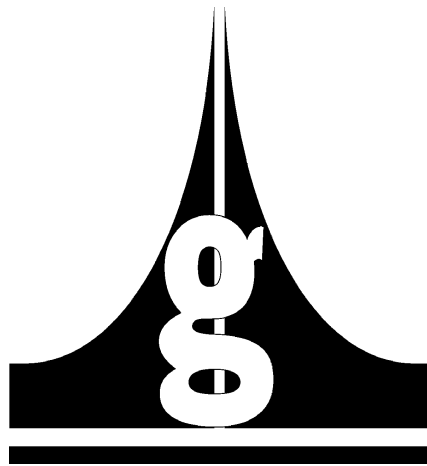


28th
ANNUAL REPORT
2012-2013



GUJARAT TERCE LABORATORIES LTD.



BOARD OF DIRECTORS

Mr. Natwarbhai P. Prajapati	<i>Chairman & Managing Director</i>
Mr. Amrutbhai P. Prajapati	<i>Whole Time Director (CFO)</i>
Mr. Sureshbhai P. Prajapati	<i>Director</i>
Mr. Gordhanbhai G. Patel	<i>Director</i>
Mr. Kanubhai S. Patel	<i>Director</i>
Mr. Jayantibhai S. Prajapati	<i>Director</i>
Mr. Paresh D. Patel	<i>Managing Director</i>

REGISTERED OFFICE & FACTORY :

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

METAL FACTORY :

Block No. 140/P, Village - Ramnagar, Tal. Kalol, Dist. Gandhinagar (N.G.)

ADMINISTRATIVE OFFICE :

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

AUDITORS :

M/S. P A R Y & CO.

CHARTERED ACCOUNTANTS

S-10, Dimond Square, Nr. Navjivan Press,
B/h. C.U. Shah College, Ashram Road,
Ahmedabad-380014.

SECRETARIAL AUDITOR:

Pinakin Shah & Co.

Practicing Company Secretary

C-103, Panchdhara Plaza, Satellite Road, Ahmedabad - 380015.

BANKER :

BANK OF BARODA

Ellisbridge Branch,

Pritamnagar 1st Slop, Ellisbrdige, Ahmedabad-380006

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

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

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held on Monday 30th September, 2013 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 2013, statement of Profit & Loss 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 Sureshbhai Prajapati, who retires by rotation and being eligible, offers himself for reappointment.
3. To not to reappoint Director Miss Monika Patel, who retires by rotation but does not offer herself for reappointment
4. 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 28th Annual General Meeting up to conclusion of 29th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
- 3) As required by Clause 49 of the Listing Agreement entered into with the BSE, the relevant details of Shri Sureshbhai Prajapati Director retiring by rotation and seeking re-appointment under Item No. 2 are annexed herewith.
- 4) Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2013 to, Monday, 30th September, 2013. (both days inclusive)
- 5) The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by members at the AGM.
- 6) The Register of Contracts, maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the Members at the Registered Office of the Company.
- 7) As a Green Initiative in the Corporate Governance, the Ministry of Corporate Affairs ("MCA") vide its circular bearing nos. (i) 17/2011 dated April 21, 2011 and (ii) 18/2011 dated April 29, 2011 allowed the Companies to send various notices/ documents (including Notice conveying AGM, Audited Financial Statements, Auditors' Report, Directors Report and other related documents) to shareholders through electronic mode, to the registered email Id of the shareholders. Pursuant to said Green Initiative. The Company urges the members to communicate their email id to the Company and / or RTA, so that the Company can send future communications to these shareholders in electronic mode.
- 8) Members are requested to visit the website of the Company www.gujaratterce.com for viewing the quarterly & annual financial results and for more information on the Company.
- 9) For any investor-related queries, communication may be sent by E-mail to ho@gujaratterce.com
- 10) Big Share Services Private Limited (Big Share) is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to Big Share at the following address;

Big Share Services Private Limited

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



- 11) For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate, members are requested to notify:
 - (i) The R&T Agent of the Company, viz. Big Share, if shares are held in physical form; and
 - (ii) Their respective Depository Participant (DP), if shares are held in electronic form.
- 12) Members are requested to send their queries if any, to reach the Company at its Registered Office, at least 10 days before the meeting, so that the information can be compiled in advance.
- 13) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
- 14) Details of the Directors seeking re-appointment in the Twenty Eight Annual General Meeting

[Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange]

Particulars	Shri Sureshbhai Prajapati
Relationships with other Directors	Brother
Date of Appointment	13/6/2006
Expertise	Finance
Qualification	B.Com
No. of Equity Shares held in the Company	927150
List of other Companies in which directorship are held	None
List of committees of the Board of Directors(across all companies) in which Chairmanship/ Membership is held	None

Note: The Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

By Order of the Board of Directors

Date : 07/08/2013
Registered Office:
122/2, Ravi Estate,
Bileshwarpura, Chhatral
Dist: Gandhinagar

Shri N. P. Prajapati
Chairman & Managing Director

DIRECTORS REPORT

To
Dear Shareholders,

Your Directors present the Twenty Eighth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2013.

FINANCIAL RESULT

	2012-13	[Rs in Lacs] 2011-12
Gross Income	7907.56	9870.66
Profit before Depreciation & Tax	58.86	46.32
Depreciation	31.70	29.25
Profit after Depreciation	27.16	17.07
Tax- Current	5.18	3.36
Deferred	3.04	0.66
Profit after tax	18.94	13.04

OPERATIONS

The Company has more than one business segments namely pharmaceutical formulations and metal recycling division.

PHARMACEUTICAL DIVISION

During the year under review, the revenue from operations increase to Rs.2045.93 lacs as compared to Rs.1925.56 lacs from last year and has written off bad debts to the tune of Rs 0.47 lacs as compared to Rs 16.91 lacs during previous year.

METAL RECYCLING DIVISION

During the year under review, the revenue from operations decreased from Rs.7940.40 lacs to Rs. 5855.64 lacs.

The Board has decided to stop operation of metal division in view of volatility in prices of raw material in international market and appropriate decision on sale/Demerger/slum Sale will be intimate to shareholders separately for their approval.

APPROPRIATIONS

The Company has not recommended any dividend and hence the Board has recommended a transfer of Rs. (NIL) to General Reserve and an amount of Rs.18.94 Lacs has been retained in statement of Profit and Loss.

LISTING OF SHARES

The Company's share continues to remain listed with the Bombay Stock Exchange, where the shares are actively traded.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis have been reviewed by the Audit Committee and the same is forming a part of this Annual Report.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement, a report on corporate governance along with auditors' certificate of its compliance is included as part of the annual report.

DIRECTORS

The Clause 65 of Articles of Association of the Company provides that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.



Shri Sureshbhai Prajapati and Ms. Monika Patel, Directors will retire by rotation and Shri Sureshbhai Prajapati being eligible, offers himself for reappointment and Ms. Monika Patel, does not offer herself for reappointment.

Shri Surendra P. Pareek and Shri Mahesh N. Singh, Directors, vacated their offices on 07/08/2013 pursuant to Section 283(1) (g) of the Companies Act, 1956.

STATUTORY DISCLOSURES

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

A. Conservation of Energy

- 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.
- Part A pertaining to conservation of energy is applicable to the Company.

