

**GUJARAT TERCE  
LABORATORIES LIMITED**



**TWENTY FIFTH ANNUAL REPORT 2009-2010**

**BOARD OF DIRECTORS**

Shri Natwarbhai P. Prajapati  
Chairman & Managing Director

Shri Amrutbhai P. Prajapati  
Whole Time Director (CFO)

Shri Sureshbhai P. Prajapati  
Director

Shri Gordhanbhai G. Patel  
Director

Shri Kanubhai S. Patel  
Director

Shri Jayantibhai S. Prajapati  
Director

**REGISTERED OFFICE/FACTORY :**

122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. : Gandhinagar (N.G.)

**ADMINISTRATIVE OFFICE :**

6th Floor, Arjun Towers, Opposite Deepkala Junction, Near Chiripal House, Shivranjani Cross Road,  
Satellite, Ahmedabad - 380 015

**AUDITORS :**

**M/S. P A R Y & CO.**  
CHARTERED ACCOUNTANTS

**SECRETARIAL AUDITOR:**

**Pinakin Shah & Co.**  
Practicing Company Secretary  
C-103, Panchdhara Plaza, Satellite Road, Ahmedabad - 380015.

**BANKERS :**

BANK OF BARODA  
Ellisbridge Branch, Ahmedabad.

**REGISTRAR & SHARE TRANSFER AGENT:**

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

## ***Gujarat Terce Laboratories Limited***

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### **NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held on Friday, 13th August, 2010 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral Dist: Gandhinagar to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive consider & adopt the audited Balance Sheet as at 31st March 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Directors' & the Auditors' thereon.
2. To appoint a Director in place of Shri Kanubhai S Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Gordhanbhai G Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Pary & Co., Chartered Accountants, Ahmedabad, be and are hereby appointed as the Statutory Auditors to hold office from conclusion of this Annual General Meeting up to conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

#### **SPECIAL BUSINESS:**

5. To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT the Authorized Capital of the Company be increased from Rs 5,00,00,000 (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs 10/- each to Rs 11,00,00,000 (Rupees Eleven Crore Only) divided into 1,10,00,000 ( One Crore Ten Lacs) Equity Shares of Rs 10/- each and that Clause V of the Memorandum of Association of the Company of the Company be altered accordingly."

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

RESOLVED that pursuant to section 81(1), 81(1A) and section 94(1)(a) of the Companies Act, 1956, 32,64,932 Equity Shares of Rs. 10/- each [Herein after referred as Right Issue] be issued upon the following terms and conditions and subject to the following rights :

1. 32,64,932 equity shares shall be issued and offered at a premium not exceeding Rs.5/- per share.
2. Further 32,64,932 equity shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects (including voting rights) pari passu with the existing equity shares.
3. Further 32,64,932 equity shares be issued and offered in the first instance to the holders of the existing equity shares and warrants on the Register of Members of the Company, on such date as may be fixed by the Directors in the ratio, as nearly as circumstances permit, of 22 [Twenty Two] equity shares to 50 [Fifty] existing equity shares held by such holders respectively.
4. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than 15 days, from the date of the offer within which if the offer is not accepted it will be deemed to have been declined with liberty to the Directors from time-to-time to extend the time for acceptance as aforesaid either generally or in respect of any particular holder or holders.
5. The offer aforesaid shall include a right exercisable by the shareholder and warrant holder concerned to renounce the shares offered to him in whole or in part in favour of nominee(s) approved by the Directors.
6. The offer aforesaid may be made with option to the shareholders to apply for additional shares provided that a shareholder who has renounced his right in whole or in part shall not be entitled to an allotment of additional shares. The allotment of additional shares to the applicants will be made on an equitable basis, in consultation with Mumbai Stock Exchanges, with reference to the equity shares already held by them. If any further equity shares applied for are not allotted, the amount paid on application thereof shall be refunded without interest within time limit prescribed by SEBI.



7. In respect of such further equity shares, Rs.10/- on capital account plus Rs 5/- on premium account shall be payable along with the application for such shares.
8. In the event of any person holding less than 50 [Fifty] equity shares or not in the multiple of 50 [Fifty], the fractional entitlement of such Equity Shareholders shall be ignored, Such shareholders shall be despatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for Additional Rights Shares. However, they cannot renounce the same in favour of third parties. CAF with zero (0) entitlement will be non-negotiable/non-renounceable.
9. Those Equity Shareholders holding less than 50 [Fifty] Equity Shares will therefore be entitled to zero (0) Equity Shares.
10. The Directors be and are hereby authorised and empowered to dispose of and allot any of the aforesaid further equity shares not taken up by the holders of the existing equity shares/warrant holders entitled thereto or remaining undisposed of, to such person or persons, whether shareholders of the Company or not, on such terms and at such price or prices or at the ruling market price or the issue price, whichever is higher.
11. The allotment to non-resident shareholders/warrant holder/overseas bodies will be subject to the sanction of the Reserve Bank of India and/or such appropriate authorities as may be required.
12. No share certificates shall be issued after allotment of further equity shares but allotted equity shares shall be credited into D-Mat account of applicant.
13. For the purpose of giving effect to this resolution, the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such further equity shares to give such other directions as they may think fit and proper, including directions for settling any question or difficulty that may arise in regard to the issue and allotment of the further equity shares or in connection with any deceased or insolvent shareholder or a shareholder suffering from any disability ; and to do all acts, deeds, matters and things, as the Directors in their absolute discretion consider necessary, expedient, usual or proper for them to do.

RESOLVED FURTHER THAT the said right issue shall be subject to consent/approval under relevant guidelines of the Securities Exchange Board of India [SEBI], listing agreement entered into with the Mumbai Stock Exchange [BSE] and any other applicable laws/rules/regulations and that consent of the Company be and is hereby accorded to the Board of Directors to accept alteration in terms of the right issue as may be suggested by SEBI &/or BSE while granting consent/approval.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

*"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies act, 1956, relevant guidelines of the Securities Exchange Board of India, listing agreement entered into with the stock exchanges and any other applicable laws/rules/regulations and subject to the consent/approval of any other authorities/institutions, consent of the company be and is hereby accorded to the Board of Directors to create, offer and allot up to 2500,000 Equity warrants on a preferential basis to the Promoter Group(s) and other than Promoter Group(s) (hereinafter referred to as "Warrants") with each warrant convertible into equity share of the company of nominal value of Rs.10/- each at a price of Rs.16/- which includes a premium of Rs.6/- per share or such other price calculated in accordance with SEBI guidelines for preferential allotment of equity shares/warrants whichever is higher and on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized committee thereof) at the time of issue allotment"*

*"RESOLVED FURTHER THAT the 'relevant date' in relation to the issue of warrants would be 14/07/2010, being the date in accordance with Clause 71 of SEBI ICDR-2009 i. e. 30 days prior to the date of passing of this resolution".*

*"RESOLVED FURTHER THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:*

- a) The Warrants shall be convertible (at the option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants.
- b) Each warrant shall be convertible into one equity share of nominal value of Rs.10/- each at a price of Rs.16/-, which includes a premium of Rs.6/- per share, or such other price calculated in accordance with Clause 76(1) of SEBI ICDR-2009 i.e. guidelines for preferential allotment of shares.
- c) The Warrant holder(s) shall, on the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration per warrant.

## ***Gujarat Terce Laboratories Limited***

- d) The conversion of warrants into equity shares shall be made in one or more tranches within a period of 18 months from the date of allotment of warrants.
- e) The amount referred in (c) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of warrants.
- f) The number of warrants and the price per warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI guidelines, for corporate actions such as bonus issue, rights issue, stock split or any such capital or corporate restructuring.
- g) The lock in of shares acquired by exercise of warrants shall be as per Clause 78 of SEBI ICDR-2009 reduced to the extent of holding period of the Warrants.
- h) The holders of the equity shares would be entitled to such voting rights as they are entitled to under applicable law including under the Companies Act, 1956.

By Order of the Board of Directors

29th June, 2010

Registered office:

122/2 Ravi Estate, Bileshwarapura,  
Chhatral, Dist: Gandhinagar

**N.P. Prajapati**  
Managing Director

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Share transfer documents and all correspondence relating thereto, should be addressed to Registrar and Share Transfer Agents of the Company, **Bigshare Services Pvt. Ltd.** E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri(E), Mumbai - 400 072. Tel: 91-22-28470652|40430200|28470653 Fax:91-22-28475207 E Mail:marketing@bigshareonline.Com.
4. Members who hold shares in physical form are requested to notify immediately any changes in their addresses to the Registrar and Share Transfer Agents at the above address and to their depository participants, in case shares are held in electronic mode.
5. Shareholders/proxies are requested to produce the attendance slip at the entrance of the Meeting Hall.
6. The Register of Members and Transfer Book of the Company will be closed from Friday, 30/07/2010 to Friday, 06/08/2010 [Both days inclusive].
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least five days in advance of the Annual General Meeting to enable the Management to keep the information ready at the meeting.
8. At the ensuing Annual General Meeting, Shri Kanubhai S Patel shall retire by rotation and being eligible, offers himself for reappointment.
9. At the ensuing Annual General Meeting, Shri Gordhanbhai G Patel shall retire by rotation and being eligible, offers himself for reappointment.

Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors to be reappointed are given below:

<b>NAME</b>	<b>AGE</b>	<b>QUALIFICATION</b>	<b>OTHER MEMBERSHIP</b>
Shri Gordhanbhai G. Patel	51 Years	Commerce Graduate	NIL
Shri Kanubhai S. Patel	50 Years	M.Com. , B.Ed.	NIL



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## EXPLANATORY STATEMENT PURUANT TO SECTION 173(2) OF COMPANIES ACT, 1956

### ITEM 5:

Your Directors wish to inform you that the Company is in diversification mode and requires to generate long term resources to meet out its diversification plans. The Board of Directors at their meeting held on June 29, 2010 decided to raise the funds by issue of warrants on a preferential basis and equity shares on rights basis to existing shareholders of the Company. To accommodate the potential issue of additional equity shares under Preferential and Rights Issues, it is proposed to increase the Authorized Share Capital of the Company.

