

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic believes that timely disclosures, transparent accounting policies coupled with a strong and independent board go a long way in maintaining a good corporate governance, preserving shareholders' trust and maximizing long-term corporate value. The Company maximizes shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

At Gufic, we are committed to do things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation in force.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Fair Disclosure to regulate, monitor and report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and for fair disclosure of unpublished price sensitive information.

2. BOARD OF DIRECTORS:

(A) Composition and size of the Board

The Board of the Company represents an appropriate mix of executive, non-executive and independent directors, which is compliant with the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations").

As on March 31, 2019, the Company had Ten (10) Directors comprising of (i) Four Executive Directors including Chairman of the Board and one woman director (ii) One Non-Executive, Non-Independent Director (iii) Five Independent Directors. Dr. Sharat S. Gandhi (DIN: 00001730), aged 80 years, has resigned w.e.f. 1st April 2019, consequent to the applicability of Regulation 17(1A) of the Listing Regulations and also due to his health issues. Dr. Gandhi has confirmed that there was no other material reason for his resignation as Director. The Board places on record immense contribution made by him during his long tenure with the Company. To balance the composition of the Board and to bring transparency, the Board of Directors of the Company appointed Mr. Rabi Narayan Sahoo (DIN: 001237464) as an Independent Director w.e.f. June 29, 2019. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Your directors have rich and diverse experience in fields of business management, medicine, banking & finance and financial management that brings expertise to the Board. Each Director brings to the Board, domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The board provides leadership, strategic guidance, objective and independent views to the company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

(B) Non executive directors' compensation and disclosures

Except Mr. Balram H. Singh, all other non-executive directors are independent directors in the Company. No fees or compensations are paid to the Non-Executive Directors, which requires previous approvals of shareholders in a general meeting, except sitting fees and travelling expenses for attending the Board Meeting and reimbursement of expenses incurred by them on behalf of the Company, which is made well within the limits prescribed under the Companies Act, 2013 read with the rules made thereunder.

(C) Board Meetings held, attendance of each Director at the Board Meeting and AGM and other details

Nine (9) Board Meetings were held during the financial year 2018-2019 and the gap between the two Board Meetings did not exceed the limit as prescribed under Companies Act, 2013 and the SEBI Listing Regulations. The Board meetings were held on May 29, 2018, June 20, 2018, August 13, 2018, September 20, 2018, October 26, 2018, November 13, 2018, February 01, 2019, February 13, 2019 and March 25, 2019. The names of members of the Board, No. of Board Meeting held during the financial year 2018-2019, their attendance at the Company's Board Meetings, Last Annual General Meeting, the number of Directorship and Chairmanship / Membership in the Companies as on March 31, 2019 are given below

GUFIC BIOSCIENCES LIMITED

Name of the Director	Category	No. of Board Meeting attended during 2018-19	No. of shares held in the Company	Whether attended Last AGM	*No. of Directorship in other Companies	No. of Chairmanship/ Membership in Committees	
		Attended				Chairmanship [†]	Membership ^{**}
Mr. Jayesh P. Choksi	Promoter, Chairman & Managing Director	9	1,80,10,259	Yes	1	Nil	3
Mr. Pranav J. Choksi	Promoter, Whole Time Director & Chief Executive Officer	8	72,68,626	Yes	Nil	Nil	3
Mr. Pankaj J. Gandhi	Whole-Time Director	9	0	Yes	Nil	Nil	Nil
Mrs. Hemal M. Desai	Whole Time Director	9	10	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non-Executive Independent Director	7	0	Yes	Nil	NA	NA
Mr. Shreyas Patel	Non-Executive Independent Director	8	2600	Yes	Nil	Nil	3
Mr. Jagdish Shah	Non-Executive Independent Director	5	0	No	Nil	Nil	4
Mr. Gopal Daptari	Non-Executive Independent Director	3	0	No	Nil	2	2
Mr. Shirrang Vaidya	Non-Executive Independent Director	9	0	Yes	Nil	2	Nil
Dr. Balram Singh#	Non-Executive Non-Independent Director	2	0	Yes	Nil	Nil	Nil

* The above list of other directorships does not include Directorships in Private and Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013. None of the Directors of the Company hold Directorship in other listed company.