Power and fuel consumption: [Pharma Division]

I. Electricity

	<u>Current Year</u>	<u>Previous Year</u>
• Purchased		
Unit	60270	51370
Total Amount	421241	337990
Average Cost	6.99	6.58
• Own generation:	N.A	N.A

Power and fuel consumption: [Metal Division]

II. Electricity

• Purchased		
Unit	9565	105610
Total Amount	109778	1214727
Average Cost	11.48	11.50
• Own generation:	N.A.	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.7.24 Lacs by way of exports in the year 2012-13 (12.35 lacs P.Y).

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.

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.

GUJARAT TERCE LABORATORIES LTD.

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:

- In preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of the profit or loss of the Company for that period;
- 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;
- We have prepared the annual accounts on a going concern basis.

CASH FLOW

A cash flow statement for the year ended 31st March, 2013 is attached to the Balance Sheet.

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 28th 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.

COST AUDIT

As per the requirement of the Central government and pursuant to Section 233-B of the Companies Act, the Audit of the cost accounts relating to Pharma Sector and Metal Sector is carried out. M/s Koushlya V. Melwani, Cost Accountants, Ahmedabad, was appointed as a cost auditor relating to Pharma division and Metal Division for the year ended on 31st March 2013.

EXPLANATION TO COMMENTS OF AUDITORS' REPORT

The auditors have qualified their report in respect of delay in payment of certain statutory dues. It is always our endeavor to pay all statutory dues within the prescribed time limit. The delay, as reported was not intentional and was for few days.

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

INSURANCE

The Company's assets are adequately insured against major risks.

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.

Date-07/08/2013

Registered Office:

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

For and on behalf of the Board of Directors

Shri N.P. Prajapati
Chairman & Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

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

Industry Structure & Development

Since the Company is going to operate in pharmaceutical segment in 2013-14, the following paragraphs speak on single segment only.

PHARMACEUTICAL FORMULATIONS

The Pharmaceutical industry in India is the world's third-largest in terms of volume and stands 14th in terms of value. ICRA expects the industry to revert to a growth of 10-12 per cent in 2013-14. In 2012-13, operating profitability indicators of the pharma companies remained fairly stable in comparison to the prior year. While growth momentum in the domestic formulation industry slowed down in 2012-13 owing to a confluence of reasons, ICRA believes that the industry would revert to its long-term growth trajectory in the medium-term as structural growth drivers continue to remain impervious. The growth momentum has picked-up over the past few months and with pricing policy related matters behind us, The impact of new DPCO though expected to be limited, could also get offset by volume expansion and efforts of industry participants to take price hike in rest of the portfolio.

Opportunities

Supply Higher for traditional therapeutic segments, which is typical of a developing market. Relatively lower for lifestyle segment.

Demand Very high for certain therapeutic segments. Will change as life expectancy, literacy increases.

Barriers to entry Licensing, distribution network, patents, plant approval by regulatory authority.

Threats

ICRA study states that the margins of Indian pharma companies are currently sensitive to broadly four key factors – a) the implementation of the new pricing policy, b) relatively lower proportion of blockbuster generic opportunities in the US in CY 2013 compared to CY 2011 and CY 2012, c) expectation of increasing R&D spending and d) evolving regulatory reforms across many of the emerging markets which may impact margins. The sharp volatility in foreign exchange and the recent depreciation of INR vis-à-vis US\$ will also have influencing role to play given the dependence on international markets.

The drug price control order (DPCO) continues to be a menace for the industry. There are three tiers of regulations – on bulk drugs, on formulations and on overall profitability. This has made the profitability of the sector susceptible to the whims and fancies of the pricing authority.

Segment Wise Reporting:

PHARMACEUTICAL FORMULATIONS

Profit:

The profit before tax and interest but after writing off bad debts of Rs 0.47 lacs amounted to Rs 67.88 lacs as compared to Rs 51.91 lacs in the previous year. There was a financial costs of Rs 43.21 lacs.

Employees Cost:

The Employees cost was Rs 590.57 lacs in comparison to 515.86 Lacs in the previous Year. The increase in employees cost is due to normal increments/promotions.

METAL RECYCLING

Profit:

The profit before tax of the division amounted to 2.49 Lacs as compared to Rs 8.90 lacs in the previous year.

GUJARAT TERCE LABORATORIES LTD.

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.

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.

Date-07/08/2013

Registered Office:

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

For and on behalf of the Board of Directors

Shri N.P. Prajapati
Chairman & Managing Director



REPORT ON CORPORATE GOVERNANCE

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

This section on Corporate Governance forms part of the Directors' Report to the shareholders. This report is given in terms of clause 49 of the Listing Agreement entered with the Bombay Stock Exchange where the shares of the Company have been listed.

1. COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

Your Company believes that corporate governance is not a destination but a continuous journey with an upward moving target. The Company ensures adherence and enforcement of the principles of corporate governance with a focus on transparency, professionalism, fairness, trusteeship and accountability.

All mandatory requirements as also a few non-mandatory requirements prescribed by Clause 49 of the Listing Agreement have been implemented by the Company. Non-mandatory requirements such as formation of Remuneration Committee has been implemented. Codes of business conduct, adopted by the directors and senior management personnel, are posted on the website of the Company. www.gujaratterce.com

All Board members and senior management personnel have affirmed compliance with the respective codes of conduct for the year ended 31st March, 2013. In terms of Clause 49 (I) (D) of the Listing Agreement, the Managing Director has given the requisite declaration to this effect. In terms of Clause 49 (V) of the Listing Agreement, the Managing Director(CEO) and Whole Time Director(CFO) have given the requisite certification to the Board of Directors in the prescribed format for the period under review.

2. BOARD OF DIRECTORS

Composition of board

The strength of the Board as on 31st March, 2013 was ten of which, three are executive promoter Directors, two are non-executive promoter Directors and five are independent directors. The requisite particulars are given below: -

Directors	Category	Attendance Particulars			Other Committee Membership	
		Board Meeting	Last AGM	Other Directorships	Member	Chairman
Shri Natwarbhai Prajapati	CM & MD Executive	4	YES	1	NIL	NIL
Shri Pareshbhai Patel	MD & Executive	1	NO	7	NIL	NIL
Shri Amrutbhai Prajapati	WTD-Finance CFO	4	YES	1	NIL	NIL
Shri Sureshbhai Prajapati	DIR-NON IND	4	YES	NIL	NIL	NIL
Ms. Monika Pareshkumar Patel	DIR-NON IND	—	NO	2	NIL	NIL
Shri Kanubhai S. Patel	DIR-IND	4	YES	NIL	NIL	NIL
Shri Gordhanbhai G. Patel	DIR- IND	4	YES	NIL	NIL	NIL
Shri Jayanti S. Prajapati	DIR-IND	4	YES	NIL	NIL	NIL

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

BOARD MEETINGS

The Board of Directors oversees management performance in order to ensure adherence to highest standards of corporate governance. The Board evaluates the strategic direction, management policies and their effectiveness and provides guidance and leadership to the management in achieving set goals. Board meeting dates are finalized in consultation with all directors. The Board is regularly apprised about important business related information and developments. Board members express opinions and bring up matters for discussion at its meetings. Board meeting minutes are circulated to all Directors in advance and confirmed at the subsequent Board meeting. Copies of signed minutes of the various Committees of the Board are tabled at Board meetings.

GUJARAT TERCE LABORATORIES LTD.

DETAILS OF BOARD MEETINGS

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board meetings are held at least once every quarter and the time gap between two meetings is not more than four months. During the year, four Board Meetings were held.