The Authorized Capital of the company at present stands at Rs.5,00,00,000/- (Five Crores Only) divided into 50,00,000 (Fifty Lacs ) Equity Shares of Rs.10/- each. It is now proposed to increase the authorized capital to Rs.11,00,00,000/- (Eleven Crores Only) divided into 1,10,00,000 (One Crores Ten Lacs) Equity Shares of Rs.10/- each by addition of 60,00,000. (Sixty Lacs ) Equity Shares of Rs.10/- each. In order to give effect to this decision, it is proposed to amend Clause V of the Memorandum of Association of the Company.

The Board commands the Ordinary Resolution for your approval.

The printed copy of the Memorandum of Association of the Company showing the proposed alterations will be open for inspection by the members of the Company at the registered office of the Company during office hours on any working day of the company.

None of the Directors is interested in the above resolution.

### ITEM 6:

Your company plans to diversify into detergent, cosmetics and metal recycling at an estimated outlay of Rs 490.00 lacs. The cost of diversification is worked out as under:

<b>Project</b>	<b>Costs [Rs in lac]</b>
Recycling of Copper Sulphate & Copper ash	324.00
Detergents	166.00

These projects are expected to greatly change the outlook of the Company and are economically justifiable. They would require financing from sources other than the Company's own accruals.

The Directors have, therefore, decided to recommend the issue of rights shares, the proceeds of which will be applied largely to financing the diversification programmes already defined and under way. The Directors also believe that the proposed rights issue will strengthen the equity base of the Company for its growing activities.

The Directors have, therefore, proposed to offer further equity shares to the holders of the existing equity shares for cash at premium, not exceeding Rs.5/-per share. The proceeds of this rights issue are expected to amount to Rs.4,89,73,980/- comprising of Rs.3,26,49,320/- in share capital and Rs.1,63,24,660/-in share premium.

The rights issue will be offered to the holders of the existing equity shares whose names appear on the register of the Company, on such date as the Directors may hereafter fix, in proportion of 22 further equity share for 50 existing equity shares of Rs.10/- each with the right to renounce the further equity shares, in whole or in part, in favour of nominees approved by the Directors. The shareholders and warrant holders who accept the offer in full will also be given the right to apply for additional shares.

The said 32,64,932 equity shares shall rank pari passu in all respects (including voting rights) with the existing equity shares & warrants.

The holders of equity shares and warrants are requested to authorise the Board of Directors to deal with any matter that may arise in connection with the issue of the said 32,64,932 equity shares.

The Memorandum and Articles of Association of the Company are available for inspection of any member of the Company at the registered office of the Company between the hours of 11 a.m. and 5 p.m. on any working day (i.e., excluding Saturdays, Sundays, Public Holidays or any other day on which the office of the Company remains closed).

All the Directors of the Company are concerned with or interested in the resolution to the extent to which they will have the right to subscribe to the further equity shares in proportion to their shareholding on such date as the Directors may fix.

## ***Gujarat Terce Laboratories Limited***

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### **Item 7:**

The Board has decided to raise capital to strengthen the capital base of the company to meet its future funds requirements. It is necessary to disclose the details of investors to the shareholders while seeking their approval for issuing the warrants on a preferential basis. The relevant disclosure as required under SEBI, ICDR Regulations are given below:

i. Authority to sanction the issue:

The issue is to be made under authority of Section 81 (1A) of the Companies Act, 1956 & subject to SEBI Guidelines dated 4th August 1994 (including any amendment to or re-enactment thereof) issued to cover preferential issues.

ii. Object/s of the issue:

The company is diversifying into Food Colour, Detergent, Cosmetics and Metal Recycling business and for which it is negotiating with certain parties for out right purchase of land, building plant and other infrastructure. The capital expenditure would be met through the proposed rights issue. The proposed issue is made to strengthen capital base and to meet long term resources to meet working capital requirements.

iii. Types of security offered and the number of security offered :

The company proposed to offer 25,00,000 warrants to be converted into equity shares.

iv. Important Terms:

As incorporated in the resolution and the warrants shall not be eligible for the rights offer as mentioned at resolution no 6 of this notice except in the event equity shares not taken up by the holders of the existing equity shares.

v. Intentions of the promoters/directors/key management persons to subscribe to the offer.

a. Promoter group	6, 53,300 warrants.
b. Directors	8, 46,700 warrants.
c. Other than promoters'	10, 00,000 warrants.

vi. The identity of the proposed allottees & the % of post preferential issued capital that may be held by them.

<b>Proposed Allottees</b>	<b>No of warrants offered</b>	<b>% of post Preferential issued capital</b>
<b>PROMOTER</b>		
Terce Finlease Pvt. Ltd	6, 53,300	14.50%
Sureshbhai P. Prajapati	8,46,700	12.49%
<b>NON PROMOTER</b>		
Shamrock Pvt. Ltd	3, 00,000	4.04%
Shamrock India Pvt. Ltd	7, 00,000	9.43%

Proposed allottees have not sold any shares during the period prior to six months of the relevant date.

The information pursuant to The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as regards to proposed allottee(s) whose holdings may be 5% or more of the post issued Capital.

### **NON PROMOTERS:**

- Proposed allottee(s) whose holdings may be 5% or more of the post issued Capital:  
Combined holding of Shamrock Pvt. Ltd. and Shamrock Chemie Pvt. Ltd. would be 13.47% of the post issued capital.  
There will not be any change in the Board of Directors of the Company and in control over the Company.

### **PROMOTERS**

- Changes in shareholding pattern and voting pattern of the Company:  
Promoters hold 21.68 % Equity Shares in the existing capital of the Company and the promoters holding and voting power will go up to 34.59 % after allotment as proposed in the resolution.



vii. Share holding pattern before the offer:

	No. of Shares	% of issued capital
Promoters	1066490	21.68%
Indian Public	3852110	78.29%
N.R.I	1700	0.03%
<b>Total</b>	<b>4920300</b>	<b>100%</b>

viii. Shareholding pattern after the offer:

	No. of Shares	% of issued capital
Promoters	2566490	34.59%
Indian Public	4552110	61.35%
N.R.I	301700	4.06%
<b>Total</b>	<b>7420300</b>	<b>100%</b>

ix. Proposed time within which allotment shall be completed:

It is proposed to complete the allotment within the time prescribed under clause 74(1) of SEBI ICDR-2009 i.e. Guidelines for preferential issues. The guidelines states that the allotment shall be completed within a period of 15 days from the date of passing of the resolution or where any application for exemption from the applicability of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

vi. Lock in period

Clause 78(1) of SEBI ICDR-2009 guidelines for preferential issues shall apply to promoter or promoter group and according to guidelines the warrants allotted on preferential basis to and the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis, shall be locked-in for a period of three years from the date of allotment of the warrants or equity shares allotted pursuant to exercise of the option attached to warrant, as the case may be; provided that not more than twenty per cent. of the total capital of the issuer shall be locked-in for three years from the date of allotment: provided further that equity shares allotted in excess of the twenty per cent shall be locked-in for one year from the date of their allotment pursuant to exercise of options or otherwise, as the case may be.

It means that not more than 20 % of total equity capital including capital bought in by way of new shares allotted on a preferential basis to the promoter / promoter group, shall be subject to lock-in of 3 years from the date of their allotment. However for computation of 20% of the total capital of the company, the amount of minimum promoters' contribution held and locked-in, in the past as per guidelines shall be taken into account AND the minimum promoters' contribution shall not again be put under fresh lock-in.

As per Clause 78(2) of SEBI ICDR-2009, equity shares allotted on preferential basis to any person other than promoters/ promoters group shall be locked-in for a period of one year from the date of their allotment.

**Promoters**

Lock in for three years.

Computation:

20 % of post preferential Equity capital	14,84,060
Less: Promoters shares already locked in.	14,87,800
Balance to be locked in for three years	NIL
Proposed subscription by Promoters Group (12.91% of the post preferential issued capital)	15,00,000
Equity shares under lock in.	



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### Lock in for one year.

Promoters	15, 00,000
Non Promoters	10,00,000

### Lock in for six months

As per Clause 78(6) of SEBI ICDR-2009, the entire pre-preferential shareholding of following proposed allottees shall be in lock in from the relevant date up to a period of six months from the date of preferential allotment.

<b>PROMOTER</b>	<b>Pre-preferential shareholding</b>
Terce Finlease Pvt. Ltd.	422600
Sureshbhai P Prajapati	80450

### vii. Pricing of the issue

The issue price is Rs.16/- or worked out as per Clause 76(1) of SEBI ICDR-2009 which ever is higher.

The issue of shares is made at a price not less than the higher of the following:

- i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

- ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

<b>Week ended</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
08/07/10 to 14/07/10	16.40	14.10	15.25
01/07/10 to 07/07/10	17.45	15.50	16.48
<b>Average</b>			<b>15.87</b>

The "relevant date" as per Clause 71(a) of SEBI ICDR-2009 means:

the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue

### viii. Auditors Certificate:

It is proposed to obtain a certificate from M/s Pary & Co., Statutory Auditors of the company, certifying that the price for warrant is calculated in accordance with requirements of SEBI Regulations. This certificate will be made available for inspection on any working day between 11 A.M to 1 P.M. upto the last date of A.G.M.

Except Mr. Sureshbhai P. Prajapati, none of the directors of the company are directly interested or concerned in the proposed resolution

The Board may recommend following resolution for approval of members.

Your Directors consider the said resolution in the interest of the Company and therefore recommends the same for your approval.

By Order of the Board of Directors

29th June, 2010  
Registered office:  
122/2 Ravi Estate, Bileshwarapura,  
Chhatral, Dist: Gandhinagar

**N.P. Prajapati**  
Managing Director



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2010.