**The Memberships and Chairmanships of Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship's Committee and Corporate Social Responsibility Committee of all Public Limited Companies, including this Company are included.

*** Dr . Sharat Gandhi ceased to be the Chairman / Member of the Committees of the Company, where he was the Chairman/Member, w.e.f March 25, 2019 and ceased to be director of the Company w.e.f April 01, 2019.

Dr. Balram H. Singh was appointed as Non- Executive Non-Independent Director on May 29, 2018 in the Board Meeting and his appointment was regularized in the last Annual General Meeting held on September 28, 2018.

(D) Disclosure of Relationship between Directors inter-se

Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director is the son of Mr. Jayesh P. Choksi, Chairman & Managing Director of the Company. Except Mr. Pranav J. Choksi and Mr. Jayesh P. Choksi, none of the Directors are related to any other Director of the Company.

(E) Re-appointment of Directors retiring by rotation

Brief profiles of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

(F) Chart or Matrix setting out Skills/Expertise/Competence Of Board:

The composition of the Board is structured for high degree of diversity by age, education/qualifications, professional background and industry expertise. The Nomination and Remuneration Committee (NRC) of the Company follows the define criteria for selecting and recommending the candidates for appointment of the Directors on the Board. Based on the recommendation of NRC, the Board has identified the following core skills/expertise/ competencies of Directors for its effective functioning:

Sr. No.	Skills	Description
1	Vision	Ability to envisage future and set the goals accordingly.
2	Industry knowledge	Ability to expand and develop the business with the thorough industry knowledge in Pharmaceutical Sector.
3	Finance & Accounting	Practical knowledge and experience in Financial management, financial reporting and strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
4	Corporate Governance	Ability to protect the interest of the stakeholders by including the best governance practices in the organization.
5	Marketing skills	Understanding the Market and deploying the effective strategies necessary for the growth of the organization.
6	Leadership skills	Ability to manage and motivate people and business with experience and strategies to achieve the goals established by the organization.
7	International Business knowledge	Understanding of international market of pharma sector, culture, economy and politics. Identifying challenges and opportunities and leading the business to International front.
8	Sector knowledge	Significant Knowledge and experience of Pharma sector, Science & technology including Research & Development.
9	Networking skills	Ability to connect with people and develop business relationships.
10	Risk Management	Ability to identify risks associated with the business and strategizing to minimise or mitigate the risk.

(G) Confirmation as regards to independence of Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and as per opinion of the Board, they fulfil the conditions specified they are independent of the management.

A formal appointment letter containing the terms and conditions of their appointment have been issued to them and the said letters have been uploaded on the website of the Company, www.gufic.com

(H) Compliance as to applicable laws

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than three listed companies.

As per the requirements of Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has met at least four times a year and a maximum time gap between any two meetings were not more than one hundred and twenty days. At least one board meeting was conducted in a calendar quarter, as prescribed under Secretarial Standards I issued by Institute of Company Secretaries of India. The meeting of the Board of Directors and Annual General Meeting are always held in Mumbai, where the registered office of the Company is situated. Board Meeting dates are finalized in consultation with all the directors and the agenda and the supporting papers for consideration at the Board meeting are circulated to the Directors well in advance before the meeting.

Each director informs the Company on an annual basis about the board and board committee positions she/he occupies in other companies, and notifies the Company of any changes regarding their directorships. In addition, the independent directors provide an annual confirmation that they meet the criteria of independence as defined under the provision of the Companies Act, 2013 and the SEBI Listing Regulations. Section 152 of the Companies Act, 2013, states that one-third of the board members other than independent directors who are subject to retire by rotation, shall do so every year and be eligible for reappointment, if approved by the shareholders. Mr. Jayesh Pannalal Choksi and Mr. Pankaj J. Gandhi, retires by rotation at the forthcoming annual general meeting and being eligible, seeks re-appointment.