Date of Meeting	No. of Directors Present
21/05/2012	7
30/07/2012	6
30/10/2012	6
29/01/2013	6

3. AUDIT COMMITTEE

The Audit Committee comprises of following members:

Name	Category
Shri Jayantibhai Prajapati- Chairman	Non-executive Chairman Independent Director
Shri Kanubhai Patel	Non-executive Independent Director
Shri Gordhanbhai Patel	Non-executive Independent Director

Compliance officer acts as the Secretary of the Committee. All the members of the Audit Committee are financially literate. The Chairman of the Committee attended the last Annual General Meeting of the Company held on September 28th 2012. The meetings of the Audit Committee are attended by representatives of accounts and statutory auditors. The Audit Committee addresses matters pertaining to appropriateness of audit tests and checks, reliability of financial statements, adequacy of provisions for liabilities and internal controls. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement, Section 292A of the Companies Act, 1956 and duties cast upon from time to time by the Ministry of Corporate Affairs through its circulars and notifications. The matters deliberated upon by the Committee include:-

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending to the Board, the appointment of statutory auditors, fixation of audit fees and approval of payments for any other services rendered by them.
- 3) Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval with particular reference to: -
 - a) matters required to be included in the Directors' Responsibility Statement in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of related party transactions; and
 - g) qualifications in the draft audit report, if any.
- 4) Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.
- 5) Reviewing the adequacy of internal audit function, including reporting structure, coverage and frequency of audits.
- 6) Discussion with the internal auditors significant findings and follow-up thereon.
- 7) Reviewing the findings of internal auditors and reporting them to the Board.
- 8) Discussion with statutory auditors before the audit commences about the nature and scope of audit as also post-audit discussion to ascertain areas of concern.

Details of Audit Committee Meetings:

The Audit Committee four times during the year under review on 21/05/2012, 30/07/2012, 30/10/2012 and 29/01/2013.



4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of following members:

Name	Category
Shri Jayantibhai Prajapati-Chairman	Non-executive Independent Director
Shri Kanubhai Patel	Non-executive Independent Director
Shri Gordhanbhai Patel	Non-executive Independent Director

The Committee performs functions enumerated in Clause 49 of the Listing Agreement as also Schedule XIII of the Companies Act, 1956 and recommends to the Board the remuneration payable to executive directors. The Committee recommends the remuneration package after considering factors such as experience, expertise, position, responsibilities to be shouldered by the individual, leadership qualities, the volume of Company's business and profits earned by it. Presently, the company does not have a scheme for grant for stock option or performance-linked incentives for its Directors.

It met once during the year on 01/04/2012.

Details of remuneration paid to Directors

Name of Director	Salary (including benefits) (in Rs)	Service Contract
Shri Natwarbhai Prajapati	18,00,000/- p.a.	5 years w.e.f. 11/01/2012
Shri Amrutbhai Prajapati	3,12,000/- p.a.	5 years w.e.f. 01/08/2011
Shri Pareshbhai Patel	18,00,000/- p.a.	5 years w.e.f. 31/06/2011

Details of sitting fees and shares held by Non-Executive Directors are as under:

Name of the Director	Sitting fees paid	No. of Equity Shares held
Shri Sureshbhai Prajapati	Nil	927150
Shri Jayantibhai Prajapati	Nil	8500
Shri Kanubhai Patel	Nil	-
Shri Gordhanbhai Patel	Nil	21900
Monika Pareshkumar Patel	Nil	-

5. SHAREHOLDERS/INVESTOR'S GRIEVANCES COMMITTEE

The Investors' Grievances Committee comprises of following members:

Name	Category
Shri Jayantibhai Prajapati-Chairman	Non-executive Chairman Independent Director
Shri Kanubhai Patel	Non-executive Independent Director
Shri Gordhanbhai Patel	Non-executive Independent Director

The Investors' Grievances Committee met four times during the year under review on 21/05/2012, 30/07/2012, 30/10/2012 and 29/01/2013 and was attended by all members.

Meetings of the Investors' Grievances Committee are also attended by the head of Investors' Services Department i.e. Compliance officer.

The Committee oversees functioning of the Investors' Services Department covering all facets of the operations including transfer of shares in physical form, dematerialisation of shares and activities related to depository operations. The Committee also closely monitors investor grievance redressal system of the department.

Your Company received nil complaints from shareholders during the year. As on 31st March, 2013 no complaints remained pending/un-attended and no share transfers remained pending for over 30 days, during the year.

SHARE TRANSFER COMMITTEE

The Board of Directors has delegated power of approving transfer of securities to Shri Natwarbhai Prajapati and Shri Amrutbhai Prajapati. The Committee, inter alia, reviews and approves the transfer/transmission/demat of equity shares as submitted by Big Share Services Private Limited, the Registrar and Transfer Agent of the Company.

It met 28 times during the year to approve transfer/ transmission/ demat of equity shares. It transferred 8800 equity shares submitted through physical transfer deed

GUJARAT TERCE LABORATORIES LTD.

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING

Year	Venue of AGM	Date & Time	No. of Special Resolution Passed
2009-10	122/2, Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	13/08/2010 at 10.00 a.m.	2
2010-11	122/2, Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	07/09/2011 at 3.30 p.m.	2
2011-12	122/2, Ravi Estate, Bileshwarpura, Chattral, Dist: Gandhinagar.	28/09/2012 at 10.00 a.m.	NIL

No business was required to be transacted through postal ballot at the above meetings. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year under review, there were no materially significant related party transactions between the Company and its promoters, directors, management or their relatives, etc. which may have potential conflict with the interests of the Company. Statements of transactions in summary form with related parties in the ordinary course of business and material individual transactions with related parties, which were not in the normal course of business, were placed at meetings of the Audit Committee. The Audit Committee reviews statements of related party transactions submitted by the management. Details of transactions in which Directors are interested are recorded in the Register of Contracts maintained pursuant to the provisions of Section 301 of the Companies Act, 1956 and the same is placed at Board meetings and is signed by the Directors present. In compliance with Accounting Standard AS 18, details of related party transactions are disclosed in the notes to accounts that form part of the balance sheet and profit and loss account.

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company. Trading in securities of the Company is permitted by the Mumbai stock exchange.

8. MEANS OF COMMUNICATION QUARTERLY RESULTS

Quarterly and annual financial results of the Company are submitted to the stock exchanges immediately after the Board approves them. Thereafter, the same are published in The Business Standard (English) and Jansatta Express (Gujarati) newspapers. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the stock exchanges. No formal presentation was made to the institutional investors or to the analysts during the year under review. Management Discussion and Analysis forms Part of the annual report, which is posted to the shareholders of the company.

9. GENERAL SHAREHOLDER INFORMATION

• EXCLUSIVE E-MAIL ID FOR INVESTOR GRIEVANCES

Pursuant to Clause 47 (f) of the Listing Agreement, the following email id has been exclusively designated for communicating investor grievances: ho@gujaratterce.com

Person in-charge of the Department: Mr Rajesh Prajapati

• Annual General Meeting

The 28th Annual General Meeting will be held at 10.00 A.M on Monday, September 30, 2013, at 122/2 Ravi Estate, Bileshwarpura, Chhatral, Gandhinagar.

• FINANCIAL CALENDAR

First quarter results : July 2013
Second quarter results : October 2013
Third quarter results : January 2014
Annual results : April/May 2014
Annual General Meeting : August/September 2014

• BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Monday, 23th September.2013 to Monday, 30th September, 2013 (Both days inclusive).