### FINANCIAL RESULTS:

	<u>2009-10</u> (Rs. in Lac)	<u>2008-09</u> (Rs. in Lac)
Gross Income	1872.42	1687.54
Profit before Depreciation & Tax	48.29	23.49
Depreciation	18.74	17.03
Profit after Depreciation	29.55	6.46
Tax- Current	4.28	5.84
Deferred	12.26	-2.22
Profit after tax	13.02	2.84
Profit brought forward from previous year.	49.74	46.91
Balance Carried To Balance Sheet	62.76	49.74

### CORPORATE GOVERNANCE

A detailed Report on Corporate Governance system of the Company is provided in the Annual Report.

### MANAGEMENT DISCUSSION & ANALYSIS

This Report includes discussion on the following matters within the limits set by the Company's competitive position:

#### Industry Structure & Development

The Indian pharmaceutical industry is the world's third-largest by volume and is likely to lead the manufacturing sector of India. The government started to encourage the growth of drug manufacturing by Indian companies in the early 1960s, and with the Patents Act in 1970, enabled the industry to become what it is today. This patent act removed composition patents from food and drugs, and though it kept process patents, these were shortened to a period of five to seven years. The lack of patent protection made the Indian market undesirable to the multinational companies that had dominated the market, and while they streamed out, Indian companies started to take their places. They carved a niche in both the Indian and world markets with their expertise in reverse-engineering new processes for manufacturing drugs at low costs. In 2002, over 20,000 registered drug manufacturers in India sold \$9 billion worth of formulations and bulk drugs. 85% of these formulations were sold in India. Most of the players in the market are small-to-medium enterprises. In terms of the global market, India currently holds a modest share, but it has been growing at approximately 15% per year. India gained its foothold on the global scene with its innovatively-engineered generic drugs and active pharmaceutical ingredients (API), and it is now seeking to become a major player in outsourced clinical research as well as contract manufacturing and research. India continues to be dominated by Indian pharma companies, but remains fragmented, with over 20,000 licensed organizations. As per Pricewaterhouse Coopers report, finished generics supplied from India account for 20% of the global generics market. According to a Yes Bank report titled 'Indian Pharmaceutical Industry: Vision 2015', the Indian pharma industry is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.2 percent to \$50 bn by 2015-16.

#### Opportunities

- Aging of the world population.
- Growing incomes.
- Growing attention for health.
- New diagnoses and new social diseases.
- Spreading attitude for soft medication (OTC drugs).
- Spreading use of Generic Drugs.

#### Threats

- Containment of rising health-care cost.
- High Cost of discovering new products and fewer discoveries.
- Stricter registration procedures.
- High entry cost in newer markets.
- High cost of sales and marketing.

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- Competition, particularly from generic products.
- More potential new drugs and more efficient therapies.

### **Operational & Financial Performance**

The Company has only one business segment namely formulations. During the year 2009-10 net sales increased by 10.96% i.e. from Rs.1687.42 lacs in 2008-09 to Rs.1872.42 in 2009-10. The profit of the Company has increased from Rs.2.84 lacs to Rs.13.02 lacs. It is expected that there will be an improvement in profitability during current year.

It is proposed to alter the Main Object Clause of the Memorandum of Association of the Company, by inserting certain new activities relating to Food Colour, Detergent and Cosmetics and Metal Recycling in the main object clause. In view of requirements of Section 192A of the Act, the proposed resolution is being placed for your approval through postal ballot. The result of postal ballot would be announced on 06/8/2010.

### **Capital**

It is proposed to issue 25,00,000 warrants to promoters and other than promoters at a price of Rs.16/- per share on preferential basis in terms of SEBI guidelines issued in this regard. The proceeds would be utilised to strengthen capital base and to meet long term working capital requirements. It is a part of agenda for 25th Annual General Meeting to be held on 13/8/2010. Your directors recommend the special resolution for your approval.

It is also proposed to issue 32,64,932 equity shares of Rs.10/- for cash at a premium of Rs.5/- per share to existing shareholders on rights basis in the ratio of 22 new equity shares for existing 50 equity shares held on a record date. The record date will be decided in consultation with Mumbai Stock Exchange after necessary approvals are obtained from all concerned authorities. The proceeds would be utilised to finance diversification plan as explained in item no 6 of agenda for 25th Annual General Meeting to be held on 13/8/2010. Your director recommends resolution for your approval.

### **RISK & CONCERNS**

The Company has adopted risk management approach with an objective to balance risk & cost. The policy lays down a detailed structure for risk management & control in the company. There are few risk factors that are relevant to the business of your Company. The Company operates in a highly regulated industry & must comply with a broad range of dynamic regulatory controls, particularly in the regulated markets.

### **Internal Control System**

The Internal Control System of the Company is adequate. The Company has set up detailed systems & procedure in all important areas which act as guideline to its employees. The recommendations of the auditors on the efficacy of the internal control are implemented. Audit committee constituted by the Board of Directors continuously reviews the reports of the internal audit team. The shortcomings observed in the system are regularly monitored for corrections as well as prevention.

### **Human Resource**

The Human Resource plays an important and vital role in the growth and success of an organization. The Human Resource Development is an integral part of the Company's Corporate Philosophy. The Company is committed to provide career oriented training to its employees at all levels with an added impetus to build leaders. The company continues to have extremely cordial personnel relations.

### **Cautionary Statement**

Statement in the Management Discussion & Analysis Report describing the Company's objective, expectations or predictions may be forward looking within the meaning of applicable Securities Laws & Regulations. Actual performance may differ from those expressed or implied depending upon the economic conditions, the Government Policies & the other incidental/related factors.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub-Section (2AA) of Section 217 of Companies Act'1956 the Board of Directors of the Company hereby state and confirm that:

- (i) in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) We have selected such accounting policies and applied them consistently 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 end of the financial year and of the profit or loss of the Company for that period;
- (iii) We have 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;
- (iv) We have prepared the annual accounts on a going concern basis.



## DIRECTORS

Shri Kanubhai S. Patel and Shri Gordhanbhai G. Patel retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for reappointment.

## AUDITORS AND AUDITORS' REPORT:

The retiring Auditor M/s Pary & Co, Chartered Accountants, Ahmedabad has indicated their willingness to continue as auditor of the Company. It is proposed to reappoint M/s Pary & Co., Chartered Accountants, Ahmedabad as auditors of the Company till the conclusion of Twenty Sixth Annual General Meeting. The Company has received certificate from auditor to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

## EXPLANATION TO COMMENTS OF AUDITORS' REPORT:

The auditors have qualified their report in respect of retirement benefits, foreign currency transaction and doubtful debts.

- a) The gratuity liability could not be worked out since company is not having the availability of actuary services.
- b) The management has not considered the profit of exchange rate fluctuation under the principles of conservatism.
- c) The provision for bad & doubtful debt is not made as the matters are under dispute.
- d) The Company does not owe any amount to small & micro enterprise.

## FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

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

### A. Conservation of Energy

- I. The company has not made any investment [for energy conservation] and taken any specific measures to reduce energy cost per unit. However, it intends to conserve energy for future generation.
- II. Part A pertaining to conservation of energy is applicable to the Company.

#### Power and fuel consumption :

I. Electricity	<u>Current Year</u>	<u>Previous Year</u>
• Purchased		
Unit	27360	12420
Total Amount	194426	96218
Average Cost	7.11	7.75
Per unit of Production	0.0154	0.0388
• Own generation: N.A.		

NOTE: The Company has not used coal/furnace oil as fuel during the year and has not generated electricity internally.

### B. Technology Absorption

There is no Research and Development activity carried out by the Company.

### C. Foreign Exchange Earnings and Outgo:

The Company has earned total foreign exchange of Rs. 7.21 Lac by way of exports in the year 2009-10 and no amount was spent on import of raw material, traveling expenses and other matters.

## PARTICULARS OF EMPLOYEES:

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time is nil.

## ACKNOWLEDGMENTS:

The Board expresses their appreciation for continued co-operation and support extended to the Company by Bank of Baroda and customers. The Board also thanks the Medical Profession, the Trade and Consumers for their patronage of the Company's products. The Board also records its deep appreciation of the creditable services rendered by the Company's employees at all levels.

For and on behalf of the Board of Directors

29th June, 2010

Registered office:

122/2, Ravi Estate,

Bileshwarpura, Chhatral Dist: Gandhinagar

**Shri N.P. Prajapati**  
Managing Director

## ***Gujarat Terce Laboratories Limited***

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**FORM  
[SEE RULE 3]  
COMPLIANCE CERTIFICATE**

To,  
The Members  
M/s Gujarat Terce Laboratories Limited.

I have examined the registers, book and papers of M/s Gujarat Terce Laboratories Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Gujarat.
3. The Company, being a public limited company, has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 9 (nine) respectively on 1/04/09, 15/04/09, 18/05/09, 30/06/09, 31/07/09, 31/10/09, 30/01/10, 01/03/10 & 25/03/10 in respect of which meeting notices were sent & minutes was properly recorded and signed including the circular resolutions passed in the Minutes Book maintained of the purpose,
5. The Company has closed its Register of Members from 23/09/09 to 30/09/09.
6. The annual general meeting for the financial year ended on 31/03/09 was held on 30/09/09 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has entered into transactions with parties mentioned in the register maintained under Section 301, and has made entries in the register.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has issued duplicate certificates during the financial year.
13. The Company has:
  - (i) not allotted but transferred securities during the year; and has delivered all the certificates on allotment and lodgment thereof for transfer.
  - (ii) not deposited dividend amount in a separate bank account as no dividend was declared.
  - (iii) not posted warrants to members of the Company as no dividend was declared.
  - (iv) need not to transfer unclaimed dividend to investor education and protection fund.
  - (v) duly complied with the requirements of Section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. There was no appointment of additional/alternate directors during the financial year.
15. Company has not appointed Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted deposits during the financial year.
24. The Company has not made any borrowing during the financial year in violation of provisions of the Act.
25. The Company has made loans or advances to other bodies corporate and consequently entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by The Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of contribution to Provident Fund as referred under Section 418 do not apply to it.