(I) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the roles, responsibilities and duties to be undertaken by him/her as a Director of the Company. The terms and conditions of their appointment are disclosed on the Company's website: <http://gufic.com/investor/Appointment.pdf>

The Director is also apprised of the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes. The Chief Executive Officer and Chief Financial Officer also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at <http://gufic.com/wp-content/uploads/2016/08/Familiarisation%20programme%20for%20Independent%20Directors%202017-18.pdf>

3.COMMITTEE OF THE BOARD:

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their performances were reviewed regularly. Meetings of each of these Committees are convened by their respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the Board in the subsequent Board meetings.

A. Audit Committee:

Terms of reference covers all matters prescribed under Regulation 18 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other

GUFIC BIOSCIENCES LIMITED

related matters. It also reviews major accounting policies followed by the company. The major functions undertaken by the Audit Committee as covered under the Listing Regulations and Companies Act, 2013 are as follows :

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- reviewing and examining with management the quarterly financial results before submission to the Board;
- recommendation for appointment, remuneration and terms of appointment of Statutory Auditors;
- reviewing and monitoring auditor's independence, performance and effectiveness of audit process;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- reviewing management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Whistle Blowing mechanism;

(I) Composition:

The Audit Committee comprises of six Directors, out of which four are Independent Directors. As on March 31, 2019, Mr. Shrirang V. Vaidya, Independent Director holds the Chairmanship of the Committee and Mr. Jagdish Shah, Mr. Shreyas K. Patel, Mr. Gopal M. Daptari, all Independent Directors and Mr. Jayesh P. Choksi, Managing Director and Mr. Pranav J. Choksi, Executive Director are the Members of the Committee. The Company Secretary acts as the Secretary to the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement.

In the financial year 2018-19, Ten Audit Committee meetings were held i.e. on May 29, 2018, June 20, 2018, August 13, 2018, September 20, 2018, October 26, 2018, November 13, 2018, January 10, 2019 February 01, 2019, February 13, 2019 and March 25, 2019 and the members attendance during the year are as under :

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Sharat Gandhi*	Chairman (till March 25, 2019)	10	8
Mr. Jagdish Shah	Member	10	6
Mr. Shreyas Patel	Member	10	8
Mr. Gopal Daptari	Member	10	4
Mr. Jayesh Choksi	Member	10	10
Mr. Pranav Choksi	Member	10	9
Mr. Shrirang Vaidya**	Chairman (from March 25, 2019)	NIL	NIL

The gaps between two Audit Committee Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings

*Mr. Sharat Gandhi had resigned from the Chairmanship of the Audit Committee of the Company w.e.f. 25.03.2019 .

** Mr. Shirang Vaidya was appointed as the Chairman of the Committee w.e.f. March 25, 2019. Subsequent to his appointment, no Audit Committee was held in the financial year 2018- 19

B. Nomination & Remuneration Committee :

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations 2015, the Board has constituted a “Nomination and Remuneration Committee” [NRC].

The Terms of reference of the said NRC is specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director;
2. Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
3. Devising policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal;
5. To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition of NRC Committee :

The committee was reconstituted in the Board meeting held on March 25, 2019, It currently comprises of four Independent Directors viz. Mr. Shrirang V. Vaidya- Chairman, Mr. Jagdish Shah- Member, Mr. Shreyas Patel – Member and Mr. Gopal Daptari- Member.

During the financial year 2018-2019, the committee met three times i.e., May 29, 2018, June 20, 2018 and October 26, 2018. The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Sharat Gandhi	Chairman (till March 25, 2019)	3	2
Mr. Jagdish Shah	Member	3	1
Mr. Shreyas Patel	Member	3	3
Mr. Shrirang Vaidya	Chairman (from March 25, 2019)	-	-
Mr. Gopal Daptari*	Member (from March 25, 2019)	-	-

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated on the basis of level of engagement and contribution, attendance and

GUFIC BIOSCIENCES LIMITED

participation, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION OF DIRECTORS:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a “Policy On Criteria For Appointment Of Directors, KMPs And Senior Management Personnel And Evaluation Of Their Performance” determining the criteria for appointment of Directors, KMPs and Senior Management Personnel and formulating Remuneration Policy for Executive and Non-Executive Directors of the Company. The policy can be accessed on the following link: <http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf>