• DIVIDEND PAYMENT DATE

Not Applicable

• SHARES LISTED AT

The equity shares of the Company are listed at:

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai - 400001



- Annual Listing fees for the year 2013-14 have been paid to stock exchanges. The Company has also paid the Annual Custodial fees to both the depositories.
- Stock Codes
The stock codes of the Company is : 524314
- INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN of the equity shares of the Company is INE499G01013.
- CORPORATE IDENTIFICATION NUMBER (CIN))
CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India: L28112GJ1985PLC007753
- HIGH/LOW OF MONTHLY MARKET PRICE OF THE COMPANY'S EQUITY SHARES TRADED ON THE BOMBAY STOCK EXCHANGES DURING THE FINANCIAL YEAR 2012-13

Month	Bombay Stock Exchanges (BSE)	
	High Price	Low Price
April-12	15.89	12.11
May-12	16.05	12.48
June-12	16.35	11.33
July-12	13.99	12.00
August-12	13.59	10.77
September-12	14.51	11.45
October-12	14.75	9.98
November-12	16.43	10.50
December-12	22.10	15.55
January-13	17.20	13.70
February-13	16.40	15.40
March-13	16.20	9.60

- EVOLUTION OF CAPITAL

Particulars of Equity shares issued by the Company:

Year of issue	Allotment of shares	Total issued capital at the end of financial year
1985	20	20
1989	10	30
1990	12470	12500
1992	850300	975300
1993	2920000	3895300
2008	1025000	4920300
2011	2500000	7420300

- SHARE TRANSFER SYSTEM

Company's shares in dematerialized form are transferrable through depositories. Shares in physical form are transferred by the Registrar & Transfer Agent and placed before the Share Transfer Committee for its approval. The Investor Grievance Committee meets at a regular interval to consider and approve the transfer, transmission, issuance of duplicate / consolidated / sub-divided share certificates and requests for dematerialization / dematerialization of Company's shares.

GUJARAT TERCE LABORATORIES LTD.

In terms of Clause 47 (c) of the Listing Agreement, every six months, a qualified Practicing Company Secretary undertakes audit of the share transfer related activities carried out by the Department and issues a compliance certificate, which is submitted to the stock exchange.

- **DISTRIBUTION OF SHAREHOLDING (AS ON 31st MARCH, 2013)**

- a. On the basis of Share held**

Sl. No.	Category (Shares)	Electronic		Physical		Total		% to total shares
		Holder	Shares	Holder	Shares	Holder	Shares	
1	0001-0500	3129	482503	10315	1173350	13444	1655853	22.31
2	0501-1000	228	195785	109	92900	337	288685	3.89
3	1001-2000	114	183355	19	30500	133	213855	2.88
4	2001-3000	41	100587	3	7600	44	108187	1.45
5	3001-4000	21	74981	3	10100	24	85081	1.14
6	4001-5000	43	209069	3	14200	46	223269	3.00
7	5001-10000	33	256498	NIL	NIL	33	256498	3.45
8	More than 10000	48	4588872	NIL	NIL	48	4588872	61.84
TOTAL		3657	6091650	10452	1328650	14109	7420300	100

- b. On the basis of category**

Category	No. of Shares held	% to total Shares held
Promoters	2598000	35.01
Private Corporate Bodies	327210	4.41
Individual	4491347	60.53
N. R. I.	3743	0.05
Total	7420300	100

- **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

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

During the year, the Company has electronically confirmed demat requests for 19500 equity shares. As on 31st March, 2013, 82.09% of the total shares issued by the Company were held in dematerialised form.

- **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company.

The Code of Conduct is implemented diligently mandating initial and continual disclosures from the senior officials, directors and auditors of the Company upon trading in the shares of the Company. The Code also restricts specified employees to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company.

The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access to the employees and is updated from time to time.

- **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practicing Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with BSE and is also placed before the meetings of the Board of Directors and the Investors' Grievances Committee.



- **OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENT AS ON 31ST MARCH, 2013**
There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end 31st March, 2013.

- **PLANT LOCATIONS**

I. Pharma Division

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

II. Metal Division

140 P, Ramanagar Road Kalol, Dist: Gandhinagar

- **ADDRESS FOR CORRESPONDENCE**

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

- 1) All enquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:
301 & 314 Akashrath Complex, Opp National Handloom House, C.G Road, Navrangpura, Ahmedabad – 380009
E-mail: gujtercead1@sancharnet.in or ho@gujaratterce.com
- 2) Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai, 400072
Tel: 91-22-2847 0652 | 40430200| 2847 0653 Fax: 91-22-2847 5207 E-mail: marketing@bigshareonline.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Gujarat Terce Laboratories Limited

We have examined the compliance of the conditions of corporate governance by Gujarat Terce Laboratories Limited ("the Company") for the year ended on 31st March, 2013, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management.

Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned listing agreements.

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

Place : Ahmedabad
Date : 07/08/2013

Pinakin Shah & Co.,
Practicing Company Secretary
FCS 2562, C.P No 2932

DECLARATION PURSUANT TO CLAUSE 49 1 (D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 1(D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2013.

For and behalf of Board of Directors

Place : Ahmedabad
Dated : 07/08/2013

(N. P. Prajapati)
Chairman & Managing Director

GUJARAT TERCE LABORATORIES LTD.

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Shri Natwarbhai Prajapati, Chairman & Managing Director (CEO) and Shri Amrutbhai Prajapati, Whole Time Director (CFO) do hereby certify to the Board that:

- a) We have reviewed the Balance Sheet as at 31st March, 2013, statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
 - i) The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
 - ii) The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year, if any;
 - ii) Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Gujarat Terce laboratories Limited

N. P. Prajapati (CEO)
Ahmedabad, 07/08/2013

For Gujarat Terce laboratories Limited

A. P. Prajapati (CFO)
Ahmedabad, 07/08/2013



INDEPENDENT AUDITORS' REPORT

To the Members of
Gujarat Terce Laboratories Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Terce Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For, P A R Y & Co.
Chartered Accountants
FRN - 007288C

(Sushil Goenka)
Partner
M.No. 115465

Date : 30/05/2013
Place : Ahmedabad

GUJARAT TERCE LABORATORIES LTD.

Annexure to Auditor's Report of even date on the accounts for the year ended 31st March, 2013 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 program 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 one Director which is not prejudicial to the interest of the company. Maximum balance outstanding during the year is Rs. 917.83 lacs while the year end balance is Rs. 615.52 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, 2013 for a period of more than six months from the date they became payable.



- 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 relates 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. Comm of Sales Tax (Appeals)
Gujarat Sales Tax	Reg Assesment	Rs. 1068607	A.Y.2004-05	Dep. Comm of 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 the parties and companies covered in the register maintained in the Companies Act u/s 301 during the year.
19. The company has not issued any secured debentures during the year.
20. 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.
21. 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.
22. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided in the Notes on accounts.