Place : Ahmedabad  
Date : 29/06/10

**Pinakin Shah**  
Company Secretary  
C.P.No:/F.C.S No.2932/2562

## ***Gujarat Terce Laboratories Limited***

### **Annexure A**

Registers as maintained by the Company

1. Register of members under Section 150
2. Register of equity share transfers
3. Register of Directors share holding under Section 307
4. Contract register under Section 301.
5. Minutes book of Board meeting & General meeting.
6. Register of Directorship held in other companies.
7. Register of Investment.
8. Books of accounts & other records under Section 209.
9. Register of Directors, Managing Director, Manager & Secretary under Section 303.
10. Charge Register.

### **Annexure B**

Forms and Returns as filed by The Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year 2009-10.

<b>DOCUMENT FILED</b>	<b>DUE DATE</b>	<b>FILED ON</b>	<b>DELAY IN DAYS</b>
Form 23 AC/ACA	29/10/09	08/10/09	0
Form 20B	29/11/09	24/11/09	0
Form 23	29/10/09	01/12/09	32
Form 32	01/04/09	29/4/09	0
Form 32	30/07/09	14/07/09	0
Form 32	01/03/10	03/02/10	0
Form 66	29/10/09	07/10/09	0

Place : Ahmedabad  
Date : 29/06/10

**Pinakin Shah**  
Company Secretary  
C.P.No./F.C.S No.2932/2562



## REPORT ON CORPORATE GOVERNANCE

(As required by clause 49 of the Listing Agreement with the stock exchange)

### MANDATORY REQUIREMENTS

#### 1. Company's Philosophy & Code of Governance

The Company believes in setting good and ethical corporate governance practices. The Company is managed by the Managing Director under the supervision and control of Board of Directors.

Your Company's corporate governance policy is directed towards

- Adherence to ethical business practices.
- Transparency in respect of board matters and disclosures to shareholders
- Maximizing sustainable values to all its stakeholders including shareholders, customers, and employees.

#### 2. Board of Directors

##### Composition of Board:

The composition of the Board is in conformity with clause 49 of the Listing Agreement. The Board consists of 6 [Six] members. The Company has Executive Chairman and half of the Board consists of Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49), across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions.

The Composition of the Board as on 31/03/2010 was as under:

Directors	Category	Attendance Particulars			Other Committee Membership	
		Board Meeting	Last AGM	Other Directorships	Member	Chairman
Shri Natwarbhai P. Prajapati	CM & MD Executive	9	YES	NIL	NIL	NIL
Shri Sureshbhai P. Prajapati	DIR-NON IND	7	YES	NIL	NIL	NIL
Shri Amrutbhai P. Prajapati	WTD-FINANCECFO	9	YES	NIL	NIL	NIL
Shri Kanubhai S. Patel	DIR-IND	7	YES	NIL	NIL	NIL
Shri Gordhanbhai G. Patel	DIR- IND	7	YES	NIL	NIL	NIL
Shri Jayantibhai S. Prajapati	DIR-IND	7	YES	NIL	NIL	NIL

CM- Chairman, DIR-IND- Director Independent, MD- Managing Director, DIR-NON IND- Director Non Independent, WTD- Whole Time Director.

Details of Board Meetings held during the year 2009-10

9 (Nine) Board Meetings were held during the year and the gap between two meetings did not exceed four months.

Leave of absence was granted by the Board to the Directors who were absent at the respective Board Meeting(s).

Date of Meeting	No. of Directors Present
01/04/2009	2
15/04/2009	6
18/05/2009	2
30/06/2009	6
31/07/2009	6
31/10/2009	6
31/01/2010	6
01/03/2010	6
25/03/2010	6

The information as required under annexure I to clause 49 is being made available to the Board.



## ***Gujarat Terce Laboratories Limited***

### **3. AUDIT COMMITTEE**

The terms of reference, role and scope to this Committee, inter-alia, covers all the matters specified under section 292A of the Companies Act, 1956 and also all the matters listed under Clause 49 of the Listing Agreement with Stock Exchanges such as oversight of Company's financial reporting process, recommending the appointment/re-appointment of statutory auditors; reviewing with the management annual financial statements, quarterly financial statements and other matters as covered under role of audit committee in Clause 49. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

#### **Composition:**

The Audit Committee comprises of 3 Non Executive Directors & majority of them are independent. The members of Audit Committee have adequate financial/accounting knowledge.

The Audit Committee met four times during the year under review on 30/06/2009, 31/07/2009, 31/10/2009 and 30/01/2010. Compliance officer Mr. Amrutbhai P. Prajapati was present at all meetings.

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Attendance</b>
Shri Jayantibhai S Prajapati	Chairman	Non executive Chairman Independent Director	4
Shri Kanubhai S Patel	Member	Non executive Independent Director	4
Shri Gordhanbhai G Patel	Member	Non executive Independent Director	4

### **4. REMUNERATION OF DIRECTORS**

#### **Terms of Reference:**

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole Time Directors.
- Reviewing performance of the Managing / Whole Time Director and recommending to the Board, the quantum of annual increments and annual commission.

#### **Composition:**

Its composition is as under:

<b>Name of The Director</b>	<b>Position</b>	<b>Category</b>
Shri Jayantibhai S Prajapati	Chairman	Non Executive Independent Chairman
Shri Kanubhai S Patel	Member	Independent- Non Executive
Shri Gordhanbhai G Patel	Member	Independent- Non Executive

The Company has not held any meeting in the financial year as there was no review of compensation payable to Managing/ Whole Time Director.

#### **Remuneration policy:**

The appointment of Managing Director is governed by the resolution passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment. Payment of remuneration to Managing Director is governed by the respective agreements executed between them and the Company. Remuneration paid to Managing Director is recommended by Remuneration Committee, approved by the Board and is within the limit. Remuneration package of Managing Director comprises of salary, perquisites and allowances as approved. Annual increments are linked to performance and to be decided by remuneration committee.

Presently, the Company does not have a scheme for grant for stock options or performance linked incentives for its Directors.

Details of remuneration to all the Directors for the year ended 31/03/2010.

<b>Name of the Director</b>	<b>Salary [RS]</b>	<b>Service contract</b>
Shri N. P. Prajapati ,Managing Director	18,00,000/-	11/01/2007 to 11/01/2012
Shri Amrutbhai P. Prajapati, Whole Time Director – Finance	1,92,000/-	1/08/2006 to 1/08/2011

The Non-Executive Directors are paid fees of Rs.1500 for every meeting of the Board attended by them.



## 5. SHAREHOLDERS/INVESTOR'S GRIEVANCES COMMITTEE

The committee consists of three Directors. Shri Jayantibhai S Prajapati is the non executive Director heading the committee.

This committee looks into the redressal of Shareholders/Investor's Grievances, if any like Transfer/ Transmission of Shares; Loss of Share Certificates; Non receipt of Annual Report etc. during the year. No complaints were received from the shareholders. The Company has no transfers pending at the close of the financial year.

The Committee met on 30/04/2009, 15/05/2009, 31/05/2009, 15/06/2009, 30/06/2009, 15/07/2009, 31/07/2009, 13/08/2009, 31/08/2009, 15/09/2009, 30/09/2009, 15/10/2009, 31/10/2009, 16/11/2009, 30/11/2009, 15/12/2009, 31/12/2009, 15/01/2010, 30/01/2010, 15/02/2010, 15/03/2010, 31/03/2010 during the year under review.

Name	Designation	Attendance
Shri Jayantibhai S Prajapati	Non executive Independent	22
Shri Kanubhai S Patel	Non executive Independent	22
Shri Gordhanbhai G Patel	Non executive Independent	22

## 6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING

Meeting	Year	Venue of AGM	Date	Time	No. of Special Resolution Passed
22nd AGM	2006-2007	122/2 Ravi estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	29/09/07	10.00 a.m.	0
23rd AGM	2007-2008	122/2 Ravi estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	30/09/08	10.00 a.m.	1
24th AGM	2008-2009	122/2, Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	30/09/09	10.00 a.m.	1

No special resolution was required to be put through postal ballot last year.

The company has proposed to alter object clause of the company, for voting by postal ballot which is to be passed in the meeting held on 06/08/2010.

## 7. DISCLOSURE

### i. Disclosures on materially significant related party transactions

The Company has no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., that may have potential conflicts with the interest of the Company at large. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. For details about related parties' transactions, see Note No.14 of Notes on Accounts.

### ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

There were no instances of non-compliance or penalties imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

### iii. Non mandatory requirements

Adoption of non mandatory requirements of clause 49 of the listing agreement is being reviewed by the Board from time to time.

## 8. Means of communication Quarterly results:

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by clause 41 of the listing agreement within one month of the close of the respective period. The approved financial results are forthwith send to the Mumbai Stock Exchange and are published in Western Times news paper, English/Gujarati editions within 48 hours of approval thereof. The same are not send to the shareholders separately. The Company's financial results and official news releases are not displayed on the Company's website. No formal presentations were made to institutional investors or to the analysts during the year under review.

Management Discussion and Analysis forms part of the annual report, which is posted to the share holders of the Company.

## ***Gujarat Terce Laboratories Limited***

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### **9. General Shareholder Information:**

#### **i. Date time and venue of –AGM**

Friday, 13th August, 2010 at 10.00 a.m. at 122/2 Ravi Estate, Bileshwarpura, Chattral Dist: Gandhinagar.

#### **ii. Financial year**

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which results are declared by June as permitted under listing agreement.

#### **iii. Dates of Book Closure**

Friday, 30/07/2010 to Friday, 6/08/2010(Both days inclusive).