Remuneration of Executive Directors comprise of fixed components viz. Salary & Perquisites. Nomination and Remuneration Committee recommends to the Board, periodic revision in remuneration of Executive Directors based on remuneration policy of the company and Board fixes their remuneration taking into consideration their performance, contribution towards the growth of the Company, dedication in fulfilling their duties as Directors, industry standards vis a vis growth of the Company. The revisions made are well within the limits as prescribed under the Companies Act, 2013. While deciding the remuneration, Nomination & Remuneration Committee ensures that they are reasonable and sufficient to attract, retain, reward and motivate the best and qualified managerial personnel. Executive Directors are not paid sitting fees for attending Board/Committee meetings.

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees for participation in the Board meetings, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. They are also entitled to receive travelling and other expenses they incur for attending to the Company's affairs.

The details of remuneration for the year ended March 31, 2019 to the Executive and Non-executive Directors are as follows:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in Rs.	Perquisites / Allowances (Rs)	Performance Linked Bonus / Commission (Rs)	Stock Options	Sitting Fees	TOTAL
1	Mr. Jayesh P. Choksi	40,00,908	0	0	0	0	40,00,908
2	Mr. Pranav J. Choksi	20,00,904	3,54,271	0	0	0	23,55,175
3	Ms. Hemal M. Desai	9,03,921	0	0	0	0	9,03,921
4	Mr. Pankaj J. Gandhi	9,36,331	0	0	0	0	9,36,331
5	Dr. Sharat Gandhi	0	0	0	0	35,000	35,000
6	Mr. Shreyas Patel	0	0	0	0	40,000	40,000
7	Mr. Jagdish Shah	0	0	0	0	25,000	25,000
8	Mr. Gopal Daptari	0	0	0	0	15,000	15,000
9	Mr. Shirang Vaidya	0	0	0	0	45,000	45,000
10	Mr. Bal Ram Singh	0	0	0	0	0	0

Service contracts, Notice Period and Severance Fees :

The employment of the Chairman & Managing Director and the Executive Directors of the Company is contractual. The employment of Mr. Jayesh P. Choksi, Mr. Pranav J. Choksi, Mr. Pankaj J. Gandhi and Mrs. Hemal M. Desai is for the period of five years beginning from the date of their appointment/re-appointment. The Executive Directors can resign from the Directorship of the Company by giving not less than three months' prior notice in writing. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Company has paid sitting fees of ₹ 5,000/- per Board meeting to Independent Directors during the financial year 2018-19. None of the Non-executive directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending the board meetings.

C. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is constituted in lines with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The composition of the Committee comprises of four directors out of which two are Non-Executive Independent Directors.

The Terms of reference of the said Stakeholder Relationship Committee is specified in clause B of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence of to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar of Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Ms. Ami N. Shah, Company Secretary acts as the Compliance Officer of the Company.

During the financial year 2018-19, the Committee met four times. The Stakeholder Committee Meetings were held on May 29, 2018, August 13, 2018, November 13, 2018 and February 13, 2019.

The attendance at the Shareholders/Investors Grievance Committee is given below:

Name	Designation	No of Meetings Attended
Mr. Shreyas Patel	Chairman (till March 25, 2019)	3
Mr. Jagdish Shah	Member	2
Dr. Sharat Gandhi	Member (till March 25, 2019)	3
Mr. Jayesh Choksi	Member	4
Mr. Pranav Choksi	Member	4
Mr. Gopal M. Daptari*	Chairman (from March 25, 2019)	NA

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2018-2019

Complaints pending at beginning of the year	NIL
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending at the end of the year	NIL

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has a Corporate Social Responsibility Committee in lines with the provisions of the Companies Act, 2013. Mr. Gopal M. Daptari, Independent Director holds the Chairmanship of the Committee; Mr. Jagdish Shah and Mr. Shreyas Patel, Independent Directors, Mr. Jayesh Choksi, Managing Director and Mr. Pranav Choksi, Executive Director are the Members of the Committee.