For, P A R Y & Co.
Chartered Accountants
FRN - 007288C

(Sushil Goenka)
Partner
M.No. 115465

Date : 30/05/2013
Place : Ahmedabad

GUJARAT TERCE LABORATORIES LTD.**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	74,203,000	74,203,000
(b) Reserves and surplus	3	32,793,598	30,899,362
		106,996,598	105,102,362
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	64,691,502	83,131,620
(b) Deferred tax liabilities (net)		3,766,803	3,462,413
(c) Other long-term liabilities	5	8,250,000	8,250,000
		76,708,305	94,844,033
4 Current liabilities			
(a) Short-term borrowings	6	24,729,795	22,678,621
(b) Trade payables	7	17,970,650	18,084,600
(c) Other current liabilities	8	27,139,106	22,268,875
(d) Short-term provisions	9	788,630	795,955
		70,628,181	63,828,051
TOTAL		254,333,084	263,774,446
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	63,211,275	55,136,274
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	-	2,083,005
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		63,211,275	57,219,279
(b) Non-current investments	11	500	500
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	35,761,702	35,588,297
(e) Other non-current assets		-	-
		35,762,202	35,588,797
2 Current assets			
(a) Current investments	-	-	-
(b) Inventories	13	74,932,082	53,369,790
(c) Trade receivables	14	47,067,969	101,181,220
(d) Cash and cash equivalents	15	16,917,862	6,563,888
(e) Short-term loans and advances	16	16,441,694	8,692,778
(f) Other current assets	17	-	1,158,694
		155,359,607	170,966,370
TOTAL		254,333,084	263,774,446

See accompanying notes forming part of the financial statements

As per our Audit Report of even date attached

For P A R Y & CO.

Chartered Accountants

FRN-007288C

(Sushil Goenka)

Partner

Mem. No. 115465

Date : 30/05/2013

Place : Ahmedabad

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.

Pareshbhai D. Patel
M.D.

A. P. Prajapati
Wholetime Director

S. P. Prajapati
Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
1 Revenue from operations (gross)	18	860,163,569	993,304,330
Less: Excise duty	18	70,006,669	6,709,079
Revenue from operations (net)		790,156,900	986,595,251
2 Other income	19	599,490	471,561
3 Total revenue (1+2)		790,756,390	987,066,812
4 Expenses			
(a) Cost of materials consumed	20a	553,768,965	39,944,867
(b) Purchases of stock-in-trade		113,039,787	809,361,666
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20b	(18,463,348)	(721,027)
(d) Employee benefits expense	21	64,714,785	56,135,998
(e) Finance costs	22	4,321,325	4,373,741
(f) Depreciation and amortisation expense	10	3,169,267	2,924,735
(g) Other expenses	23	67,489,412	73,339,762
Total expenses		788,040,193	985,359,742
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		2,716,197	1,707,070
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		2,716,197	1,707,070
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		2,716,197	1,707,070
10 Tax expense:			
(a) Current tax expense for current year		517,571	335,593
(b) Current tax expense relating to prior years (Excess/less Provision of I.Tax of PY)		-	-
(c) Net current tax expense		517,571	335,593
(d) Deferred tax		304,390	66,483
11 Profit / (Loss) for the year		1,894,236	1,304,994
12 Earnings per share (of ₹ 10/- each):			
(a) Basic	24	0.255	0.176
(b) Diluted	24	0.255	0.176

See accompanying notes forming part of the financial statements

As per our Audit Report of even date attached

For P A R Y & CO.

Chartered Accountants

FRN-007288C

(Sushil Goenka)

Partner

Mem. No. 115465

Date : 30/05/2013

Place : Ahmedabad

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.

Pareshbhai D. Patel
M.D.

A. P. Prajapati
Wholetime Director

S. P. Prajapati
Director

GUJARAT TERCE LABORATORIES LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		2,716,197		1,707,070
<i>Adjustments for:</i>				
Provision For Tax	(517,571)		(335,593)	
Depreciation and amortisation	3,169,267		2,924,735	
Product Launching & Development & other deferred revenue Exps W/off	564,696		564,696	
Preliminary Exps. W/off	594,000		198,000	
(Profit) / loss on sale / write off of assets	(43,543)		187,976	
Net (Gain) / Loss on Foreign Currency Transactions	(17,201)		(5,787)	
Finance costs	4,321,325		4,373,741	
Interest income	(441,071)		(464,897)	
	7,629,902		7,442,871	
Operating profit / (loss) before working capital changes		10,346,099		9,149,941
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets and liabilities:</i>				
Inventories and Trade receivables	32,550,959		(14,418,354)	
Short-term loans and advances	(7,748,916)		(4,612,973)	
Trade payables, Provisions and other current liabilities	4,748,956		(80,080,907)	
Net Changes in working capital:	29,550,999		(99,112,234)	
		39,897,098		(89,962,293)
Cash flow from extraordinary items		-		-
Cash generated from operations		39,897,098		(89,962,293)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		39,897,098		(89,962,293)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances, if any	(9,292,719)		(13,961,440)	
Proceeds from sale of fixed assets	175,000		9,336,147	
Long Term Loans & Advances realised	(173,405)		118,500	
Interest received	441,071		464,897	
	(8,850,053)		(4,041,896)	
Net cash flow from / (used in) investing activities (B)		(8,850,053)		(4,041,896)



Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Proceeds from issue of share capital	-		-	
Proceeds from long-term borrowings (Net)	(18,440,118)		82,421,522	
Proceeds from other short-term borrowings (Net)	2,051,174		(1,106,398)	
Net Gain / (Loss) on Foreign Currency Transactions	17,201		5,787	
Finance Costs	(4,321,325)		(4,373,741)	
Cash flow from extraordinary items	(20,693,068)		76,947,170	
Net cash flow from / (used in) financing activities (C)	(20,693,068)		76,947,170	
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	10,353,977		(17,057,019)	
Cash and cash equivalents at the beginning of the year	6,563,888		23,620,907	
Cash and cash equivalents at the end of the year	16,917,862		6,563,888	

As per our Audit Report of even date attached

For P A R Y & CO.

Chartered Accountants

FRN-007288C

(Sushil Goenka)

Partner

Mem. No. 115465

Date : 30/05/2013

Place : Ahmedabad

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.

Pareshbhai D. Patel
M.D.

A. P. Prajapati
Wholetime Director

S. P. Prajapati
Director

Notes forming part of the financial statements

Note Particulars

1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Interest income is accounted on accrual basis.

1.4 Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

1.5 Fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

1.6 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.

1.7 Inventories

Inventories are valued as under Raw Material: At Cost Stock in Process: At estimated Cost Finished Goods: At cost or realizable value whichever is less Stores, Spares & other items: At Cost

1.8 Raw Material is accounted net of Excise Duty.

1.9 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

1.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.11 Depreciation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.



1.12 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, if any.

1.13 Excise Duty / Service Tax and Sales Tax / Value Added Tax

Excise duty on Finished Goods is accounted as and when they are cleared from the factory premises. Sales Tax / Value Added Tax is charged to the Statement of Profit and Loss.

Company has adopted method of treatment of Cenvat Credit in account as prescribed in guidance note on accounting treatment for CENVAT by ICAI. Excise Duty paid on inputs is debited to Cenvat 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 Cenvat credit receivable account is shown on the Assets side under the head "Short Term Loans & Advances"

1.14 Foreign currency transactions and translations

Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.

Gains or losses arising out of remittance/ translations at the year end are credited / debited to the profit and loss account for the year except in cases where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of such assets

Foreign Exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.

Exchange differences arising on contracts are recognized in the period in which they arise and the premium paid / received is accounted as expense/ income over the period of contract.

1.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences, if any arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid, if any, in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

GUJARAT TERCE LABORATORIES LTD.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

1.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.18 Contingent Liabilities and Provisions

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

1.19 Sundry Creditors, Sundry Debtors, Deposits, Loans & Advances recoverable in Cash or kind are subject to confirmation.

1.20 Balances in Share Allotment money, EEFC 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.

1.21 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).

