st March 2024 is ₹ 55,12,000.00.
- 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 on 31st March 2024 is ₹ 3,64,989.00.
- The coupon rates for the secured long-term borrowings are 7.10 % to 11.40 % per annum (Previous Year: 7.10% to 10.35% per annum).
- 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

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

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

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Others		
Trade/Security Deposits	137.73	189.73
Total	137.73	189.73

Note No. 18: Provisions (Non-current)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Provision for Employee Benefits		
Provision for Gratuity	172.11	169.79
Total	172.11	169.79

Particulars	As at 31 st March 2024	As at 31 st March 2023
a) Amount recognized in the Balance Sheet		
Opening Net Liability		
Current Provision of Gratuity	32.83	32.91
Long Term Provision of Gratuity	169.79	141.51
Total Opening Liability	202.62	174.42
Expenses Recognized in the Statement of Profit and Loss	33.23	33.40
Less: Employee Benefits paid directly by the employer	(33.27)	(5.20)
Liabilities/(Assets) recognized in the Balance Sheet	202.58	202.62
b) Expense/(Income) recognized in the Statement of Profit & Loss		
Current Service Cost	30.91	5.12
Interest Cost on Net Benefit Obligation	14.61	15.18
Past Service Cost - Vested Benefits recognized during the period	0.00	10.44
Net Actuarial (Gain)/Loss in the year	(12.29)	2.66
Amount recognised under Employee Benefits Expense	33.23	33.40

Note No. 19: Borrowings (Current)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Loans Repayable on Demand		
From Banks		
Cash Credit from Bank of Baroda	220.37	498.08
	220.37	498.08
Current Maturities of Long-term Debts	73.55	83.02
	73.55	83.02
Total	293.91	581.09

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

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No. 20 Trade payables

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
(A) Micro, Small and Medium enterprises	415.27	408.10
(B) Others	56.03	176.99
Total	471.30	585.09

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	390.41	23.58	-	-	1.28	415.27	16.83	391.26	0.01	-	-	408.10
Others	54.79	-	-	0.01	1.23	56.03	7.67	165.39	0.04	-	3.89	176.99
Disputed Dues-MSME	-	-	-	-	-	-	-	-	-	-	-	0.00
Disputed- Others	-	-	-	-	-	-	-	-	-	-	-	0.00

Note No. 21: Other Current Liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances from Customers	8.58	5.81
Creditors for Expenses	91.35	82.65
Interest accrued on trade/security deposits	3.32	3.69
Statutory Remittances (Contribution to PF and ESIC, Professional Tax, GST, TDS Payable etc.)	34.78	27.17
Total	138.02	119.32

Note No. 22: Provisions (Current)

₹ in Lakhs

Particulars	As at 31 st March 2024	As at 31 st March 2023
Provision for Employee Benefits		
Provision for Gratuity	30.47	32.83
Provision for other Employee-related Liabilities	268.30	331.30
	298.77	364.13
Other Provisions		
Other Provision	12.16	11.16
	12.16	11.16
Total	310.93	375.29

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No. 23: Revenue from Operations ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Sale of products	4,797.47	4,678.25
Net revenue from operations	4,797.47	4,678.25

Note No 24: Other Income ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Interest Income		
Interest on Bank Deposits	1.77	1.43
Interest on Other Loans	28.55	34.02
	30.32	35.45
Other non-operating income		
Notice Pay Recovery	1.50	
Insurance claim receivable	0.28	
	1.78	
Total	32.10	35.45

Note No 25: Cost of Material Consumed ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Inventory at the beginning		
Raw Material	41.60	30.67
Packing Materials	25.09	57.69
Stores Spares	0.93	3.00
	67.62	91.36
Add: Purchase		
Raw Material	712.47	498.06
Packing Materials	100.71	77.93
Stores Spares	6.33	3.87
	819.51	579.86
Less: Inventory at the end		
Raw Material	100.10	41.60
Packing Materials	24.23	25.09
Stores Spares	4.56	0.93
	128.89	67.62
Total	758.24	603.60

Note No 26: Changes in Inventories ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Inventory at the end of the year		
Finished Goods	86.70	89.73
Work-in-Progress	22.64	27.63
Traded Goods	140.71	250.41
Other inventory	13.92	
	263.97	367.77
Inventory at the beginning of the year		
Finished Goods	89.73	225.33
Work-in-Progress	27.63	16.38
Traded Goods	250.41	290.97
	367.77	532.68
(Increase)/decrease in inventories		
Finished Goods	3.03	135.60
Work-in-Progress	4.99	(11.26)
Traded Goods	109.70	40.56
Other inventory	(13.92)	
	103.80	164.91

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No 27: Employee benefit expenses ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Salaries and Wages		
Salary and wages	1,370.23	1,308.96
Directors' Remuneration	66.06	35.64
Bonus	30.53	14.42
	1,466.82	1,359.02
Contribution to provident and other fund		
Contribution to Provident Fund	68.84	73.26
Gratuity	33.23	33.40
	102.07	106.66
Staff welfare Expenses	8.65	7.48
Total	1,577.54	1,473.16

Note No 28: Finance costs ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Interest		
Interest on long-term loans from banks	2.35	3.31
Interest on short-term loans from banks	52.72	56.49
Interest on long-term loans from others	7.18	6.49
Other interest charges	0.59	0.52
	62.84	66.81
Other Borrowing costs		
Bank charges	4.76	5.33
	4.76	5.33
Total	67.60	72.14