#### **iv. Dividend payment date**

Not Applicable

#### **v. Listing of Stock Exchanges At**

The Stock Exchange – Mumbai  
Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400 023

#### **vi. Stock Codes**

524314

#### **vii. High/Low of monthly Market Price of the Company's Equity**

Shares traded on the Mumbai Stock Exchange during the financial year 2009-10 is furnished below:

Month	High	Low
April-09	8.68	5.47
May-09	6.96	4.93
June-09	6.97	4.92
July-09	5.54	4.76
August-09	6.05	4.86
September-09	7.77	5.59
October-09	19.3	8.15
November-09	21.15	17.25
December-09	19.6	13.6
January-10	16.5	10.7
February-10	14.85	10.29
March-10	19.25	11.61

#### **viii. Registrar & Transfer Agent**

##### **BIGSHARE SERVICES PVT. LTD.**

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

Tel: 91-22-2847 0652 | 40430200| 2847 0653 Fax: 91-22-2847 5207 E-mail: marketing@bigshareonline.com

#### **ix. Share Transfer System**

The registration certificate of M/s Pinnacle Shares Registry Private Limited was suspended by SEBI and hence the Company has appointed **Bigshare Services Pvt. Ltd.** as registrar & transfer Agents with effect from 19/06/2010 for D-mat as well as physical share transfer work. Valid share transfer in physical form and complete in all respects were approved and registered within stipulated period.



**x. Distribution of shareholding (as on 31/03/2010)**

**a On the basis of Shares held**

	Balance	PHYSICAL Holders	SHARES	D-MAT Holders	SHARES	TOTAL Holders	%	TOTAL Shares	%
1	500	10887	1244050	3490	546412	14377	95.18	1790462	36.39
501	1000	116	99100	257	221332	373	2.47	320432	6.51
1001	2000	22	35100	156	251180	178	1.18	286280	5.82
2001	3000	3	7600	47	119032	50	0.33	126632	2.57
3001	4000	3	10100	18	62937	21	0.14	73037	1.48
4001	5000	3	14200	31	146223	34	0.23	160423	3.26
5001	10000	0	0	40	283478	40	0.26	283478	5.76
10001	9999999	0	0	32	1879556	32	0.21	1879556	38.20
		11034	1410150	4071	3510150	15105	100	4920300	100

**b. On the basis of category**

Category	No. of Shares Held	% to total Shares held
Promoters	1066490	21.68
Private Corporate Bodies	505414	10.27
Individual	3346696	68.02
N. R. I.	1700	0.03
<b>TOTAL</b>	<b>4920300</b>	<b>100.00</b>

**xi. Dematerialization of shares & liquidity**

Under the depository system the International Securities Identification Number (ISIN) allotted to the Company is INE499G01013. As of March 31, 2010, 71.34% of the total equity shares have been dematerialized. In order to afford full liquidity to the investor community, the Company has tied up with the NSDL and CDSL. Thus, the investors can exercise dematerialization and transfer actions through a recognized DP who is connected to NSDL or CDSL.

**xii. Outstanding GDRs/ADRs/Warrants or any convertible instruments as at end March, 2010.**

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end March, 2010.

**xiii. Plant Locations**

122/2 & 3, Ravi Estate, Bileshwarpura, Chattral Dist: Gandhinagar

**xiv. Address for Correspondence**

For Share transfer/ dematrilisation of shares, payment of dividend and any other query related to shares:

**BIGSHARE SERVICES PVT. LTD.**

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

E-mail: marketing@bigshareonline.com

All enquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

6th Floor, Arjun Tower, Opp. Deepkala Junction, Nr. Chiripal House, Shivranjani Cross Road, Satellite, A'bad - 380015

E-mail : gujtercead1@sancharnet.in or rejeshgtll@yahoo.in

***Gujarat Terce Laboratories Limited***

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**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members of  
Gujarat Terce Laboratories Limited

I have examined all the relevant records of Gujarat Terce Laboratories Limited ["the Company"] for the purpose of certifying compliance of the conditions of the Corporate Governance under clause 49 of the Listing Agreement with the Stock Exchange for the financial year ended on 31st March 2010. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

Place : Ahmedabad  
Date : 29th June, 2010

**Pinakin Shah**  
Practising Company Secretary  
F.C.S. 2562, C.P. No 2932

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**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF  
THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT  
DECLARATION BY MANAGING DIRECTOR**

To  
The Shareholders,  
Gujarat Terce Laboratories Ltd.

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I, N.P. Prajapati Managing Director of Gujarat Terce Laboratories Ltd. hereby declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2010.

For Gujarat Terce Laboratories Ltd.

Place : Ahmedabad  
Dated : 29/06/ 2010

**(N.P. Prajapati)**  
Chairman & Managing Director



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**CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,  
Board of Directors,  
Gujarat Terce Laboratories Limited,

I the undersigned, in my Chief Financial Officer of Gujarat Terce Laboratories Limited ("the company") to the best of my knowledge and belief certify that

- a) I reviewed the financial statements and the cash flow statements for the year ended on March 31st 2010 and based on my knowledge and belief I state that:
  - i. this statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading
  - ii. this statement together present at true and fair view of the companies affairs and are in compliance with existing accounting standards , applicable laws and regulations
- b) I further state that to the best of my knowledge and belief, there are no transaction entered into by the company during the year, which are fraudulent, illegal or violative, of the company's code of conduct
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies
- d) I have indicated to the auditors and audit committee that:
  - i. there has not been any significant changes in internal control over financial reporting during the year under reference
  - ii. there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements and

I am not aware of any material instances during the year of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Place : Ahmedabad  
Date : 29/06/2010

**Shri Amrutbhai Prajapati**  
*Chief Financial Officer*

## ***Gujarat Terce Laboratories Limited***

### **AUDITORS' REPORT**

To,  
The Members,  
Gujarat Terce Laboratories Limited  
Ahmedabad

We have audited the attached Balance Sheet of Gujarat Terce Laboratories Limited as at 31st March 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.
- ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of such books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the Books of Account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement read in conjunction with the notes on accounts, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 **except for Note No. 1 c & 1 j of Schedule R.**
- v) On the basis of the written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to :
  - a) **Note No. 1 c of Schedule "R" regarding accounting for retirement benefits on cash basis.**
  - b) **Note No.1 j of Schedule "R" regarding exchange rate fluctuation of foreign currency transactions.**
  - c) **The Company has not considered provision for bad & doubtful debts to the tune of Rs. 15,01,563, which are outstanding for more than 10 years from export sales of the company.**
  - d) **Note No. 12 of Schedule "R" regarding Not disclosing the total outstanding dues of Small & Micro Enterprises.**read together with the notes thereon, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
  - ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date and
  - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For, P A R Y & Co.**  
Chartered Accountants

**(Sushil Goenka)**  
Partner

M.No. 115465

Date : 29.05.2010  
Place : Ahmedabad



**Annexure to Auditor's Report of even date on the accounts for the year ended 31st March, 2010 of  
Gujarat Terce Laboratories Limited**

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme which, in our opinion, is reasonable looking to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.
2. a. As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.  
b. The procedures explained to us, which were followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.  
c. On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account.
3. a. The Company has not given any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clauses (iii)(b),(c) and (d) of the Order are not applicable.  
b. The Company has taken interest free unsecured loans from the two Directors which is not prejudicial to the interest of the company. Maximum balance outstanding during the year is Rs. 11.27 lacs while the year end balance is Rs. 4.83 lacs.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness in internal control, has come to our notice.
5. a. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that the transactions in which directors were interested and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not entered into any transactions exceeding the value of Five Lacs Rupees in respect of any party during the year that need to be entered in the Register in pursuance of Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public and thus, paragraph 4(vi) of the said order is not applicable
7. In our opinion, the company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
9. a. The company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it, **except in few cases there has been delay in depositing such dues.** According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.



## ***Gujarat Terce Laboratories Limited***

- b. According to the information and explanation given to us, the dues outstanding of sales tax, income tax, customs duty, wealth tax, excise duty and cess on any account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount of disallowance (Rs. in lacs)	Period to the amount Relates	Forum where dispute is pending
Gujarat Sales Tax	Reg Assesment	Rs. 466886	A.Y.2003-04	Dep.CommOf Sales Tax (Appeals)
Gujarat Sales Tax	Reg Assesment	Rs. 1068607	A.Y.2004-05	Dep.CommOf Sales Tax (Appeals)

10. The Company has neither accumulated losses at the end of the financial year nor has incurred cash losses in the financial year under report and in the immediately preceding financial year.
11. On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and any other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order are not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order are not applicable to the company.
15. According to information and explanations given to us and the representations made by the management, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. On the basis of the records and documents examined by us, the company has not issued any secured debentures during the year.
19. The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
20. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the course of our audit during the year.

**For, P A R Y. & Co.**  
Chartered Accountants

**(Sushil Goenka)**  
Partner  
M.No. 115465

Date : 29.05.2010  
Place : Ahmedabad



## BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
<b>I SOURCES OF FUNDS</b>					
<b>1. SHAREHOLDER'S FUND</b>					
(a) Share Capital	A	48995200		48995200	
(b) Reserves & Surplus	B	10451818		8711461	
			59447018		57706661
<b>2. DEFERRED TAX LIABILITY (NET)</b>			3573843		2348238
<b>3. LOAN FUNDS</b>					
(a) Secured Loans	C	22020615		24400048	
(b) Unsecured Loans	D	8732865		9139813	
			30753480		33539861
<b>TOTAL</b>			<b>93774341</b>		<b>93594760</b>
<b>II APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS</b>	E				
(a) Gross Block		36996189		34238637	
(b) Less : Depreciation		21015534		19141982	
(c) Net Block		15980655		15096655	
Capital Work in process		0		775810	
			15980655		15872465
<b>2. INVESTMENTS</b>	F		500		116645
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
(a) Inventories	G	32023727		44475299	
(b) Sundry Debtors	H	59675567		41248135	
(c) Cash & Bank balances	I	4478053		4473586	
(d) Loans & Advances	J	18822548		22436977	
			114999895		112633997
Less : Current Liabilities & Provisions	K		40407279		37287127
Net Current Assets			74592616		75346870
<b>4. Miscellaneous Expenditure</b>	L		3200570		2258780
<b>TOTAL</b>			<b>93774341</b>		<b>93594760</b>
Significant Accounting Policies & Notes on Accounts	R				

As per our Audit Report of even date attached

**For P A R Y & CO.**

Chartered Accountants

(Sushil Goenka)

Partner

Mem. No. 115465

Date : 29th May, 2010

Place : Ahmedabad

For and on behalf of the Board of Directors

**Gujarat Terce Laboratories Limited**

**N. P. Prajapati**

Chairman & M.D.