1.22 Contingent Liabilities Not Provided For

	<u>2012-13</u>	<u>2011-12</u>
a) Unutilized Letter of Credit	Nil	Nil
b) Counter guarantees furnished by the Company in respect of Bank Guarantee	1100000	1100000
c) Estimated amount of contracts to be executed on capital account and not provided for	0	0

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

	<u>2012-13</u>	<u>2011-12</u>
a. C.I.F Value of Imports		
Raw Material	Nil	Nil
Machineries	Nil	Nil
b. Expenditure in foreign currency less Commission & Other Expenses	Nil	Nil
c. Earning in Foreign Currency		
- Export Sales	723776	1234761

1.24 Details of Raw Material consumed

	<u>As on 31.03.2013</u>		<u>As on 31.03.2012</u>	
	% of total Value	Consumption (Rs.)	% of total Value	Consumption (Rs.)
a) Imported	-	-	-	-
b) Indigenous	100%	553768965	100%	39944867



1.25 Related Party

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

Sr.No.	Related Party	Relationship	Description of Transaction	Payment
1.	Mr. N.P. Prajapati	Chairman & M.D.	Managerial Remuneration	1800000
2.	Mr. A.P. Prajapati	Director	Managerial Remuneration	312000
3.	Mr. Pareshbhai D. Patel	M.D.	Managerial Remuneration	1800000
4.	Mr. Suresh P. Prajapati	Director		
5.	Mr. Gordhan G. Patel	Director		
6.	Mr. Kanubhai S. Patel	Director		
7.	Mr. Jayanti S. Prajapati	Director		
8.	Ms. Monika P. Patel	Director		

1.26 Deferred Tax Liability

Particulars	₹	₹	₹
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As per AS 22 on Accounting for taxes on income issued by ICAI, the Company has provided deferred tax liabilities as on 31st March, 2013.

The components of deferred tax liability for the current financial year are:

Deferred Tax Liability	Deferred Tax Liability / (assets) as at 1.4.2012	Current year change / (credit)	Deferred Tax Liability / (assets) as at 31.3.2013
(A) Difference between book and Tax depreciation	3,287,922	601,245	3,889,167
Tax liability on Deferred Revenue Expenditure	-	-	-
(A)	3,287,922	601,245	3,889,167
(B) Deferred Tax Assets- Tax	(174,491)	296,855	122,364
(B)	(174,491)	296,855	122,364
Net Deferred Tax Liability (A-B)	3,462,413	304,390	3,766,803

1.27 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company has identified two reportable segments viz Pharmaceutical and Metal Divisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

GUJARAT TERCE LABORATORIES LTD.

The Company is engaged in manufacturing of Tablets, Capsules, and Syrup & Injection pertaining to the product group Pharmaceuticals.

Particulars	Pharmaceutical		METAL		Unallocated		Total	
	2013 ₹	2012 ₹	2013 ₹	2012 ₹	2013 ₹	2012 ₹	2013 ₹	2012 ₹
1 Revenue from operations (gross)	209,057,754	196,210,046	651,105,815	797,094,284	-	-	860,163,569	993,304,330
Less: Excise duty	4,464,811	3,654,356	65,541,858	3,054,723	-	-	70,006,669	6,709,079
Revenue from operations (net)	204,592,943	192,555,690	585,563,957	794,039,561	-	-	790,156,900	986,595,251
2 Other income	599,490	471,561	-	-	-	-	599,490	471,561
3 Segment revenue (1+2)	205,192,433	193,027,251	585,563,957	794,039,561	-	-	790,756,390	987,066,812
4 Segment Expenses								
Cost of materials consumed	14,844,135	15,771,789	538,924,830	24,173,078	-	-	553,768,965	39,944,867
Purchases of stock-in-trade	63,981,547	56,168,815	49,058,240	753,192,851	-	-	113,039,787	809,361,666
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,564,836)	(117,904)	(15,898,512)	(603,123)	-	-	(18,463,348)	(721,027)
Employee benefits expense	59,057,693	51,586,470	5,657,092	4,549,528	-	-	64,714,785	56,135,998
Depreciation and amortisation expense	1,983,105	1,816,595	1,186,162	1,108,140	-	-	3,169,267	2,924,735
Other expenses	61,102,406	62,610,740	6,387,006	10,729,022	-	-	67,489,412	73,339,762
Total	198,404,050	187,836,505	585,314,818	793,149,496	-	-	783,718,868	980,986,001
5 Segment Results Before Finance Costs, Exceptional & Extraordinary Items and Tax	6,788,383	5,190,746	249,139	890,065	-	-	7,037,522	6,080,811
Less : Fiance Costs	-	-	-	-	4,321,325	4,373,741	4,321,325	4,373,741
6 Profit / (Loss) before exceptional and extraordinary items and tax	6,788,383	5,190,746	249,139	890,065	(4,321,325)	(4,373,741)	2,716,197	1,707,070
7 Exceptional items	-	-	-	-	-	-	-	-
8 Profit / (Loss) before extraordinary items and tax	6,788,383	5,190,746	249,139	890,065	(4,321,325)	(4,373,741)	2,716,197	1,707,070
10 Extraordinary items	-	-	-	-	-	-	-	-
11 Profit / (Loss) before tax	6,788,383	5,190,746	249,139	890,065	(4,321,325)	(4,373,741)	2,716,197	1,707,070
12 Tax expense:								
(a) Current tax expense for current year	-	-	-	-	517,571	335,593	517,571	335,593
(b) Current tax expense relating to prior years (Excess/less Provision of I. Tax of PY)	-	-	-	-	-	-	-	-
(c) Net current tax expense	-	-	-	-	517,571	335,593	517,571	335,593
(d) Deferred tax	-	-	-	-	304,390	66,483	304,390	66,483
13 Profit / (Loss) for the year	6,788,383	5,190,746	249,139	890,065	(5,143,286)	(4,775,817)	1,894,236	1,304,994
Other information								
Segment Assets	150,545,364	133,587,551	103787720	129616348				
Unallocated Assets	-	459000	0	135000				
Total Assets	150,545,364	134046551	103,787,720	129751348				
Segment Liabilities	72,416,041	57921023	71153642	97312101				
Unallocated Liabilities	3,766,803	3,462,413	0	0				
Total Liabilities	76,182,844	61383436	71153642	97312101				
Capital Expenditure	3,669,229	4329548	5623490	9631892				
Depriciation	1,983,105	1816595	1,186,162	1108140				
Non-Cash Expenses other than Depriciation	1,328,084	784179	135,000	45000				



Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Authorised		
11000000 Equity shares of ₹10 each with voting rights	110000000	110000000
(b) 7420300 Issued, Subscribed and fully paid up Equity shares of ₹10 each with voting rights	74203000	74203000
Total	74203000	74203000

Note 2.1 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March, 2013 No. of shares	As at 31 March, 2012 No. of shares
Equity shares at the beginning of the year	7420300	7420300
Add: Shares issued during the year	0	0
Equity shares at the end of the year	7420300	7420300

Note 2.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Natwarbhai P. Prajapati	563440	7.59%	563440	7.59%
Sureshbhai. P. Prajapati	927150	12.49%	927150	12.49%
Terce Finlease Pvt. Ltd.	1075900	14.50%	1075900	14.50%
Shamrock Chemie Pvt. Ltd	711420	9.59%	711420	9.59%

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 3 Reserves and surplus**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Securities premium		
Opening balance	15,000,000	15,000,000
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	15,000,000	15,000,000
General reserve		
Opening balance	3,737,174	3,737,174
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for	-	-
Closing balance	3,737,174	3,737,174
Investment Subsidy		
Opening balance	438,458	438,458
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	438,458	438,458
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	11,723,730	10,418,736
Add: Profit / (Loss) for the year	1,894,236	1,304,994
Closing balance	13,617,966	11,723,730
Total	32,793,598	30,899,362

Note 4 Long-term borrowings

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Term loans		
From banks		
Secured	2,639,243	853,096
Loans and advances from Directors & Related Parties	-	-
Unsecured	61,552,259	81,602,659
Loans and advances from Others	-	-
Unsecured	500,000	675,865
Total	64,691,502	83,131,620

Current and previous year, Term loan from ICICI Car Finance is secured by way of first charge on i20 Car of the company; Rate of interest (fixed) 10% p.a.

