

Corp. Office : 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.
Tel.: (91-22) 6726 1000 Fax : (91-22) 6726 1068 Email : info@guficbio.com
CIN L65990MH1984PLC033519

04/AC/AMG/2016/GBSL

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

A) BACKGROUND

A meeting of the Audit Committee of M/s. Gufic Biosciences Limited ('the Company') was held on Thursday, November 24, 2016 inter alia to consider and recommend the proposed Scheme of Amalgamation of M/s. Gufic Stridden Bio-Pharma Private Limited ('Transferor Company') with the Company under Section 391 to 394 of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013 read with the rules made thereunder.

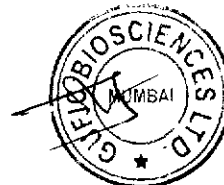
This report is made in compliance with the requirement of the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by Securities & Exchange Board of India ('SEBI').

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.

1. Draft Scheme of Amalgamation of M/s. Gufic Stridden Bio-Pharma 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. V. I. Bhatia & Co., Independent Chartered Accountant
3. Fairness Opinion on the Valuation Report of Share Exchange Ratio issued by M/s. V. I. Bhatia & Co., Independent Chartered Accountant in connection with the proposed Scheme of Amalgamation by M/s. Chartered Finance Management Limited, SEBI registered Category I Merchant Banker.

B) PROPOSED SCHEME OF AMALGAMATION

- i) It is proposed that the Transferor Company be amalgamated with Transferee Company, pursuant to a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 and such other applicable provisions of the Companies Act,



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2013 as may be notified from time to time, for achieving joint focus and benefits in the areas as brought out briefly in the Draft Scheme of Amalgamation.

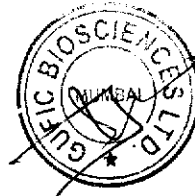
- ii) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the undertaking of the Transferor Company, in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act, or deed, issue and allot 24 (Twenty 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 for every 1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten 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.
- iii) The Scheme would be effective pursuant to the approval of the Scheme by relevant authorities including SEBI through designated Stock Exchange, Hon'ble High Court of Judicature at Bombay, shareholders, creditors, etc.

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

For Gufic Biosciences Limited


Sharat Gandhi
Chairman of the Audit Committee



Place : Mumbai

Date : November 24, 2016