**A. P. Prajapati**

Wholetime Director

**S. P. Prajapati**

Director

**Gujarat Terce Laboratories Limited**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Schedule	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
<b>I INCOME :</b>					
Sales & Other Income	M	187241601		168754295	
Increase/ (Decrease) in Stock	N	-14815540		12903173	
<b>TOTAL</b>		<b>172426061</b>		<b>181657468</b>	
<b>II EXPENDITURE :</b>					
Purchases		60576130		82286612	
Consumption of Raw Materials	O	9218295		382320	
Manufacturing & Other Expenses	P	93493044		93042874	
Interest & other Finance charges	Q	4310037		3596556	
<b>TOTAL</b>		<b>167597506</b>		<b>179308362</b>	
Profit before Depreciation & Tax		4828556		2349106	
Less : Depreciation	E	1873552		1702766	
Profit after Depreciation but before Tax		2955004		646340	
Less : Current Tax/ FBT		427500		196931	
Excess/Less Provision of Income Tax of Previous Year		0	427500	387550	584481
Deferred Tax Liability		1225605		-221911	
Profit after Taxation		1301899		283770	
Balance of profit		1301899		283770	
Profit Brought forward from last year		4974287		4690517	
Amount available for appropriation		6276186		4974287	
<b>Surplus carried to Balance Sheet</b>		<b>6276186</b>		<b>4974287</b>	
Earning per Share (Basic & Diluted)		0.265		0.058	
Significant Accounting Policies & Notes on Accounts	R				

As per our Audit Report of even date attached

**For P A R Y & CO.**

Chartered Accountants

**(Sushil Goenka)**

Partner

Mem. No. 115465

Date : 29th May, 2010

Place : Ahmedabad

For and on behalf of the Board of Directors

**Gujarat Terce Laboratories Limited**

**N. P. Prajapati**  
Chairman & M.D.

**A. P. Prajapati**  
Wholetime Director

**S. P. Prajapati**  
Director



## SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE A</b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
5000000 Equity shares of Rs. 10 each	50000000	50000000
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
49,20,300 (Previous year 49,20,300 Equity shares of Rs. 10 each) Equity shares of Rs. 10 each	49203000	49203000
Less : Call in arrears	207800	207800
Share Application Money	0	0
<b>TOTAL</b>	<b>48995200</b>	<b>48995200</b>
<b>SCHEDULE B</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
Profit & Loss Account	6276186	4974287
Investment Subsidy	438458	0
General Reserve	3737174	3737174
<b>TOTAL</b>	<b>10451818</b>	<b>8711461</b>
<b>SCHEDULE C</b>		
<b><u>SECURED LOANS</u></b>		
Bank of Baroda - Cash Credit	21708679	22857958
(Secured by way of Equitable mortgage of Land & Building, Office premises and hypothecation of all the existing and future movable machineries, Stock and Book Debts of the Company. Also secured by personal guarantee of the Directors Shri N.P. Prajapati, Shri A.P.Prajapati and Shri S.P.Prajapati. It is further secured by the equitable mortgage of residential bungalow of Shri N.P. Prajapati)		
Bank Of Baroda (T/L)	311936	1462000
ICICI Car Finance (Secured by way of Hypothecation of Car)	0	80090
<b>TOTAL</b>	<b>22020615</b>	<b>24400048</b>
<b>SCHEDULE D</b>		
<b><u>UNSECURED LOANS</u></b>		
From Directors (Maximum outstanding during the year Rs. 11,27,865/-, Previous year Rs. 00.00)	482865	0
From Others	8250000	9139813
<b>TOTAL</b>	<b>8732865</b>	<b>9139813</b>

## **Gujarat Terce Laboratories Limited**

### **SCHEDULE E FIXED ASSETS**

Particulars	Gross Block					Depreciation				Net Block	
	Rate	Op. Bal. as on 01.04.09	Addition during the year	Sales / subsidy dur.the year	Balance as on 31.03.10	Op. Bal. as on 01.04.09	Dep. written back	Prov. During the year	Balance as on 31.03.10	As on 31.03.10	As on 31.03.09
Factory Land		309909	0	0	309909	0	0	0	0	309909	309909
Factory & Building	3.34%	10037058	0	0	10037058	4135560	0	335238	4470798	5566260	5901498
Office Building	1.63%	250030	0	0	250030	79485	0	4075	83560	166470	170545
Vehicles	9.50%	1121659	75460	0	1197119	1044999	0	109680	1154679	42440	76660
Laboratory Equipments	4.75%	3207489	0	0	3207489	2212298	0	152356	2364654	842835	995191
Electric Installation	4.75%	1979387	0	0	1979387	1383039	0	94021	1477060	502327	596348
Machineries	4.75%	11260075	62738	0	11322813	6246522	0	537522	6784044	4538769	5013553
Furniture	6.33%	1032866	2500000	0	3532866	636764	0	223630	860394	2672472	396102
Block & Design	4.75%	3289230	0	0	3289230	1899954	0	156238	2056192	1233038	1389276
Computer	16.21%	1517371	119354	0	1636725	1340448	0	260791	1601239	35486	176923
Communication Appliances	4.75%	162913	0	0	162913	162913	0	0	162913	0	0
Sterlin Resort (Time share)		70650	0	0	70650	0	0	0	0	70650	70650
<b>Total</b>		34238637	2757552	0	36996189	19141982	0	1873552	21015534	15980655	15096655
<b>Previous Year</b>		34310007	224345	295715	34238637	17646565	207349	1702766	19141982	15096655	16663442

As at  
31.03.2010  
Rs.

As at  
31.03.2009  
Rs.

### **SCHEDULE F INVESTMENTS**

3199 Master Shares of Unit Trust of India of Rs. 10/- each (Market Value - Current year - Rs. Nil Previous year - Rs. 72777)	0	116145
Samir Members Association	500	500
<b>TOTAL</b>	<b>500</b>	<b>116645</b>

### **SCHEDULE G INVENTORIES**

(As Valued, Verified and certified by the management of the Company)

Raw Material (At Cost)	1283188	946957
Advertisement Article Stock	11820154	
Stock in Process (at estimated cost)	417018	9944
Finished Goods (at cost or realisable value whichever is lower)	16560589	31783203
Stores, Spares & Other items (At cost)	1942778	11735195
<b>TOTAL</b>	<b>32023727</b>	<b>44475299</b>



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
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**SCHEDULE H**  
**SUNDRY DEBTORS**

(Unsecured but considered good)

- Outstanding for more than 6 months	41374826	13097666
- Outstanding for less than 6 months	18300741	28150469
<b>TOTAL</b>	<b>59675567</b>	<b>41248135</b>

**SCHEDULE I**  
**CASH & BANK BALANCES**

Cash on hand	713041	1370792
Balances with Schedule Bank		
(a) In Current Account	9436	773241
(b) In Fixed Deposit	2859702	1433679
(c) In Share Issue Account	888406	888406
(d) In Foreign Currency Account	7468	7468
<b>TOTAL</b>	<b>4478053</b>	<b>4473586</b>

**SCHEDULE J**  
**LOANS & ADVANCES**

(Unsecured but considered good)

Advances recoverable in cash or in kind or for value to be received	9147384	11607224
Staff Loan	8773531	10378643
Advances for Capital Expenditure	0	108052
Deposit	328298	343058
Advance Tax	8799	0
TDS Recivable	564536	0
<b>TOTAL</b>	<b>18822548</b>	<b>22436977</b>

**SCHEDULE K**  
**CURRENT LIABILITIES & PROVISIONS**

Due to Micro and Small Enterprises	35061488	33573735
Sundry Creditors other than Micro and Small Enterprise	0	0
Duties And Taxes	1547753	
Provision for taxes	427500	2050413
Other Provisions	654899	634878
Other Liabilities	2715639	1028101
<b>TOTAL</b>	<b>40407279</b>	<b>37287127</b>

**SCHEDULE L**  
**MISCELLANEOUS EXPENDITURE (To the extent not written off)**

Deferred Revenue Expenditure	3200570	2258780
	<b>3200570</b>	<b>2258780</b>

## *Gujarat Terce Laboratories Limited*

	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
<b>SCHEDULE M</b>		
<b><u>SALES &amp; OTHER INCOME</u></b>		
Domestic Sales	178894762	168369557
Export Sales	720944	210570
Commission Income	5493379	0
Rate difference	369296	0
Profit on sale of Office Work in Progress	1475190	0
Kasar -Vatav	0	124623
Interest	279393	42508
Dividend Income	8637	7038
<b>TOTAL</b>	<b>187241601</b>	<b>168754295</b>
<b>SCHEDULE N</b>		
<b><u>INCREASE / (DECREASE) IN STOCK</u></b>		
Work in Process		
Closing Stock	417018	9944
Less : Opening Stock	9944	55234
	<b>407074</b>	<b>-45290</b>
Finished Goods		
Closing Stock	16560589	31783203
Less : Opening Stock	31783203	18834740
	<b>-15222614</b>	<b>12948463</b>
<b>TOTAL</b>	<b>-14815540</b>	<b>12903173</b>
<b>SCHEDULE O</b>		
<b><u>CONSUMPTION OF RAW MATERIALS</u></b>		
Opening Stock	946957	1275486
Add : Purchase (Net)	9554526	53791
	<b>10501483</b>	<b>1329277</b>
Less : Closing Stock	1283188	946957
<b>TOTAL</b>	<b>9218295</b>	<b>382320</b>