Current year and previous year, Term loan from ICICI Car Finance is secured by way of first charge on Swift Car of the company; Rate of interest (fixed) 11.51% p.a.

Current year, Term loan from Kotak Mahindra Prime Ltd. is secured by way of first charge on Toyota Etios Car of the company; Rate of interest (fixed) 11.15% p.a.

Current year and previous year, Term loan from Bank of Baroda is secured by way of first charge on Staff Bus of the company; Rate of interest (floating) 11.75 % p.a.

Current year, Term loan from Bank of Baroda is secured by way of first charge on Godown (122/3, Ravi Estate, Chhatral, Gandhinagar.) of the company; Rate of interest (floating) 13.75 % p.a.

Maturity Profile of Long - Term Borrowings from directors & their relatives and others is as set out below:

Particulars	Less than 4 years
Loans and advances from Directors & their Relatives	61,245,259.00
Loans and advances from Others	-



Notes forming part of the financial statements (contd...)

Note 5 Other long-term liabilities

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Others:		
Trade / security deposits received	8,250,000	8,250,000
Total	8,250,000	8,250,000

Note 6 Short-term borrowings

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Loans repayable on demand		
From banks		
secured	24,729,795	22,678,621
Total	24,729,795	22,678,621

Notes:

(i) Details of security for the secured short-term borrowings:

Loans repayable on demand from banks:

Cash Credit A/c- Bank of Baroda

Secured By equitable Mortgage of Fctory Land & Building, Office Premises of the company and Residential Bungalow of Director Shri Natwarbhai P. Prajapati

Hypothecation of all the Plant & Machineries, movable fixed assets, stock, book debts & all the current assets of the company.

Personal Guerantee of directors of the company Natwarbhai P. Prajapati, Amrutbhai P. Prajapati & Sureshbhai P. Prajapati

Note 7 Trade payables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Trade payables:		
Due to Micro & Small Enterprises	8,535,847	18,084,600
Other than Micro & Small Enterprises	9,434,803	-
Total	17,970,650	18,084,600

Note 8 Other current liabilities

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Current maturities of long-term debt	1,458,907	413,934
Statutory remittances	2,483,568	2,005,729
(Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, TDS Patable etc.)		
Payables on purchase of fixed assets	-	500,000
Interest accrued on trade /security deposits	415,125	415,125
Trade / security deposits received	188,000	348,000
Advances from customers	240,877	245,903
Other liabilities	14,836,548	13,384,423
Salary Payable	7,516,081	4,955,761
Total	27,139,106	22,268,875

GUJARAT TERCE LABORATORIES LTD.

Notes forming part of the financial statements (contd...)

Note 9 Short-term provisions

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Provision for employee benefits		
Provision for bonus	-	-
Provision for tax (net off Advance taxes)	465,492	312,140
Provision for Audit Fees	45,506	36,495
Provision for Telephone Exps	10,574	12,474
Provision for Electricity Exps (Factory & Office)	23,006	48,009
other provisions	244,052	386,837
Total	788,630	795,955

NOTE 10 FIXED ASSETS (As per Company's Act.), A/c. Year : 2012-13

Particulars	Gross Block				Depreciation				Net Block		
	Rate	Op. Bal. as on 01.04.12	Addition during the year	Sales during the year	Balance as on 31.03.13	Op. Bal. as on 01.04.12	Prov. During the year	Dep. write off back	Balance as on 31.03.13	As on 31.03.13	As on 31.03.12
Factory Land		16290029	0	0	16290029	0	0	0	0	16290029	16290029
Factory & Building	3.34%	14547163	3637501	0	18184664	5329567	489870	0	5819437	12365227	9217596
Office Building	1.63%	250030	0	0	250030	91710	4075	0	95785	154245	158320
Vehicles	9.50%	3196134	901381	438058	3659457	1532108	306913	306601	1532420	2127037	1664026
Laboratory Equipments	4.75%	3207489	0	0	3207489	2669366	152356	0	2821722	385767	538123
Electric Installation	4.75%	1910548	128468	0	2039016	1609686	92600	0	1702286	336730	300862
Machineries	4.75%	32595552	1517361	0	34112913	9077219	1600731	0	10677950	23434963	23518333
Furniture	6.33%	3599541	94980	0	3694521	1312172	231933	0	1544105	2150416	2287369
Block & Design	4.75%	3289230	0	0	3289230	2368668	156238	0	2524906	764324	920562
Computer	16.21%	1824550	36810	0	1861360	1654145	76938	0	1731083	130277	170405
Communication Appliances	4.75%	78580	0	0	78580	78580	0	0	78580	0	0
Sterlin Resort (Time share)		70650	0	0	70650	0	0	0	0	70650	70650
Godown*	1.63%	2083005	2976218	0	5059223	0	57613	0	57613	5001610	2083005
Total		82942501	9292719	438058	91797162	25723221	3169267	306601	28585887	63211275	57219280
Previous Year		78506061	13961440	9525000	82942501	22799363	2924735	877	25723221	57219280	55706698

* Godown in progress ₹ 5059223 (Previous year ₹ 2083005) has been put to use from 20-07-2012 and the balances of same are reflected in Godown in the financial statements.

Note 11 Non- Current Investment

Particulars	As at 31 March, 2013 Total ₹	As at 31 March, 2012 Total ₹
Investments (At cost):		
Samir Members Association	500	500
Total	500	500



Notes forming part of the financial statements (contd...)

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Security deposits		
Unsecured, considered good	738,101	612,323
(b) Advanced recoverable in cash or kind or for value to be received		
Unsecured, considered good	35,023,601	34,975,974
Total	35,761,702	35,588,297

Note 13 Inventories

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Raw materials (At cost)	13,906,702	14,146,305
(b) Work-in-progress (at estimated cost)	374,653	4,274,611
(c) Finished goods (other than those acquired for trading) (at cost or realisable value whichever is lower)	21,482,930	5,004,569
(d) Stock-in-trade (acquired for trading) (at cost or realisable value whichever is lower)	24,739,968	18,855,023
(e) Stores, spares & other items (at cost)	2,296,130	2,622,458
(f) Advertisement Article Stock (at cost)	12,131,699	8,466,824
Total	74,932,082	53,369,790

Note: Details of inventory of work-in-progress

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Pharma Division		
Aziter 500 Tablet	68,750	106,422
Ocef-250 Tablet	86,446	92,850
LTR Tablet	71,982	64,750
Metal Division		
CPC Blue	-	1,771,875
Cuprous Chloride	-	2,128,875

Note 14 Trade receivables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	12,887,613	13,166,152
Other Trade receivables	-	-
Unsecured, considered good	34,180,356	88,015,068
Total	47,067,969	101,181,220

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 15 Cash and cash equivalents**

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Cash on hand	2,420,781	401,375
(b) Balances with banks		
(i) In current accounts	10,117,486	2,031,893
(ii) In EEFC accounts	7,468	7,468
(iii) Share Issue Account	888,406	888,406
(c) other bank balances	-	-
Bank Deposits (refer note (i) below)	3,483,721	3,234,746
Total	16,917,862	6,563,888

Notes:

- (i) Other Bank Balances include bank deposits amounting to ₹ 2096274/- (As at 31 March, 2012 ₹ 1951692/-) and deposits for margin monies against bank guarantee amounting to ₹ 1387448/- (As at 31 March, 2012 ₹ 1283054/-) which have an original maturity of not more than 12 months.

