

Corp. Office : 1st to 4th Floor, SM House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400 057.
 Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com CIN No. L24100MH1984PLC033519

61/LG/MER/MAY/2019/GBSL

**REPORT OF THE AUDIT COMMITTEE OF M/S. GUFIC BIOSCIENCES LIMITED ('THE COMPANY')
 RECOMMENDING THE DRAFT SCHEME OF AMALGAMTION OF M/S. GUFIC LIFESCIENCES
 PRIVATE LIMITED WITH THE COMPANY.**

PRESENT MEMBER:

1. Mr. Sharat. S. Gandhi – Chairman
2. Mr. Gopal M. Daptari – Member
3. Mr. Jayesh P. Choksi – Member
4. Mr. Pranav J. Choksi – Member

IN ATTENDANCE:

1. Mrs. Hemal M. Desai – Whole Time Director
2. Ms. Ami N. Shah – Company Secretary
3. Mr. D.B. Roonghta – Chief Financial Officer

A) BACKGROUND

A meeting of the Audit Committee of M/s. Gufic Biosciences Limited ('the Company' or 'Transferee Company') was held on March 25, 2019, inter alia to consider and recommend the proposed Scheme of Amalgamation between M/s. Gufic Lifesciences Private Limited ('Transferor Company') and the Company and their respective shareholders and creditors in accordance with the Section 230 to 232 of the Companies Act, 2013 and other applicable provisions read with the rules framed thereunder.

This report is made in compliance with the requirement of the Circular No. CFD/DIL3/2017/21 dated March 10, 2017 issued by Securities & Exchange Board of India ('SEBI').

The following documents were placed before the Audit Committee for consideration and if satisfied, to recommend the proposed amalgamation to the Board of Directors of the Company for their approval.



CERTIFIED TRUE COPY

For GUFIC BIOSCIENCES LIMITED

Ami N. Shah
 Company Secretary

Corp. Office : 1st to 4th Floor, SM House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400 057.
 Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com CIN No. L24100MH1984PLC033519

1. Draft Scheme of Amalgamation of M/s. Gufic Lifesciences Private limited with the Company and their respective shareholders and creditors
2. Valuation Report on Exchange Ratio of Shares upon amalgamation of the Transferor Company with the Company by M/s. PHD & Associates, Independent Chartered Accountant
3. Fairness Opinion on the Valuation Report of Share Exchange Ratio in connection with the proposed Scheme of Amalgamation by M/s. of Inventure Merchant Banker Services Private Limited, SEBI registered Merchant Banker.

B) PROPOSED SCHEME OF AMALGAMATION

The Audit Committee noted the facts, rationale and benefits of the proposed amalgamation, which are, inter alia, as follows:

- i) The Transferor Company and the transferee Company are both engaged in the business of manufacturing, marketing, distribution and sale of pharmaceutical products.
- ii) Recognizing the strengths of each other and with the intent of aligning the business operations undertaken by the Transferor Company and the Transferee Company, the said Companies now propose the Scheme of Amalgamation between them and their respective shareholders and creditors in accordance with the terms as set out in the scheme.
- iii) The Appointed Date for the Scheme is January 01,2019
- iv) Upon the proposed amalgamation being effective, all assets, liabilities, contracts, rights, obligations, etc. of the Transferor Company shall stand transferred to the Company.
- v) Upon coming into effect of the Scheme and with effect from the Appointed date, the Company shall account for amalgamation of the Transferor Companies in its books of account in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.



CERTIFIED TRUE COPY
For GUFIC BIOSCIENCES LIMITED

Shri [Signature]

Corp. Office : 1st to 4th Floor, SM House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400 057.
 Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com CIN No. L24100MH1984PLC033519

vi) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the undertaking of the Transferor Company, in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act or deed:

(a) issue and allot 286 (two hundred eighty six) Equity Shares of Re. 1/- (Rupee One only) each, credited as fully paid up in the Capital of the Transferee Company, to the members of the Transferor Company, whose names appear in the Register of Members of Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company for every 100 (One Hundred) Equity Shares of the face value of Re. 1/-(Rupee One only) each fully paid-up or credited as paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company; and

(b) issue and allot 64 (Sixty Four) Equity Shares of Re. 1/- (Rupee One only) each, credited as fully paid up in the Capital of the Transferee Company, to the members of the Transferor Company holding 9.5% Non-Cumulative Non Participative Non Convertible Redeemable Preference Shares (the Preference Shares) of face value of Re 1/-(Rupee One only) each fully paid up, whose names appear in the Register of Members of Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company for every 10,000 (Ten Thousand) Non Cumulative Non Participative Non Convertible Redeemable Preference Shares of the face value of Re. 1/- (Rupee one only) each fully paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company.

The Scheme would be effective pursuant to the approval of the Scheme by relevant authorities including SEBI through designated Stock Exchange, National Company Law Tribunal, shareholders, creditors and other requisite authorities.

C) RECOMMENDATION OF AUDIT COMMITTEE :

The Audit Committee, after perusal, deliberation and due consideration of all the terms of the draft Scheme, Valuation Report and Fairness Opinion, do hereby recommend the draft



CERTIFIED TRUE COPY
For GUFIC BIOSCIENCES LIMITED

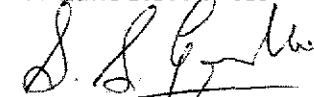
Shri. Ral

Company Secretary

Corp. Office : 1st to 4th Floor, SM House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400 057.
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com CIN No. L24100MH1984PLC033519

Scheme of Amalgamation for consideration and approval to the Board of Directors of the Company, the Stock Exchange(s), SEBI and the National Company Law Tribunal.

For Gufic Biosciences Limited



Sharat S. Gandhi
Chairman of the Audit Committee
(Independent Director)



CERTIFIED TRUE COPY

For **GUFIC BIOSCIENCES LIMITED**


Company Secretary

Place : Mumbai

Date : March 25, 2019