

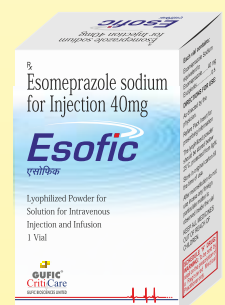
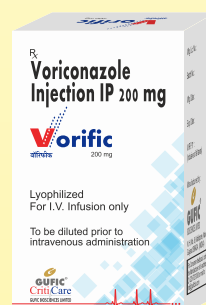
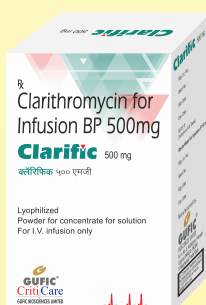
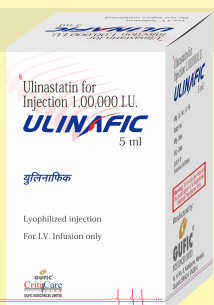
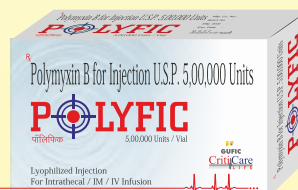
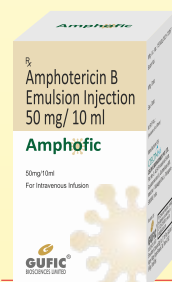
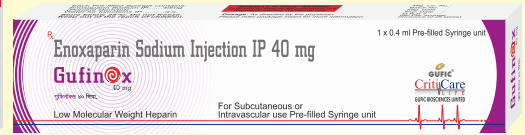
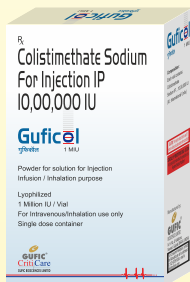
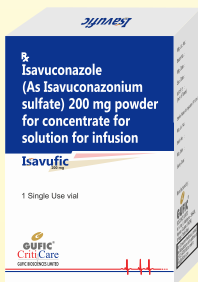
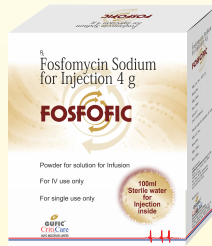
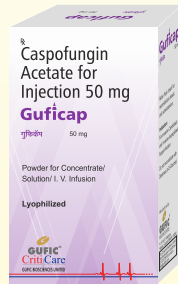
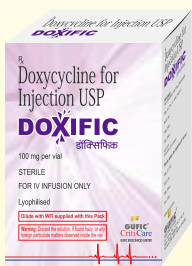
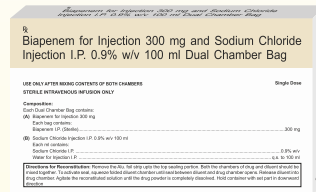
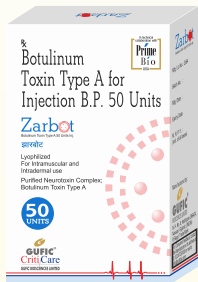
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lobal Health Care



39th Annual Report 2022-2023

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS



BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	Chairman & Managing Director
Mr. Pranav J. Choksi	Chief Executive Officer & Whole Time Director
Mr. Pankaj J. Gandhi	Whole Time Director
Mr. Dilip B. Ghosh	Whole Time Director
Mr. Gopal M. Daptari	Independent Director
Dr. Anu S. Aurora	Independent Director
Mr. Shreyas K. Patel	Independent Director
Mr. Shrirang V. Vaidya	Independent Director
Dr. Rabi N. Sahoo	Independent Director
Dr. Balram H. Singh	Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

Mittal Agarwal & Co

COST AUDITOR

Kale & Associates

SECRETARIAL AUDITOR

Manish Ghia & Associates

REGISTERED OFFICE ADDRESS

37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.

• E-mail: corporaterelations@guficbio.com • website: www.gufic.com

• CIN L24100MH1984PLC033519

CORPORATE OFFICE

SM House, 11 Sahakar Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.

