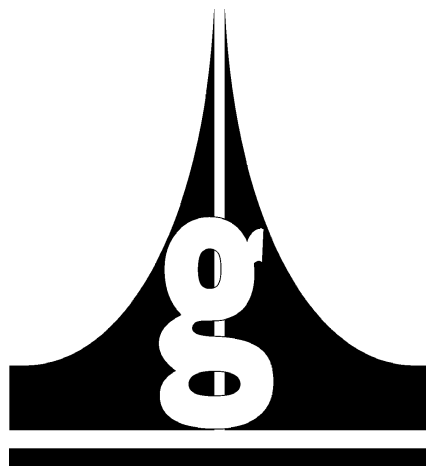


31st
ANNUAL REPORT
2015-2016



GUJARAT TERCE LABORATORIES LTD.

**BOARD OF DIRECTORS**

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

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Priyanka Bakhtyarpuri, ACS No.:42896

REGISTERED OFFICE & FACTORY :

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

METAL FACTORY :

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

ADMINISTRATIVE OFFICE :

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

AUDITORS :**USS & Associates**

CHARTERED ACCOUNTANTS

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

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

Practicing Company Secretary

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

BANKER :

BANK OF BARODA

Ellisbridge Branch,

Pritamnagar 1st Slop, Ellisbridge, Ahmedabad-380006

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

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

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

By Order of the Board of Directors

Priyanka Bakhtyarpuri
Company Secretary
ACS No.: 42896

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



Notes:

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

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

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

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

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

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

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



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 27th September, 2016 at 9.00 am and ends on 29th September, 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ii. Other Instructions:

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2016.
- b) Mr. Ishan P. Shah, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or person authorised by him in writing shall declare the results of the voting forthwith.
- d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gujaraterce.com and on the website of CDSL www.evoting.cdsl.com immediately after the result is declared by the Chairman.
- e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- f) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Bigshare Services Private Limited immediately.
- g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited.
- h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

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

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

ITEM NO. 2&4

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT at ensuing AGM

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

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

ITEM NO. 3

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

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

ITEM NO. 4

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

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

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



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

Other terms and conditions:

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

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

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

By Order of the Board of Directors

Priyanka Bakhtyarpuri
Company Secretary
ACS No.: 42896

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

DIRECTORS REPORT

To,
The Members of

GUJARAT TERCE LABORATORIES LIMITED

Dear Members,

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

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

FINANCIAL HIGHLIGHTS**(₹ In Lakhs)**

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

STATE OF COMPANY'S AFFAIRS

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

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

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

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

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

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

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

CHANGE IN THE NATURE OF BUSINESS

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

MEETINGS OF THE BOARD OF DIRECTORS

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

CORPORATE GOVERNANCE

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

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