The terms of reference of the Corporate Social Responsibility Committee inter alia include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy,
- Monitor the Corporate Social Responsibility Policy of the company from time to time,
- Recommend the amount of expenditure to be incurred on the activities,
- Monitor the amount spent on the CSR initiatives of the Company as per the CSR policy,
- Discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of

GUFIC BIOSCIENCES LIMITED

Directors from time to time.

The Company Secretary acts as Secretary of the Committee.

The Committee met 4 (Four) times during the financial year ended March 31, 2019 viz., on May 29, 2018, September 20, 2018, February 13, 2019 and March 25, 2019. The attendance record of the members at the meeting were as follows:

Name	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman (till March 25, 2019)	4
Mr. Jagdish Shah	Member	2
Mr. Shreyas Patel	Member	3
Mr. Jayesh Choksi	Member	4
Mr. Pranav Choksi	Member	4
Mr. Gopal M. Daptari*	Chairman (from March 25, 2019)	NA

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

INDEPENDENT DIRECTORS MEETING:

During the year under review, one separate Independent Directors Meeting without the presence of the Executive Directors was held on March 27, 2019 inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

4. SHAREHOLDERS

A. GENERAL BODY MEETINGS

Details of Venue, Date and Time of the Last Three Annual General Meetings are as Follows:

Year	Venue	Date and Time	Special Resolution passed
2015-2016	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	28 th September, 2016 2.30 P.M	1. Approval under Section 180 (1)(c) of the Companies Act, 2013.
2016-2017	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	5 th September, 2017 2.30 P.M	1. Adoption of new set of Articles of Association 2. Approval of Re-classification of Promoters of the Company 3. Approval for keeping and maintaining registers and documents as required under Section 94 of the Companies Act, 2013 to place other than the registered office of the Company.
2017-18	VITS – Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	28 th September, 2018 2.30 P.M.	No resolution was passed through Special Resolution.

POSTAL BALLOT

During the year under review, one special resolution was passed by the shareholders of the Company through postal ballot on Thursday, December 13, 2018. The details of the special resolution passed and the voting pattern are as follows :

Resolution No.	Particulars	No. of Valid Votes Received	No and % of Votes in favour	No. and % of votes against
1	Speical Resolution : Alteration of the Memorandum of Association of the Company	76,25,672	7625411 (99.996%)	261 (0.004%)

i. Person who had conducted the Postal Ballot exercise:

Mr. Gajanan D. Athavale, Practising Company Secretary was appointed to act as the Scrutinizer for conducting the aforesaid Postal Ballot and e-Voting in fair and transparent manner.

The Consolidated Scrutinizer's Report for E-voting & Ballot Voting was issued by Mr. Gajanan D. Athavale, Practising Company Secretary. The details of the postal ballot including voting pattern are available on the Company's website at the given link: <http://gufic.com/Notice/ScrutinizerReport.pdf>

ii. Procedure for Postal Ballot

The Notice of Postal Ballot along with explanatory statement and the self-addressed prepaid postage envelope were sent to the equity shareholders to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. Further, Postal Ballot Notice and Postal Ballot Forms were sent through emails to those, whose email IDs are registered with the Company / Registrar and Transfer Agents of the Company. The voting was conducted through physical mode as well as electronic mode. The scrutinizer appointed by the Board of Directors after due verification and scrutiny, submitted his report to the Chairman of the Company and the Chairman announced the results on December 15, 2018.. The results were also submitted to the stock exchanges and also uploaded on the website of the Company and the National Securities Depository Limited.

The Company complied with all the procedure for Postal Ballot as specified under Companies Act, 2013 & SEBI Regulations.

B. MEANS OF COMMUNICATION:

The Company regularly intimates quarterly unaudited as well as annually audited financial results to the stock exchanges, within thirty minutes after the same are taken on record by the Board of Directors at its Board Meeting. These results are published within 48 hours in the Business Standard (English Edition) and Mumbai Lakshadweep (Marathi Edition). These are not sent individually to the shareholders.