• Tel.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68

PLANTS

GUJARAT

Unit-1: Survey No. 195/3 and 171 Paiki, National Highway No. 48, Near Grid, Kabilpore Navsari - 396424, Gujarat

Unit-2: Survey No. 171, National Highway No. 48, Near Grid Kabilpore, Navsari – 396424, Gujarat

KARNATAKA

703, Belgaum Industrial Estate, Udhyambag, Belgaum – 590008

MADHYA PRADESH

Smart Industrial Park, Plot no.48, Near NATRIP, Pithampur, Dhar- 454775, Madhya Pradesh

REGISTRAR AND TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai – 400 083.

• Tel No.: (022) 4918 6270 • Fax (022) 4918 6060

Email: rnt.helpdesk@linkintime.co.in

39th Annual General Meeting

DAY & DATE

Friday, 29th September, 2023

TIME

03.30 P.M.

MODE

Video Conferencing/Other Audio Visual Means (VC/OAVM)

BANKERS

The Saraswat Co-operative Bank Limited

UCO Bank

State Bank of India

Axis Bank

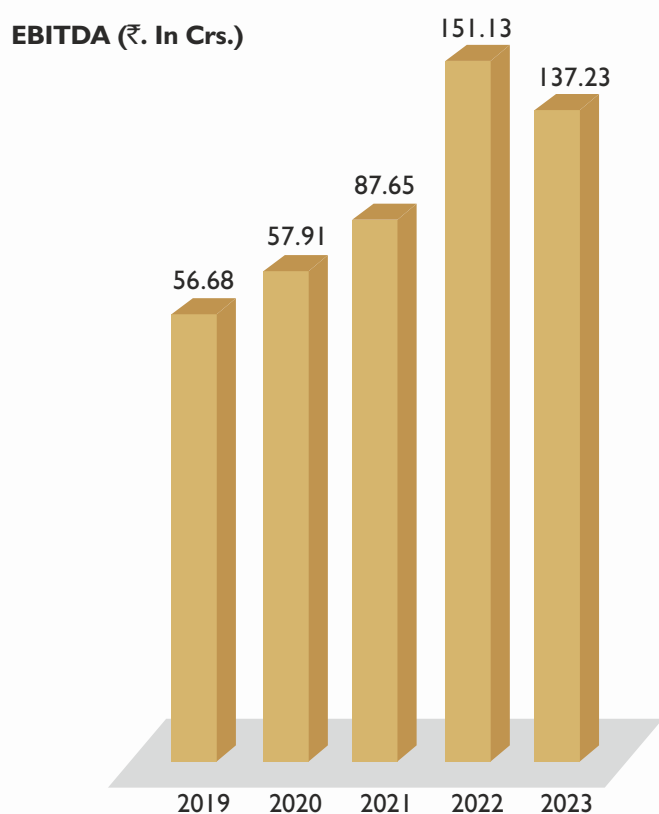
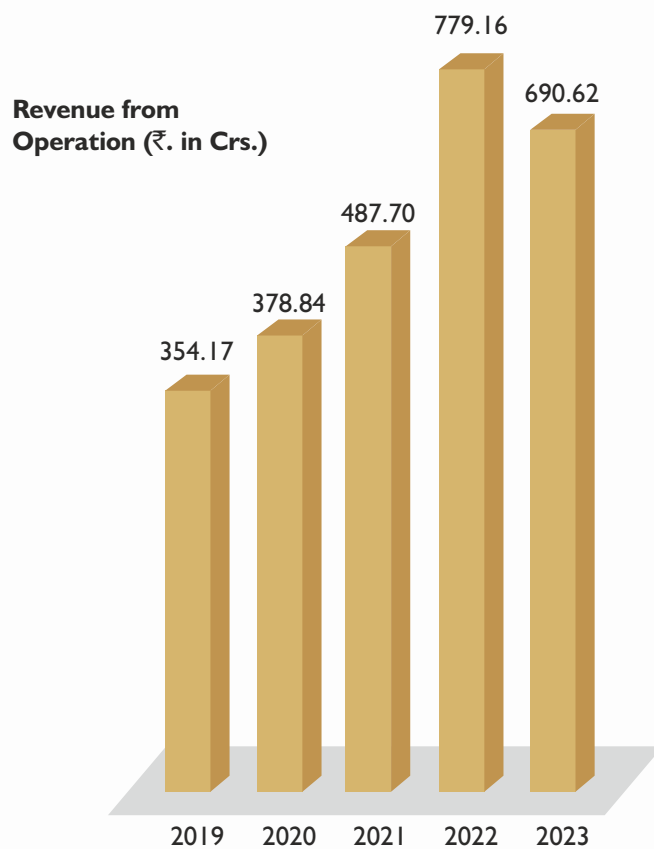
HDFC Bank