Note No 29: Other Expenses ₹ in Lakhs

Particulars	31 st March 2024	31 st March 2023
Auditors' Remuneration	1.35	1.35
Donation and Contributions	3.86	3.34
Freight and Forwarding Expenses	87.98	100.22
Goods Destroyed	2.78	6.27
Insurance Claim Rejected		41.41
Insurance expenses	40.69	37.28
Loss on Sale/Disposal of Assets		0.35
Office Expenses	51.47	58.47
Other Manufacturing Expenses	16.17	40.99
Penalty paid under GST law	4.78	
Power and Fuel Expenses	17.47	11.40
Professional Expenses	45.40	21.94
Promotional expenses	300.97	258.45
Rates and taxes	3.54	2.29
Rent	24.69	24.54
Repairs and Maintenance Expenses - Building	2.44	2.73
Repairs and Maintenance Expenses - Machinery	2.54	
Repairs and Maintenance Expenses - Other	1.25	
Sales Commission	91.64	92.34
Telephone expenses	20.03	13.77
Travelling Expenses	605.16	768.92
Total	1,324.19	1,486.06

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No 30: Earnings Per Share

₹ in Lakhs

Particulars	Before Extraordinary items		After Extraordinary items	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Basic				
Profit after tax (A)	24.34	(167.16)	24.34	-167.16
Weighted average number of shares outstanding (B)	74,20,300	74,20,300	74,20,300	74,20,300
Basic EPS (A/B) (₹)	0.33	(2.25)	0.33	-2.25
Diluted				
Profit after tax (A)	24.34	(167.16)	24.34	(167.16)
Weighted average number of shares outstanding (B)	74,20,300	74,20,300	74,20,300	74,20,300
Diluted EPS (A/B) (₹)	0.33	(2.25)	0.33	(2.25)
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	0.92	0.97	No	
(b) Debt-Equity Ratio	Long Term Debt + Short Term Debt	Shareholders' Equity	0.54	1.06	Yes	Debt obligations have been reduced by a reduction in current liabilities as well as increase in profit.
(c) Debt Service Coverage Ratio	Earnings Before Interest, Tax, Depreciation & Amortisation	Total Principal + Interest on Borrowings	0.40	(0.98)	Yes	Debts have been serviced by the company out of profits earned by the company during the year.
(d) Return on Equity Ratio	Earnings After Interest, Tax, Depreciation & Amortisation	Average Shareholders' Equity	0.03	(0.22)	Yes	The company has earned profits in the current year vis-à-vis losses incurred in the previous year.
(e) Inventory Turnover Ratio	Turnover	Average Inventory	11.40	8.61	Yes	Inventory turnover ratio has improved due to increased efficiencies in inventory management.
(f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivable	7.03	6.95	No	
(g) Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payable	3.27	3.54	No	
(h) Net Capital Turnover Ratio	Total Sales	Shareholders' Equity	(64.81)	55.00	Yes	The ratio has decreased to decrease in current ratio vis-à-vis the previous periods.
(i) Net Profit Ratio	Net Profit	Net Sales	0.01	(0.04)	Yes	Due to a decrease in expenses related to sales, the net profit ratio has improved.
(j) Return on Capital Employed	Earnings Before Interest & Tax	Total Assets- Current Liabilities	0.11	(0.08)	Yes	The company has earned profits in the current year vis-à-vis losses incurred in the previous year.
(k) Return on Investment	Earnings After Interest, Tax, Depreciation & Amortisation	Total Capital Employed	0.02	(0.12)	Yes	The company has earned profits in the current year vis-à-vis losses incurred in the previous year.

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

Note No. 32: Related Party Disclosures

A. Compensation paid to Key Managerial Personnel:

Particulars	Designation	₹ in Lakhs	
		31 st March 2024	31 st March 2023
Natwarbhai P. Prajapati	Chairman	30.10	18.10
Aalap N. Prajapati	Managing Director	32.20	13.77
Amritbhai P. Prajapati	Director	4.06	4.06
Total		66.35	33.96

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	
	31 st March 2024	31 st March 2023
Salary Paid	13.01	11.93
Purchases	2.10	0.59

c. Amounts Outstanding at the reporting date:

Particulars	₹ in Lakhs	
	31 st March 2024	31 st March 2023
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 on 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 2024, 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 2024 are presented as follows:

Particulars	₹ in Lakhs	
	As at 31 st March 2024	As at 31 st March 2023
Note No. 7: Other Non-Current Assets		
Property, Plant & Equipment	436.90	436.90
Other Financial Assets	2.54	2.54
Total amount of Non-current Assets Held-for-Sale	439.44	439.44

NOTES TO FINANCIAL STATEMENTS for the period ended 31st March 2024

At the time of classification of the Metal Division as a discontinued operation, the recoverable value 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 had preferred further appeals before the Income Tax Appellate Tribunal, Ahmedabad, and the matters were decided by the Hon. Tribunal against the company. The company filed a Miscellaneous Application for rectification of the said orders which is decided by the Hon. Tribunal against the company. The company has decided to file petition before Hon. Gujarat High court. As per the opinion of the Advocate of the company, the amount of potential liability, if any, in respect of the pending matter is not ascertainable at this stage since there are points on which the company has favourable arguments.

Signature to notes 1 to 34.

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

For Gujarat Terce Laboratories Limited

Chartered Accountants

Firm Registration No.: 112630W

Natwarbhai P. Prajapati

Chairman

DIN: 00031187

Bhagirath Maurya

Chief Finance Officer (CFO)

Managing Director &

Chief Executive Officer (CEO)

CS Ripalben S. Sukhadiya

Notes

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CIN: L24100GJ1985PLC007753



GUJARAT TERCE LABORATORIES LIMITED

REGISTERED OFFICE:
122/2, RAVI ESTATE
BILESHWARPURA, CHHATRAL,
DIST. GANDHINAGAR, GUJARAT

e: ho@gujaratterce.com
w: www.gujaratterce.in