The Company's results, annual reports and other relevant details are also displayed on the Company's website www.gufic.com. The Company's website also contains basic information about the Company including information about the company's business, financial information, shareholding pattern, compliance with corporate governance, company's director, registrar & transfer agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. Official news releases and presentations, if any made to Institutional investors/analysts are also posted on the website of the company.

The Management Discussion and Analysis Report forms part of this Annual Report.

All price sensitive information and announcements are communicated immediately after the Board decides at their duly convened Board Meeting to the Stock Exchanges, where the Company's shares are listed, for dissemination to the shareholders.

C. INDEPENDENT DIRECTORS:

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its Promoters, its Directors, its senior management and/or associates companies.

D. CEO AND CFO CERTIFICATION:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

E. CREDIT RATING:

During the year under review, the Company has been assigned with BBB- rating by CARE Ratings Limited. There has been no revision in credit rating during the financial year 2018-19.

The company does not have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.

GUFIC BIOSCIENCES LIMITED

F.GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	30 th September, 2019 at 2.30 PM at VITS - Luxury Business Hotels, Andheri, Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059, Maharashtra, India
Financial year	1 st April 2018 to 31 st March, 2019
Date of Book Closures	As mentioned in the Notice to the Annual General Meeting
Financial Calendar: Results for quarter ended 30th June, 2018 Results for quarter ended 30th September, 2018 Results for quarter ended 31st December, 2018 Results for quarter ended 31st March, 2019	Third Week of August, 2018 Second Week of November, 2018 Third Week of February, 2019 Fifth Week of May, 2019
Dividend Payment Date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.
The Company is Listed at	BSE Limited 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code	BSE - 509079 NSE - GUFICBIO
Name, Address, Telephone No. Fax and Email of Registrar & Share Transfer Agents	Link Intime (I) Private Limited C- 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai – 400 083. Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 Email: rnt.helpdesk@linkintime.co.in
CIN	L24100MH1984PLC033519
STATUS	Active

The annual listing fees for the financial year 2019-20 has been duly paid by the Company to the Stock Exchanges on which the shares of the Company are listed

G. DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2019

CATEGORY	DEMATERIALIZED		PHYSICAL		TOTAL		% ISSUED CAPITAL
	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	
Corporate Bodies (Promoter Co)	25854287	2	43200	1	25897487	3	33.27
Clearing Member	101149	110	0	0	101149	110	0.13
Other Bodies Corporate	1988835	242	0	0	1988835	242	2.56
Directors	25278885	3	0	0	25278885	3	32.48
Hindu Undivided Family	481725	399	0	0	481725	399	0.61
Market Maker	9331	8	0	0	9331	8	0.01
Non Resident Indian	204011	201	0	0	204011	201	0.26
Non Resident (Non Repatriable)	185836	74	0	0	185836	74	0.24
Financial Institutions	31683	1	0	0	31683	1	0.04
Foreign Portfolio Investors (Corporate)	50000	1	0	0	50000	1	0.06
Non Nationalized Bank	25965	1	0	02	5965	1	0.03
Alternate Investment Fund	811856	1	0	0	811856	1	1.04
NBFCs registered with RBI	750	1	0	0	750	1	0.00
Mutual Funds	6627680	6	0	0	6627680	6	8.52
Foreign Nationals	6996	1	0	0	6996	1	0.00
Public	15834442	16349	133996	29	15968438	16378	20.51
Investor Education & Protection Fund	159373	2	0	0	159373	2	0.20
Total	77652804	17402	177196	30	77830000	17432	100

H. Market Highs and Lows for the period April 2018 to March 2019

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2018	145.40	110.00	730807	145.45	108.60	3787838
May, 2018	164.35	128.00	953340	163.90	130.55	5004811
June, 2018	140.00	112.00	338450	140.00	111.00	2081936
July, 2018	125.95	110.40	164541	125.35	110.00	1384532
August, 2018	139.90	113.45	282923	140.00	113.00	2066263
September, 2018	138.80	112.00	293826	135.85	111.00	2521280
October, 2018	114.00	88.60	224581	114.75	88.15	2464602
November, 2018	107.55	83.70	177696	108.00	83.30	1041837
December, 2018	98.25	84.60	88242	97.85	84.20	769320
January, 2019	98.80	79.35	71047	99.10	78.00	1090855
February, 2019	84.85	65.40	328952	84.65	65.95	1117252
March, 2019	83.80	70.15	131292	84.20	69.50	1080177