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FINANCIAL HIGHLIGHTS



CHAIRMAN'S MESSAGE

Dear Shareholders,



With great enthusiasm and commitment, I address you on behalf of Gufic, a pioneering force in the pharmaceutical landscape for over two decades. Our journey, which commenced with the noble aim of enhancing accessibility to affordable medications, continues to be steered by our resolute vision: "Empowering well-being through innovative and affordable healthcare for all". This vision, coupled with our fundamental purpose of "making advanced healthcare solutions accessible to everyone" serves as the bedrock of our existence.

As Gufic evolves and expands, our dedication remains focused on translating our vision and purpose into tangible actions that positively impact the world. By democratizing access to medicines, we endeavor to transform lives and make a meaningful difference. Our strides forward are fueled by a steadfast commitment to advancing the accessibility and affordability of medications, thus contributing to the global welfare.

The Indian pharmaceutical sector finds itself at a critical juncture, poised for innovation and transformation. With healthcare trends undergoing a profound shift, we are poised to participate in this transformation. According to the Economic Survey of 2022-23, the Indian pharmaceutical industry's growth trajectory points towards an expansion to approximately \$130 billion by the year 2030. In this remarkable landscape, our immediate and long-term strategies are meticulously aligned to optimize our presence within the burgeoning parenteral segment.

While we acknowledge the global landscape, our heart lies in nurturing our domestic roots. The Indian market remains a cornerstone of our endeavors. We continue to solidify our stance as a reliable partner, particularly in areas of critical care, infertility solutions, and mass-market offerings. Our domestic endeavors focus on cultivating a specialty portfolio of high-barrier products and novel dosage forms, thereby creating a shield against pricing pressures. This balanced approach, blending traditional generics with sophisticated offerings, fortifies our future trajectory. Anchored in Navsari, Gujarat, our state-of-the-art manufacturing facility is poised to catalyze growth through strategic contract manufacturing, bolstering the business's resilience.

Gufic stands tall as a trailblazer in lyophilization technology, shaping India's pharmaceutical landscape for over two decades. Our legacy of supplying sterile lyophilized IV injections to the Indian market underscores our commitment to quality and innovation at accessible prices. Over the past five years, our products have garnered acclaim in both regulated and semi-regulated markets, a testament to our core principles. To leverage this legacy and advance Gufic's vision of becoming a global leader in the parenteral domain, we've invested in a cutting-edge facility in Indore, Madhya Pradesh. This landmark facility positions us as a formidable lyophilization player on the global stage. Our immediate focus in research and development lies in diversifying our portfolio with complex offerings, thereby propelling our growth in the international injectables market.

Our diversified business model, spanning domestic branded generics, contract manufacturing, and international markets, positions Gufic as a robust player in specialized injectables. This blueprint primes us to capitalize on future prospects, including the vaccine platform, innovative aesthetic and neurological solutions, as well as novel immunotherapies for cancer treatment. This strategic roadmap cements our position as a forward-looking enterprise, committed to advancing healthcare on a global scale.

Our strategy is primed to foster growth, delivering not just financial gains, but also a continuous flow of critical medicines to those in need. Our portfolio continues to evolve, now encompassing pioneering parenteral products such as nanoparticles, liposomes, microspheres, suspensions, and emulsions.

