

BEYOND COVID

MOVING TOWARDS THE RIGHT DIRECTION



GUFIC
BIOSCIENCES LIMITED

36TH ANNUAL REPORT 2019-2020

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS



BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	Chairman & Managing Director
Mr. Pranav J. Choksi	Chief Executive Officer & Whole-time Director
Mr. Pankaj J. Gandhi	Whole-time Director
Mrs. Hemal M. Desai	Whole-time Director
Mr. Gopal M. Daptari	Independent Director
Mrs. Anu S. Auora	Independent Director
Mr. Shreyas K. Patel	Independent Director
Mr. Shrirang V. Vaidya	Independent Director
Dr. Balram H. Singh	Non-Executive Director
Dr. Rabi N. Sahoo	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

S H R & Co

COST AUDITOR

Kale & Associates

SECRETARIAL AUDITOR

Gajanan D. Athavale

INTERNAL AUDITOR

Mittal Agarwal & Co.

BANKERS

The Saraswat Co-operative Bank Limited
State Bank of India
ICICI Bank
HDFC Bank
Bank of Baroda

REGISTERED OFFICE ADDRESS

37, First Floor, Kamala Bhavan II, S. Nityanand Road,
Andheri (East), Mumbai – 400 069, Maharashtra, India.
• E-mail: info@guficbio.com • website: www.gufic.com
• CIN: L24100MH1984PLC033519

CORPORATE OFFICE

SM House, 11 Sahakar Road, Vile parle (East),
Mumbai – 400 057, Maharashtra, India.
• Tel.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68

PLANT

National Highway No. 8, Near Grid,
Kabilpore Navsari, Gujarat 396 424
Tel.: 91 - 02637 - 239946 / 329424

REGISTRAR AND TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083.
Tel No.: (022) 4918 6270
Fax (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

36th Annual General Meeting

DAY & DATE

Wednesday, 11th November, 2020

TIME

11.00 AM.

MODE

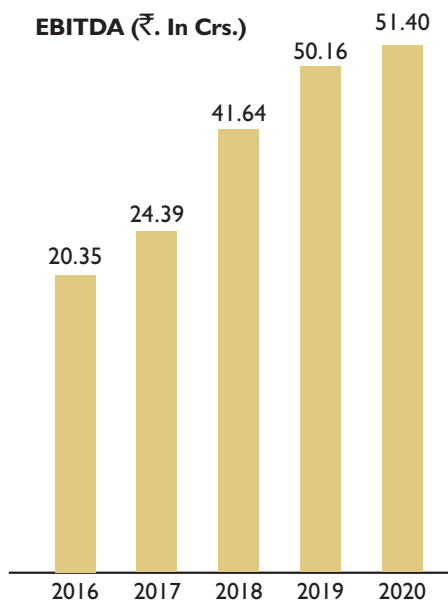
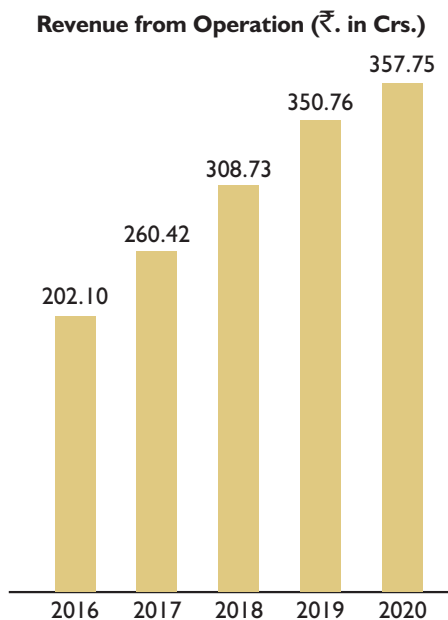
Video Conferencing/Other Audio
Video Means

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FINANCIAL HIGHLIGHTS



The above graph shows the performance of the Company in the last five years through its sales and Earnings before Interest, Depreciation and Amortization. The graph reflects the growth of the Company which is going upwards year over year and thus shows the commitment of the Company to grow high. With total operational revenue at ₹ 357.75 crores and EBITDA at ₹ 51.40 crores, the Company have been able to post a considerable growth of around 2 % and 2.48 % respectively.