On March 31, 2019, the closing price of the shares of the Company on BSE was ₹. 76.05/- and NSE was ₹ 76.10/-

I. Distribution of Shareholding (As on 31st March 2019)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	13797	79.1475	2190591	2.8146
501 – 1000	2006	11.5076	1663445	2.1373
1001 – 2000	772	4.4286	1216707	1.5633
2001 - 3000	293	1.6808	769461	0.9886
3001 – 4000	126	0.7228	458345	0.5889
4001 – 5000	137	0.7859	656816	0.8439
5001 – 10000	161	0.9236	1161477	1.4923
10001 & ABOVE	140	0.8031	69713158	89.5711
TOTAL	17432	100	77830000	100

J. ADDRESS FOR CORRESPONDENCE

All shareholders' correspondence should be forwarded to the following address:

i. Registrar & Share Transfer Agent

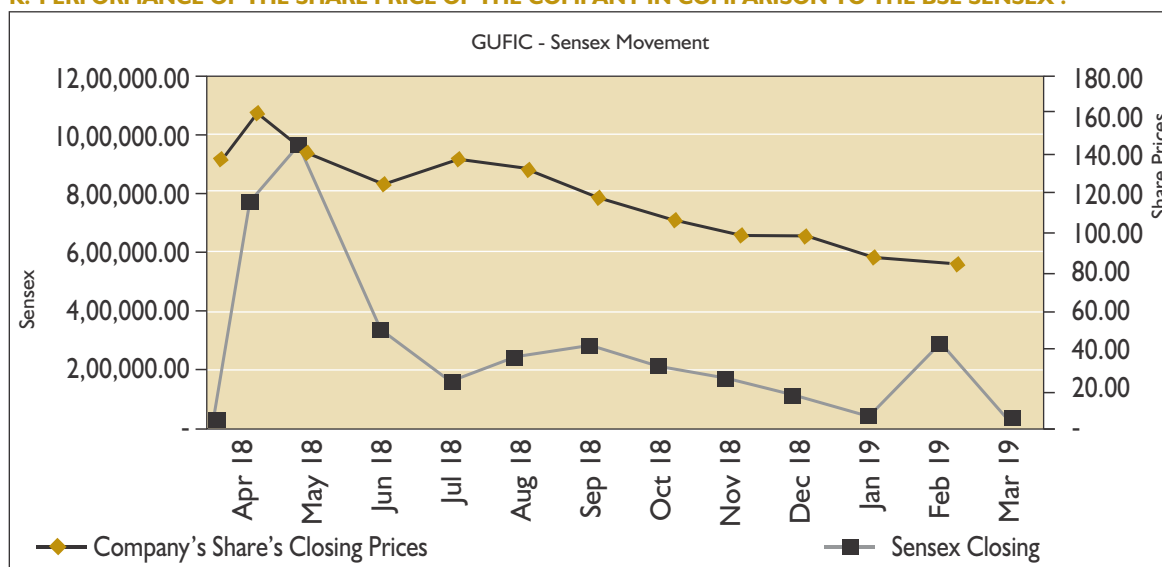
M/s Link Intime India Private Limited,
C- 101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai – 400 083
Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 • Email: rnt.helpdesk@linkintime.co.in

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

ii Company

M/s. Ami Shah (Company Secretary & compliance offer)
M/s. Gufic Biosciences Limited
37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
• Tel No : 022 67261000 • Email : corprelations@guficbio.com

K. PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX :



L. SHARE TRANSFER SYSTEM:

Shares in the physical form are sent to the Registrar & Transfer Agent M/s. Link Intime India Private Limited, for registering transfer and the transfer is normally processed within the stipulated period of time, if the documents are complete in all respects.

Transfer of shares in electronic mode are done through the depositories with no involvement of the Company.