In closing, I extend my heartfelt gratitude to our stakeholders, partners, customers, communities, employees and above all, our cherished shareholders. Your unwavering support has fueled our journey towards addressing the world's evolving healthcare needs with fervor and empathy. With humility, I thank each one of you for entrusting us with your faith and supporting us in our mission of creating value by serving the needs of patients around the world.

Yours faithfully,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 39th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Financial Statements of the Company for the year ended March 31, 2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS), Section 133 and other applicable provisions of the Companies Act, 2013 ("Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The financial performance of the Company, for the financial year ended March 31, 2023 is summarized below: (₹ in Lakhs)

Particulars	2022-23	2021-22
Total Revenue from Operations	69,062.08	77,915.56
Other Income	257.39	310.42
Total Income	69,319.47	78,225.98
Profit / (Loss) before Depreciation & Amortization, Finance Cost, exceptional item & tax	13,722.52	15,113.30
(Less): Depreciation and Amortization expense	2,228.10	1,892.89
(Less): Finance Costs	822.33	536.58
Profit / (Loss) before Exceptional items and Tax	10,672.09	12,683.83
Add /(Less): Exceptional item	-	-
Profit / (Loss) before tax	10,672.09	12,683.83
(Less): Tax Expense: Current Tax	2821.00	3215.00
Deferred Tax	(119.39)	(115.18)
Profit / Loss for the year (1)	7,970.48	9,584.01
Other Comprehensive Income / (Loss) (2)	(0.53)	(44.06)
Total Comprehensive Income (1 + 2)	7,969.95	9,539.95

FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS

The Company's total revenue from operations stood at ₹ 69,062.08 lakhs in the financial year 2022-23, thereby showing a decline as compared to ₹ 77,915.56 lakhs in the previous financial year 2021-22. The Profit before Interest, Tax, Depreciation & Amortization (EBITDA) was ₹ 13,722.52 lakhs in the year under review as compared to ₹ 15,113.30 lakhs in the financial year 2021-22. However, the EBITDA margin for the financial year 2022-23 showed an improvement of 19.9% as compared to 19.4% in the previous financial year.

During the year under review, the Company made significant progress in diversifying its revenue sources, with the domestic market contributing around 84.50% to the turnover, and exports accounting for around 15.50%, marking a substantial increase in the export market share, as compared to the financial year 2021-22 when exports contribution to turnover was accounted at 9.26%.

The Net Profit of the Company during the year under review was ₹ 7970.48 lakhs as compared to ₹ 9,584.01 lakhs in the previous financial year 2021-22. It's important to note that the financials of 2021-22 and 2022-23 are not directly comparable due to the significant impact of the COVID-19 portfolio in the financial year 2021-22.

The financial year 2022-2023 was a decent year for the Company in terms of financial performance. The Company's position in the market is strengthened by its relentless focus on innovation and strong R&D skills. Also, it consistently invests in upgrading its manufacturing and R&D capabilities to seize potential opportunities.

A detailed analysis of performance for the year including the major developments, if any, has been included in the Management Discussion and Analysis Report, which forms a part of the Annual Report.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business during the year under review and it continues to operate only in one segment i.e. Pharmaceutical.

TRANSFER TO RESERVES

During the financial year under review, the Company has not proposed to transfer any amount to the General Reserve.

DIVIDEND

Your Board of Directors have recommended a final dividend of ₹ 0.10 /- (10%) per equity share having face value of ₹ 1/- each fully paid-up of the Company for the financial year ended March 31, 2023. The payment of dividend is subject to the approval of members at the ensuing Annual General Meeting ("AGM") and deduction of tax at source. Upon approval, the dividend will be paid to those members whose name will appear in the Register of Members as on the Book Closure date as mentioned in the Notice of AGM. The total dividend pay-out would amount to ₹ 96,94,450.60/-.