	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
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## SCHEDULE P

### MANUFACTURING & OTHER EXPENSES

Printing & Stationary Exp.	979417	1392388
Postage & Telephone Exp.	1830998	1817383
Travelling & Conveyance	100825	10157401
Insurance Exp.	131122	161603
Travelling Expenses (Director)		
(Foreign Travelling - Current year - Nil, Previous Year - Rs. Nil)	45071	66141
Advertisement Exp.	27226821	27404815
Power & Fuel	594411	182529
Sales Promotion Exp.	1696738	9209865
Sales Tax	2403323	9546276
Service Tax on Commission	363276	0
Personnel Exp.	37289571	23770502
Directors' Remuneration & Sitting Fees	2021898	2008000
Packing Exp. (Net)	3549065	174370
Stores & Spares (Net)	57357	2219
Excise duty expense	1202316	168325
Laboratory Exps	176195	8027
Freight, forwarding & Procurement Exp.	2924137	2257137
Machinery Repairs	137885	0
Repairs & Maintenance (others)	274237	451277
Registration Exp.	19050	47516
Rate difference	0	888727
Legal & Professional Charges	917400	1300484
Auditors Remuneration		
- For Statutory and Tax Audit	36000	36000
Exchange Rate Fluctuation	11556	6713
Expired Goods	1335106	185706
Block & Design Exps.	47493	18396
Conference Exp.	170605	81399
Municipal Tax	7998	7998
Loss on sale of vehical	0	26366
Loss on sale of Master Share	31041	0
Product Lonching Exps. W/off	564695	564695
Market Development exp.	1506485	0
Commisssion exps	3550712	0
Rent Exps	111000	0
Software Exps	442300	0
Misc. Exp.	1736941	1100616
<b>TOTAL</b>	<b>93493044</b>	<b>93042874</b>

## SCHEDULE Q

### INTEREST & OTHER FINANCE CHARGES

Interest		
- on Bank working capital	2766915	2112529
- on Bank Term Loan	119379	247110
- on other borrowings	1089480	907044
Bank Charges	334263	329873
<b>TOTAL</b>	<b>4310037</b>	<b>3596556</b>



## ***Gujarat Terce Laboratories Limited***

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### **SCHEDULE – R**

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1. Significant Accounting policies forming part of the Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date.

**a) Basis for preparation of Financial Statements**

The financial statements have been prepared under historical cost convention on accrual basis in compliance with all material aspect of the applicable Accounting Standards in India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company, and are consistent with those used in the previous year.

**b) Income Recognition**

All Income are accounted for on accrual basis. Sales are accounted including Sales Tax.

**c) Expenditure**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities. Gratuity is accounted on payment basis or as and when the liability to pay arises, whichever event occurs earlier.

**d) Fixed Assets**

Fixed Assets are stated at cost of acquisition less the accumulated depreciation and impairment of loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**e) Depreciation**

Depreciation on Fixed assets has been provided under the Straight line method as per rates prescribed in Schedule XIV of the Companies Act, 1956.

**f) Investments**

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

**g) Inventories**

Inventories are valued as under

Raw Material	:	At Cost
Stock in Process	:	At estimated Cost
Finished Goods	:	At cost or realisable value whichever is less
Stores, Spares & other items	:	At Cost

**h) Raw Material**

Raw Material is accounted net of Excise Duty.

**i) Miscellaneous Expenditure**

Expenditure incurred for the Product Launching and Market Development to develop the new market division of Central U.P. and Madhya Pradesh are treated as deferred revenue expenditure as it have enduring benefits. The management envisage the enduring benefits from Product Launching to the business for five years and from Market Development for two years, it is amortized over a period of five years and two years respectively from the year of expenditure.

**j) Foreign Currency Transactions**

The foreign currency balances receivable/ payable as at the year end for the current year transactions are converted at the closing rate. Following the principles of conservatism, the management does not consider the profit of exchange rate fluctuation on outstanding balances for more than one year.



**k) Taxes on Income**

Tax expense comprises of current and deferred. For the previous year it also includes fringe benefit tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the income tax act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

**l) Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

**m) Borrowing Costs**

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the profit and loss account.

**n) Contingent Liabilities and Provisions**

Contingent liabilities are possible but not probable obligations as on the balance sheet date based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

**2. Contingent Liabilities not provided for :**

	<b>2009-10</b>	<b>2008-09</b>
	<b>Rs.</b>	<b>Rs.</b>
a) Unutilised Letter of Credit	<b>Nil</b>	Nil
b) Counter guarantees furnished by the Company in respect of Bank Guarantee	<b>1100000</b>	Nil
c) Estimated amount of contracts to be executed on capital account and not provided for	<b>1500000</b>	1500000

3. Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to the current years classification.

4. None of the employees of the Company was in receipt of or entitled to receive emoluments in aggregate at a rate of not less than Rs. 200000/- p.m. (P.Y. - Rs. 200000/- p.m.) (if employed for part of the year) or Rs. 2400000/- or more p.a. (P.Y. - Rs. 2400000/- or more p.a.) (if employed for full year) (Previous Year - Nil).

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

	<b>2009-10</b>	<b>2008-09</b>
	<b>Rs.</b>	<b>Rs.</b>
a. C.I.F Value of Imports		
Raw Material	<b>Nil</b>	Nil
Machineries	<b>Nil</b>	Nil
b. Expenditure in foreign currency		
Sales Commission & Other Expenses	<b>Nil</b>	Nil
c. Earning in Foreign Currency		
- Export Sales	<b>720944</b>	210570

## ***Gujarat Terce Laboratories Limited***

6. Sundry Creditors, Sundry Debtors, Deposits, Loans & Advances recoverable in Cash or kind are subject to confirmation.
7. The amount in Balance Sheet and Profit & Loss account are rounded off to the nearest rupee.
8. Managerial Remuneration
- a. The Company, has been advised that the computation of net profit (for the purpose of calculation of Directors remuneration u/s 349 of the Companies Act, 1956) need not be enumerated since no commission has been paid to the directors and only remuneration has been paid to the directors.
- b. Details of payments and provisions on account of remuneration to Managing Director and Whole time Director are included in Profit & Loss account being in the limit of minimum managerial remuneration prescribed by Central Government

	<b>2009-10</b>	2008-09
	<b>Rs.</b>	Rs.
(i) Salary	<b>2004000</b>	1992000
(ii) Other perquisites	<b>15000</b>	15000

9. Balances in Share Allotment money, foreign currency account and current account with Bank of Baroda is subject to reconciliation. It is taken on the basis of balances as per the books of the Company, as the Statement and certificates are not provided by the Bank.
10. Liability for Excise Duty on Finished Goods is accounted as and when they are cleared from factory premises. No provision for Excise Duty is made in the accounts for goods manufactured and lying in bonded warehouses in Factory premises.
11. Company has adopted method of treatment of Modvat Credit in account as prescribed in guidance note on accounting treatment for MODVAT by ICAI. Excise Duty paid on inputs is debited to modvat credit receivable account, so the Purchase cost of inputs (Raw Material) is net of Excise duty. Therefore the inputs consumed (Raw Material) and the inventory of inputs (Raw Material) is valued on the basis of purchase cost net of Excise duty. The debit balance in modvat credit receivable account is shown on the Assets side under the head "Loans & Advances"
12. Due to unavailability of data, the management has not been able to ascertain as to whether there are any Small and Micro Enterprises to whom, the company owes any sum for more than 30 days.
13. As per AS 22 on Accounting for taxes on income issued by ICAI, the Company has provided deferred tax liabilities as on 31st March, 2010 of Rs. 1225605/- for the year by debiting to Profit & Loss A/c. The components of deferred tax liability for the current financial year are:

Deferred Tax Liability	Deferred Tax Liability / (assets) as at 1.4.2009	Current year change / (credit)	<b>Deferred Tax Liability / (assets) as at 31.3.2010</b>
(A) Difference between book and Tax depreciation	2557911	26956	<b>2584867</b>
Tax liability on DefferedRevenue Expenditure	Nil	988976	<b>988976</b>
(A)	2557911	1015932	<b>3573843</b>
(B) Deferred Tax Assets	209673	(209673)	<b>Nil</b>
(B)	209673	(209673)	<b>Nil</b>
Deferred Tax Liability Net (A-B)	2348238	1225605	<b>3573843</b>



#### 14. Related Party Disclosure

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

Related Party	Relationship	Description of Transaction	Payment (Rs.)
1. Mr.N.P. Prajapati	Chairman & M.D.	Managerial Remuneration	1800000 (1800000)
2. Mr. A.P. Prajapati	Director	Managerial Remuneration	192000 (192000)
3. Mr. Sureshbhai P. Prajapati	Director	Sitting Fees	10500 (12000)
4. Mr. Gordhanbhai G. Patel	Director	Sitting Fees	10500
5. Mr. Kanubhai S. Patel	Director	Sitting Fees	10500
6. Mr. Jayantibhai S. Prajapati	Director	Sitting Fees	10500

Previous years' figures are given in bracket

#### 15. Segment Reporting

The Company is engaged in manufacturing of Tablets, Capsules, Syrup & Injection pertaining to the product group Pharmaceuticals. The Company is selling its product in Domestic as well as International Market. However, the Company is not managed as Segment organization and the location of operations of the Company and its related assets and liabilities are based at one place. This does not provide a reasonable basis for identification/ allocation of segment results/ segment assets/ segment liabilities. Hence there is only one reportable Business Segment viz. Pharmaceuticals.