Pursuant to provision to sub regulation (1) of regulation 40 of the SEBI (LODR) Regulations, effective from 1st April, 2019, the Company shall not be able to process any request for transfer of securities unless the securities are held in dematerialised form with any depository. However, the Company will continue to process valid applications for transmission or transposition of securities, which are held in physical form.

M. RECONCILIATION OF SHARE CAPITAL AUDIT:

A Company Secretary in practice carried out audit in respect of each of the quarters in the financial year 2018–2019, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirmed that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

N. DEMATERIALISATION OF SHARES AND LIQUIDITY

99.77 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2019. All shares of the Company are liquid and traded in normal volume on BSE & NSE. Shares held by Promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE742B01025.

None of the securities of the Company are suspended from trading

O. OUTSTANDING GDRS / ADRS / WARRANTS / ANY OTHER CONVERTIBLE INSTRUMENTS

The Company have not issued GDRS/ADRS/WARRANTS or other convertible instruments, as on date

P. UNCLAIMED SHARES & DIVIDEND

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund (the IEPF), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/unpaid dividend are available on the website of the Company www.gufic.com

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Members can claim their dividends and shares which got transferred to IEPF IEPFA by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Q. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company has not entered into any material derivative contracts to hedge foreign exchange risk/ exposure to fluctuations in commodity prices.

The Company has Risk Management framework to pro-actively mitigate the impact. Currency risks mainly arise out of exports and overseas operations. Exchange rate fluctuations could significantly impact earning because of invoicing in foreign currencies, expenditures in foreign currencies and translation of financial statement of overseas subsidiaries into Indian Rupees. The export and import of the Company in a financial year is in such a way, that the foreign exchange risk gets balanced.

R. PLANT LOCATION

The Company has a manufacturing plant located at Navsari, Gujarat. The full address of which can be stated as below: National Highway No. 8, Near Grid, Kabilpore Navsari, Gujarat 396 424. Tel.: 91-02637-239946/3294254

S. OTHER DISCLOSURES:

- i) During the year under review besides the transactions reported in Notes to Accounts, there were no other related transactions with the promoters, directors, management and subsidiaries that have potential conflict with the interest of the Company at large.
- ii) During the last three years, there were no material non-compliance by the Company and no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority for non-compliance of any matter related to capital markets.
- iii) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of vigil mechanism / whistle blower policy has been provided on the website of the Company www.gufic.com and have also been provided in the Directors' Report.
- iv) The Company had not raised any funds through preferential allotment of qualified institutional placement
- v) Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.
- vi) There were no instances where the Board had not accepted any recommendation of any committee during the financial year
- vii) The Company has complied with all the mandatory requirements of the Companies Act, 2013 as well as the SEBI Listing Regulations, including all the requirements of the Corporate Governance Report.
- viii) The Company has complied with the requirements of the corporate governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.
- ix) The Company has no subsidiary, associate or joint venture company, hence policy on material subsidiary is not applicable to the Company

GUFIC BIOSCIENCES LIMITED

- x) Details of Related Party Transactions and policy are provided in the Directors' Report. The policy is made available on the Company's website at the given link : <http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>
- xi) The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the Listing Regulations.
- xii) Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. There were no such transactions during the Financial Year 2018-19 having potential conflict with the interests of the Company at large.
- xiii) Certificate has been received from a company secretary in practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- xiv) Total fees for all services paid by the listed entity to the statutory auditor is mentioned in Notes to Accounts. The Statutory Auditor is not a part of any network firm/ network entity
- xv) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as on end of the financial year	Nil

T. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i) The Company has an Executive Chairman.
- ii) The quarterly/half yearly results are not individually sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- iii) The Chairperson & Managing Director and the Chief Executive Officer of the Company are separate individuals
- iv) The internal auditor reports to the Audit Committee.

CEO/CFO CERTIFICATION:

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the compliance made by them in Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II and the certificate forms part of the Annual Report. The Chief Executive Officer and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 20th August, 2019

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Declaration on code of conduct pursuant to schedule v of the SEBI listing regulations

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company www.gufic.com. In accordance with Schedule V of the SEBI Listing Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 20th August, 2019

Pranav J. Choksi
Chief Executive Officer & Whole Time Director
DIN 00001731