The recommended dividend is in accordance with the Company's Dividend Distribution Policy and the same is available on the website of the Company which can be accessed at

<http://gufic.com/wp-content/uploads/2021/08/Dividend%20Distribution%20Policy.pdf>

SHARE CAPITAL

During the period under review, there was no change in the Authorised, Issued, Subscribed and Paid up share capital of the Company. The Issued, Subscribed and Paid up share capital of the Company is ₹ 9,69,44,506/- divided into 9,69,44,506 Equity Shares of face value of ₹ 1/- each.

The Company have neither issued any shares with differential voting rights as to dividend, voting or otherwise nor granted any stock options nor sweat equity shares nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees nor bought back its shares, in the financial year ending March 31, 2023.

The Board of Directors at their meeting held on August 11, 2023, has approved "Gufic Biosciences Limited Employee Stock Option Plan - 2023" authorizing stock options not exceeding 500,000 (Five Lakh) convertible into equivalent number of equity shares to the eligible employees, in one or more tranches, subject to approval of shareholders at the ensuing AGM.

REGISTERED OFFICE

There was no change in the Registered Office of the Company during the Financial Year under review. The present address of the Registered Office is as follows:

37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai - 400069, Maharashtra.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has two foreign Wholly Owned Subsidiaries as on March 31, 2023. The details of which are mentioned hereinbelow:

- i) Gufic UK Limited (GUL) : GUL was incorporated on March 15, 2022 in the United Kingdom (UK) with the intent of expanding its business operations in UK.
- ii) Gufic Ireland Limited (GIL): GIL was incorporated on March 02, 2023 in Ireland with the intent of expanding its business operations all over Europe.

As on March 31, 2023, neither the Company have made any investment in GIL and GUL nor have GIL and GUL commenced any business operations. Hence, the Company has not prepared Consolidated Financial Statements of the Company and its foreign subsidiaries i.e. GIL and GUL for the financial year ending March 31, 2023.

Your Company does not have any Associate Company or Joint Venture. Further, no Company ceased to be Subsidiary or Associate or Joint Venture of the Company, during the financial year under review.

Accordingly, the statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014 in Form AOC-I, is not applicable to the Company.

Further, the Company's "Policy on Material Subsidiaries" can be accessed at http://gufic.com/wp-content/uploads/2022/07/Policy_on_Material_Subsiary.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/ Re-appointment and Cessation:

During the year under review, following appointments/ re-appointments of Directors took place:

- At the 38th AGM of the Company held on September 2, 2022, the shareholders approved the re-appointment of Dr. Rabi Sahoo (DIN: 01237464) as an Independent Director of the Company for the second term of two consecutive years with effect from June 29, 2022.
- At the 38th AGM of the Company held on September 2, 2022, the shareholders approved through Special Resolution, the continuation of directorship of Mr. Dilip Ghosh (DIN: 00412406) as a Whole Time Director of the Company upon attaining the age of 70 years on December 29, 2022, on the existing terms and conditions duly approved by the shareholders at its 37th AGM held on September 20, 2021.

Based on the recommendation of Nomination and Remuneration Committee and subject to the approval of members in the ensuing AGM, the Board of Directors have approved the following appointment/re-appointment/continuation of directorship:

- Continuation of Directorship of Mr. Jayesh P. Choksi (DIN: 00001729) as Chairman & Managing Director upon attaining the age of 70 years i.e. on March 29, 2024 which require passing of special resolution, on the existing terms and conditions duly approved by the shareholders in the 35th AGM held on September 30, 2019.
- Continuation of Directorship of Mr. Gopal Daptari (DIN: 07660662) as an Independent Director upon attaining the age of 75 years i.e. on October 29, 2024, which require passing of special resolution, on the existing terms and conditions duly approved by the shareholders in the 35th AGM held on September 30, 2019.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard – 2 on General Meetings relating to the appointment/re-appointment of directors are given in the Notice of AGM.

During the period under review, there were no cessation of Directors. Apart from above, there were no changes in Directors or Key Managerial Personnel of the Company.

Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Act read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Pranav J. Choksi, Chief Executive Officer (CEO) and Whole Time Director and Dr. Balram Singh, Non-Executive Non-Independent Director of the Company will retire by rotation at the ensuing 39th AGM and being eligible, have offered themselves for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (“NRC”) has recommended their appointment.

Key Managerial Personnel (“KMP”)

Pursuant to Section 203 of the Act, the Key Managerial Personnel (“KMP’s”) of the Company as on March 31, 2023 and date of this report are Mr. Jayesh P. Choksi, Chairman & Managing Director; Mr. Pranav J. Choksi, Chief Executive Officer and Whole Time Director; Mr. Pankaj J. Gandhi, Whole Time Director; Mr. Dilip B. Ghosh, Whole Time Director, Mr. Devkinandan B. Roonghta, Chief Financial Officer and Ms. Ami N. Shah, Company Secretary & Compliance Officer.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have confirmed that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and provisions of SEBI Listing Regulations and also none of the Directors of the Company are disqualified under Section 164 of the Act. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

All the Independent Directors of the Company had registered themselves with the Indian Institute of Corporate Affairs (“IICA”) and have passed the proficiency test, if applicable. They have also confirmed compliance of Schedule IV of the Act and the Company’s Code of Conduct.

In the opinion of the Board, all the Independent Directors of the Company possess the highest standard of integrity, relevant expertise and experience including the proficiency required to best serve the interests of the Company.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has in place a Policy on criteria for Appointment of Directors, KMP’s and Senior Management Personnel and Evaluation of their performance. The Policy is available on the Company’s website and can be accessed at <http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf>

The said Policy lays down guiding principles for selection and appointment of Directors, KMP’s and Senior Management Personnel and for determining qualifications, positive attributes and formulating Remuneration Policy for Executive and Non-Executive Directors of the Company.

The details of the said policy are included in the Corporate Governance Report forming part of this Report. There has been no change in the aforesaid policy during the year under review.

Further, neither the Managing Director nor the Whole Time Director draws any remuneration or commission from the subsidiary company.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of SEBI Listing Regulations, the Company has put in place a Familiarization Programme for the Independent Directors to familiarise them with the Company, nature of industry in which the Company operates, risks and challenges associated with the business and such other relevant information, which would enable them to take well informed decisions, discharge the responsibilities and functions conferred on them. Details of Familiarisation Programme imparted during the financial year under review has been uploaded on the Company’s website and can be accessed at <http://gufic.com/wp-content/uploads/2023/03/Familiarisation%20Programme.pdf>

Every newly appointed Independent Director undergoes a familiarization programme including visits to the manufacturing plant of the Company, interactive sessions with functional heads through which they can understand the objective of the

Company, its business, current progress, future prospects etc. Further, during the meeting of the Board, the Directors are provided with performance updates of the Company, industry scenario, business strategy, relevant statutory amendments, Company's policies and procedures, etc.

The format of the terms and conditions outlined in the letter of appointment, which defines their role, function, duties and responsibilities, provided at the time of appointment can be accessed at

<http://gufic.com/wp-content/uploads/2022/05/Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf>

PERFORMANCE EVALUATION

In compliance with the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the Annual Performance evaluation of Individual Directors, Committees of the Board and the Board as a whole in accordance with the framework and criteria laid down by the Nomination and Remuneration Committee ("NRC"). A structured questionnaire was prepared separately for the Board, Committees and Individual Directors, inter-alia covering various parameters viz. composition and structure of the Board, responsibilities, attendance including participation of the Directors at the Board and Committee meetings, governance and compliance as a whole, quality of deliberations and effectiveness of the procedures and all other factors. The above criteria are broadly based on the SEBI Guidance Note on Board Evaluation.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. Further, Independent Directors at their separate meeting had evaluated performance of Non-Independent Directors, Board as a whole, Chairman of the Board and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

Manner in which the evaluation has been carried out and matters incidental thereto, have been detailed in the Corporate Governance Report, which forms part of this report.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Seven (7) times during the year under review. Details of the meetings of the Board of Directors along with other details are provided in the Corporate Governance Report, which forms part of this Report. The intervening gap between the two consecutive Board meetings did not exceed 120 days as prescribed under Section 173 of the Act, Regulation 17 of SEBI Listing Regulations and Secretarial Standard on Board Meetings (SS-I) issued by the Institute of Company Secretaries of India ("ICSI").