Note 16 Short-term loans and advances

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Loans and advances recoverable cash or kind or for value to be received		
Unsecured, considered good	10,620,525	7,424,734
Advance for Purchase of Capital Assets	530,000	900,000
Advances given Employees		
Unsecured, considered good	3,274,135	-
Prepaid expenses - Unsecured, considered good	2,008,831	363,700
CENVAT/Service Tax /VAT credit receivable	8,203	4,344
Total	16,441,694	8,692,778

Note 17 Other current assets

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Unamortised expenses		
(i) Preliminary Expense	-	594,000
(ii) Product Launching & Development	-	564,694
Total	-	1,158,694



Notes forming part of the financial statements (contd...)

Note 18 Revenue from operations

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Sale of products	-	
Domestic Sales	852,931,906	988,047,384
Export Sales	723,776	1,234,761
(b) Other operating revenues	6,507,887	4,022,185
	860,163,569	993,304,330
Less:		
(c) Excise duty	70,006,669	6,709,079
Total	790,156,900	986,595,251

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(i) Sale of products comprises (Broad Heads):		
Manufactured goods - Pharma Division		
Almocef Tablet	6,541,923	6,693,141
Aziter 500 Tablet	3,814,079	3,636,026
Codimol 200 Tablet	2,675,567	3,264,616
Manufactured goods - Metal Division		
Reactive Brown 209 (Supra)	113,730,586	-
Reactive Orange RRH Supra	77,161,120	-
Reactive Orange RR (Supra)	60,990,300	-
Copper sulphate	-	16876250
Cuprous chloride	3,720,000	12234390
CPC Blue	-	6129500
Traded goods - Pharma Division		
Acolate Kid Susp.	10,514,163	9,652,973
Acolate P Plus Tablet	15,170,688	14,405,801
Acolate Tablet	7,136,772	7,186,836
Traded goods - Metal Division		
Used Beverage	2,365,000	-
Erythrosine	-	99,420,510
Black PN	-	63,979,493
Quinine Yellow	-	55,118,175
(ii) Other operating revenues comprise:		
Sale of scrap	5,723,804	3,737,858
Insurance claim on Stock Transfer	433,536	132,346
Misc Income	114,005	-
Rate Difference	236,542	151,981
Total - Other operating revenues	6,507,887	4,022,185

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 19 Other income**

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest income (Note : 19.a)	441,071	464,897
(b) Rent Income	62,100	
(c) Other non-operating income (net of expenses directly attributable to such income) (Note: 19.b)	96,319	6,664
Total	599,490	471,561

Note (19.a)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Interest on Bank Deposits	276,492	235,726
Interest on Other Loans	-	229,171
Interest on overdue trade receivables	163,501	-
Interest Income (Misc.)	1,078	-
Total - Interest income	441,071	464,897

Note (19.b)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Other non-operating income comprises:		
Net loss on foreign currency transactions and translation	17,201	5,787
Discount Earned	22,457	
Profit on sale of fixed assets	56,661	877
Total - Other non-operating income	96,319	6,664

Note 20.a Cost of materials consumed

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Opening stock	14,146,305	1,283,713
Add: Purchases	553,529,362	52,807,459
	567,675,667	54,091,172
Less: Closing stock	13,906,702	14,146,305
Cost of material consumed	553,768,965	39,944,867
Material consumed comprises:		
Pharma Division		
Azithromycin	2,142,454	2,276,400
Cefixime Trihydrate	2,961,350	3,158,060
Metal Division		
Reactive Brown 208	114,908,456	-
Reactive orange RRH	95,750,961	-
Reactive orange RR	60,246,172	-



Notes forming part of the financial statements (contd...)

Note 20.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Inventories at the end of the year:		
Finished goods	21,482,930	5,004,569
Work-in-progress	374,653	4,274,611
Stock-in-trade	24,739,968	18,855,023
	<hr/> 46,597,551	<hr/> 28,134,203
Inventories at the beginning of the year:		
Finished goods	5,004,569	8,346,170
Work-in-progress	4,274,611	530,986
Stock-in-trade	18,855,023	18,536,020
	<hr/> 28,134,203	<hr/> 27,413,176
Net (increase) / decrease	(18,463,348)	(721,027)

Note 21 Employee benefits expense

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Salaries and wages	60,547,033	49,494,317
Contributions to provident and other funds	3,407,913	6,045,967
Staff welfare expenses	759,839	595,714
Total	64,714,785	56,135,998

Note 22 Finance costs

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
(a) Interest expense on:		
(i) Borrowings	4,047,174	4,065,102
(iii) Others *	40,061	114,434
* includes interest on government and other dues		
(b) Other borrowing costs		
- Bank Charges	234,090	194,205
Total	4,321,325	4,373,741

GUJARAT TERCE LABORATORIES LTD.**Notes forming part of the financial statements (contd...)****Note 23 Other expenses**

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Consumption of stores and spare parts	67,125	129,056
Consumption of packing materials	5,255,805	5,044,053
Power and fuel	1,673,820	1,605,547
Jobwork Expenses	-	4,918,400
Rent	1,059,150	1,211,000
Repairs and maintenance - Buildings	200,195	639,965
Repairs and maintenance - Machinery	279,188	175,680
Insurance	732,589	439,524
Income Tax Assessment	-	54,116
Excise duty Expense	870	28,077
Rates and taxes	2,863,565	2,725,342
Communication	1,701,842	1,471,196
Freight and forwarding	4,865,099	4,202,522
Sales commission	3,715,503	3,409,741
Advertisement Expenses	26,757,748	37,915,932
Donations and contributions	118,000	37,888
Payments to auditors (Statutory & Tax Audit)	50,562	40,550
Bad trade and other receivables, loans and advances written off	47,024	1,690,943
Loss on fixed assets sold / scrapped / written off	13,118	188,853
Miscellaneous expenses	18,088,209	7,411,377
Total	67,489,412	73,339,762

Note 24 Earning Per Share

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Earning Per Share		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	1,894,236	1,304,994
ii) Weighted Average number of equity shares used as denominator for calculating EPS	7,420,300	7,420,300
iii) Face Value per equity share	10	10
iv) Basic and Diluted Earnings per share	0.255	0.176

As per our Audit Report of even date attached

For P A R Y & CO.

Chartered Accountants

FRN-007288C

(Sushil Goenka)

Partner

Mem. No. 115465

Date : 30/05/2013

Place : Ahmedabad

For and on behalf of the Board of Directors

N. P. Prajapati
Chairman & M.D.**Pareshbhai D. Patel**
M.D.**A. P. Prajapati**
Wholetime Director**S. P. Prajapati**
Director



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 28th ANNUAL GENERAL MEETING of the Company to be held on Monday the 30th day of September, 2013 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 Seventh Annual General Meeting of the Company to be held on Monday the 30th day of September, 2013 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. Gandhinagar.

Singed this _____ Day of _____ 2013

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