#### 16. Earning per Share

The numerators and denominators used to calculate the Basic and Diluted Earning per Share are as follows :

	31.03.2010	31.03.2009
a) Earning for the year (Rs.)	1301899	2837770
b) Basic and Weighted average No. of Equity Shares outstanding During the year	4920300	4920300
c) Nominal value of Equity Shares	Rs. 10	Rs.10
d) Basic and Diluted Earning per Share	0.265	0.058

#### 17. Details of Raw Material consumed

	As on 31.03.2010		As on 31.03.2009	
	% of total Consumption	Value (Rs.)	% of total Consumption	Value (Rs.)
a) Imported	—	—	—	—
b) Indigenous	100%	9218295	100%	382320
<b>Total</b>		<b>9218295</b>		<b>382320</b>

#### 18. Consumption of Raw Materials and Packing Materials during the period under review :

	As on 31.03.2010		As on 31.03.2009	
	Qty. (in kgs)	Amount Rs.	Qty. (in kgs.)	Amount Rs.
Cefixime	163.020	2102240	NIL	NIL
Azithromycin	190.720	1897132	NIL	NIL
Others (none of which individually accounts for more than 10% of the total consumption)		5218923		382320
<b>Total</b>		<b>9218295</b>		<b>382320</b>

## Gujarat Terce Laboratories Limited

### 19. Details of Capacity, Production, Stock and Sale

	Tablets (in Lacs)				Capsules (in Lacs)				Syrup (in Lacs)			
	31.03.10		31.03.09		31.03.10		31.03.09		31.03.10		31.03.09	
	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Installed Capacity	2700	Nil	2700	Nil	1080	Nil	1080	Nil	—	—	—	—
Licensed Capacity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	—	—	—	—
Production	14.61	—	3.37	—	1.39	—	—	—	—	—	—	—
Purchases	—	—	—	—	—	—	—	—	—	—	—	—
Op. Stock	2.04	2.72	3.33	3.01	0.03	0.24	0.07	0.24	0.002	0.01	0.02	00.17
Cl. Stock	NIL	NIL	2.04	2.72	NIL	NIL	0.03	0.24	NIL	NIL	0.002	0.01
Sales	16.65	117.88	4.66	11.66	1.42	14.11	0.04	0.92	0.002	0.01	0.018	0.49

  

	Injection (in Lacs)				Trading Capsules (in Lacs)				Trading Tin (in Lacs)			
	31.03.10		31.03.09		31.03.10		31.03.09		31.03.10		31.03.09	
	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Installed Capacity	—	—	—	—	—	—	—	—	—	—	—	—
Licensed Capacity	—	—	—	—	—	—	—	—	—	—	—	—
Production	—	—	—	—	—	—	—	—	—	—	—	—
Purchases	—	—	—	—	51.08	46.61	59.69	68.64	0.26	5.39	0.21	5.58
Op. Stock	0.06	0.01	0.25	0.25	15.42	13.86	13.99	11.41	0.05	1.41	0.08	1.89
Cl. Stock	NIL	NIL	0.06	0.01	17.37	13.75	15.42	13.86	0.11	2.89	0.05	1.41
Sales	0.06	0.01	0.19	3.45	49.13	146.76	58.26	123.10	0.20	13.97	0.24	26.24

  

	Trading Injection (in Lacs)				Trading Syrup (in Lacs)				Trading Tablets (in Lacs)			
	31.03.10		31.03.09		31.03.10		31.03.09		31.03.10		31.03.09	
	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Installed Capacity	—	—	—	—	—	—	—	—	—	—	—	—
Licensed Capacity	—	—	—	—	—	—	—	—	—	—	—	—
Production	—	—	—	—	—	—	—	—	—	—	—	—
Purchases	10.18	138.83	11.99	144.28	15.01	148.47	16.63	148.40	276.35	382.68	416.31	454.94
Op. Stock	4.17	66.59	4.02	56.47	3.31	43.47	2.68	34.76	109.04	189.52	76.53	79.88
Cl. Stock	2.69	30.31	4.17	66.59	3.08	29.68	3.31	43.47	90.06	88.97	109.04	189.52
Sales	11.66	353.73	11.84	420.08	15.24	496.83	16.00	276.44	295.33	785.65	383.80	826.82

#### Signature to Schedule A to R

As per our Audit Report of even date attached

**For P A R Y & CO.**

Chartered Accountants

**(Sushil Goenka)**

Partner

Mem. No. 115465

Date : 29.05.2010

Place : Ahmedabad

For and on behalf of the Board of Directors  
**Gujarat Terce Laboratories Limited**

**N. P. Prajapati**  
Chairman & M.D.

**A. P. Prajapati**  
Wholtime Director

**S. P. Prajapati**  
Director



**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

<b>1 Registration Details</b>		
Registration No.		L24230GJ1985PLC007753
State Code No.		04
Balance Sheet Date		31-03-2010
<b>2 Capital Raised During the year (Amount in Rs. Thousands)</b>		
Public Issue		Nil
Right Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
<b>3 Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)</b>		
Total Liabilities		93774
Total Assets		93774
<b>Sources of Funds</b>		
Paid up Capital		48995
Reserves & Surplus		10452
Secured Loans		22021
Unsecured Loans		8733
Deferred Tax Liabilities		3574
<b>Application of Funds</b>		
Net Fixed Assets		15981
Investments		1
Net Current Assets		74593
Misc. Expenditure		3201
<b>4 Performance of Company (Amount in Rs. Thousands)</b>		
Turnover/ (Incl. Other Income)		187241
Total Expenditure		184286
Profit before Tax		2955
Profit / (Loss) after Tax		1302
Earning per Share		0.265
Dividend (Proposed)		Nil
<b>5 Generic Names of Three Principal Products/Services of company (as per monetary term)</b>		
Item Code No. (ITC Code)	:	30041000
Product Description	:	Pharmaceutical Formulations
Item Code No. (ITC Code)	:	30039001
Product Description	:	Ayurvedic Medicines

As per our Audit Report of even date attached

**For P A R Y & CO.**

*Chartered Accountants*

**(Sushil Goenka)**

*Partner*

Mem. No. 115465

Date : 29.05.2010

Place : Ahmedabad

For and on behalf of the Board of Directors

**Gujarat Terce Laboratories Limited**

**N. P. Prajapati**  
Chairman & M.D.

**A. P. Prajapati**  
Wholetime Director

**S. P. Prajapati**  
Director

**Gujarat Terce Laboratories Limited**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDING MARCH 31, 2010**

(Rs. in Thousand)

	2010 Rs.	2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	2955.00	646.34
Adjustments for :		
Deffered revenue expenditure	(3012.97)	
Depreciation	1873.55	1495.42
Deferred Revenue Expenditure	2071.19	564.70
Provision for tax	(427.50)	(584.48)
Income / expenses treated seperately		
Interest Income	279.39	42.51
Interest Expenses	4310.04	3596.56
Profit on sale of Assets	1475.19	0.00
Loss on Sale of Shares	31.04	26.37
	<u>(1444.15)</u>	<u>26.37</u>
<b>Operating Profit before working Capital changes</b>	6045.77	5702.39
Changes in Working Capital		
(Increase)/ Decrease in Inventories	12451.57	(16917.38)
(Increase)/ Decrease in Trade Receivables	(18427.43)	1673.39
(Increase)/ Decrease in Loans & Advances	3614.43	(4929.33)
Increase/ (Decrease) in Current Liabilites	3120.15	2130.30
	<u>758.72</u>	<u>(18043.02)</u>
<b>Net change in working capital</b>	758.72	(18043.02)
<b>Net cash flow from operating activities ( A )</b>	6804.49	(12340.63)
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed Assets	(2850.93)	(224.35)
Subsidy of Fixed Assets	438.46	
Interest Income	279.39	42.51
Procceds from Sale of Investments	85.11	
Proceeds from sale of Fixed Assets	2344.37	269.35
	<u>296.40</u>	<u>87.51</u>
<b>Net Cash flow used in investing activities ( B )</b>	296.40	87.51
<b>C. Cash flows from financing activities</b>		
Increase/ (Decrease) in Bank working capital	(1149.28)	10047.52
Increase / (Repayment) of Term Loans	(1230.15)	(942.23)
Increase / (Decrease) in Share Capital	0.00	5250.00
Increase/ (Decrease) in Unsecured loans	(406.95)	1065.23
Interest Expenses	(4310.04)	(3596.56)
	<u>(7096.42)</u>	<u>11823.97</u>
<b>Net Cash flow from financing activities ( C )</b>	(7096.42)	11823.97
Net Increase/ (decrease) in cash & cash equivalent (A+B+C)	4.47	(429.15)
Cash & cash equivalent at the beginning of the year	4473.58	4902.74
Cash & cash equivalent at the end of the year	4478.05	4473.58

For and on behalf of the Board

**Gujarat Terce Laboratories Limited**

Date : 29-05-2010  
Place : Ahmedabad

**N. P. Prajapati**  
Chairman & M.D.

**A. P. Prajapati**  
Wholetime Director

**S. P. Prajapati**  
Director

**AUDITORS CERTIFICATE**

We have examined the attached Cash Flow Statement of Gujarat Terce Laboratories Limited for the year ended March 31, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause No. 32 of the listing agreement with various Stock Exchanges and is based on and is derived from the Audited Profit and Loss Account and Balance Sheet of the Company for the year ended March 31, 2010 covered by our Report dated 29.05.2010 to the members of the Company.

**For, P A R Y & Co.**  
Chartered Accountants  
**(SUSHIL GOENKA)**

Date : 29th May, 2010  
Place : Ahmedabad

Partner  
M.No. 115465



## Gujarat Terce Laboratories Limited

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

### ATTENDANCE SLIP

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

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

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company to be held on Friday the 13th day of August, 2010 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. Gandhinagar.

Signature of the Shareholder / Proxy

--

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

## Gujarat Terce Laboratories Limited

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

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of **Gujarat Terce Laboratories Limited**, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Friday the 13th day of August, 2010 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. Gandhinagar.

Singed this \_\_\_\_\_ Day of \_\_\_\_\_ 2010

Signature :

Revenue Stamp

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

#### NOTE :

The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



BOOK - POST

TO, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If undelivered please return to :

**Gujarat Terce Laboratories Limited**  
Registered Office : 122/2, Ravi Estate,  
Bileshwarpura, Chhatral, Dist. Gandhinagar

GANAPATI (079) 26568111, 30024853