COMMITTEES OF THE BOARD

To effectively discharge the obligations and to comply with the statutory requirements, the Company has in place 5 (five) committees of the Board as on March 31, 2023 viz.:

1. Audit Committee;
2. Corporate Social Responsibility Committee;
3. Nomination & Remuneration Committee;
4. Risk Management Committee and
5. Stakeholders' Relationship Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report that forms part of this Annual Report. Further the Board of Directors, at their meeting held on May 29, 2023, has constituted Executive Committee for dealing with various urgent operational matters.

AUDIT COMMITTEE

The Audit Committee comprises of 6 (six) members which is in compliance with the provisions of the Act and SEBI Listing Regulations. The details pertaining to composition of the Audit Committee along with other details are included in the Corporate Governance Report, which forms part of this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations, a separate meeting of the Independent Directors was held on February 10, 2023. The details of the meeting held is included in the Corporate Governance Report, which forms part of this report.

CODE OF CONDUCT

The Company has laid down a Code of Conduct ("Code") for the Board of Directors & Senior Management which places a strong emphasis on maintaining integrity in both workplace & business practices, promoting honest & ethical conduct, & fostering diversity & fairness, among other important principles. The Code of Conduct can be accessed at: <http://gufic.com/wp-content/uploads/2020/10/Code%20of%20conduct%20for%20directors%20and%20Senior%20Management%20Personnel.pdf>

The members of the Board and Senior Management of your Company have submitted their affirmation on compliance with the Code of Conduct of the Company during the Financial Year 2022-23, as required under the provisions of SEBI Listing Regulations. A declaration to that effect duly signed by Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director, pursuant to Regulation 17(5) read with Schedule V of the SEBI Listing Regulations forms part of this report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statement relates and date of this Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations provided to them and pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, your Directors hereby state and confirm that:-

- a. in the preparation of the annual accounts/financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2023 and of the profit of your Company for that period;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts/ financial statements have been prepared on a going concern basis;
- e. proper internal financial controls were in place and that the said financial controls were adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system and mechanism which is commensurate with nature of its business, size, scale and complexity of its operations. The Company has implemented a comprehensive framework which includes formulation of Standard Operating Procedures (SOPs), Procedures and Controls, which are regularly audited to safeguard its assets, ensure the accuracy and reliability of financial reporting, enhance operational efficiency and ensure compliance with applicable laws and regulations. Clear roles and responsibilities have been defined for each process establishing accountability and promoting efficiency throughout the organization. The Company has also set up Management Information System (MIS) to facilitate informed decision making. The Company continues to have periodical internal audits conducted of all its functions and activities to ensure that systems and processes are followed across all areas.

Internal Financial Controls are an integral part of the risk management framework and process that address financial and financial reporting risks. The Company has in place adequate internal financial controls with reference to the Financial Statement.

The Company is also in the process of implementing Systems, Applications and Products ("SAP") which will enhance and fortify its internal control mechanism. Serving as a powerful tool, SAP is set to bolster the Company's internal control systems, effectively mitigating risks associated with errors and fraud. Additionally, SAP ensures the Company's strict adherence to regulatory requirements, promoting a more secure and compliant operational environment.

The Company's Internal Control System process is reviewed by the Audit Committee periodically. The management duly considers and takes appropriate actions on the recommendations made by the Internal Auditors, Statutory Auditors and the Audit Committee.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended.

REPORTING OF FRAUDS

During the year under review, none of the Auditors has reported to the Audit Committee any instances of fraud committed in the Company by its officers or employees, as required under Section 143 (12) of the Act.

DEPOSITS

During the financial year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no amount on account of principal or interest on public deposits was outstanding as on March 31, 2023.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2023, are set out in Notes to the Financial Statements of the Company provided in this Annual Report.