Chairman's Message

Dear Shareholders,

As we prepare to move ahead with our plans to take Gufic to the next level of success, the worldwide crisis of Covid-19 has hit almost every country, every industry and almost every business including ours. The performance of the financial year 2019-20 has been challenging yet satisfying for us since the year saw many approvals for us in terms of various regulatory approvals for our plant. These approvals stand as a testimony of our commitment to quality, adherence to compliance, manufacturing excellence, strong research & development team, dedication to provide affordable medicines to public and trust of all the stakeholders.

With the investment on the manufacturing front, Gufic group is now all set to enhance our manufacturing capacity of the lyophilized products to around 50 million Vials by September, 2020. This will help us to explore the business opportunities in various countries with the product pipelines being built by us in the immediate and long term future.

The Domestic business for us has been progressing well especially in the Critical care segment where the company features in the Top 5 companies and continues to consolidate its presence every year.

The Company's drive in the domestic business has started paying off as it has entered the Top 100 companies ranking (February 2020) by reaching a position of 92 with a CAGR 39.4%.

With a well spread portfolio in Critical care, Infertility and mass specialty products we now cover almost 90 % of the tertiary care hospitals and more than 1 lakh doctors and over 2 lakh retail counters. The focus of every division is to increase the number of prescribers and prescriptions and eventually build high value brands. We now have more than 12 brands with more than Rs. 5 crores sales and the strategy is to nurture these brands further to earn leadership position in the respective segments. We have several brands (12) ranked among the top 5 brands in the relevant competing segments-which gives us confidence to build brands. Apart from our plans to consolidate the strong segments like Critical care and Infertility, Gufic has already chalked out plans to create separate teams to cater to Orthopedics and Gynecologists in the metro cities.

Looking at the Pandemic scenario and its impact of the therapy areas, we have re-strategized some of our therapy areas in the portfolio and have started building Covid-centric products like some anti-infectives, Sepsis products and Peptides to manage the critically ill patients in the tertiary care hospitals.

In the year 2020, Gufic is all set to enter the high growth Dermatology segment with evidence based Aesthetic Dermatology products with technical collaborations with companies based in USA and France. It's a pleasure to announce that Gufic is one of the 5 companies in the World which is fully equipped to manufacture high quality Botulinum Toxin. Our state-of-the-art facility at Navsari can manufacture Botulinum toxin successfully, complying to the stringent Global standards of quality.

We will have a separate highly skilled team to promote these products to high end Cosmetologists and Plastic surgeons in India. The team would be functional by the month of December, 2020.

We are also in the process of seeking approval for new drug delivery systems for the Botulinum Neurotoxin for first time users which do not prefer the injectable route.

In the financial year 2019-20, the Company has achieved total revenue of Rs. 36,456.63 lakhs over Rs. 35494.18 lakhs in the previous year and net profit after tax of Rs. 2285.67 lakhs over Rs. 2,194.07 lakhs in the previous year, respectively. The EBITDA growth of the company has increased by 2.47 % in comparison with the previous year. We have grown consistently both in terms of revenue as well as profits. The growth of the company was mainly attributed to the performance of Critical care business, the CMO Business and the international partnerships that we nurtured for the past few years.

During the year under review, your Company launched around 8 new products and made continuous efforts for improvising the existing products. R&D has around 30 active projects in the pipeline. 3 clinical trials have been initiated in India in the field of anti-virals, resistant bacterial infections and dermatology.

Your company's Active Pharmaceutical Ingredient (API) business has seen good growth. Your company also plans to increase the pipeline of API product offering by at least 6 more products in FY 2020-21 which will drive the API business further and also utilize increased capacities. Your Company's annual API manufacturing capacity has been increased by 36 tons which will contribute in revenue growth in the future.

Your Company is also in talks with several international companies for in-licensing innovative concepts in various therapy areas such as Dermatology, nutritional, infertility and anti-infectives.

We remain focused on improving quality across all aspects of our operations, with initiatives for continuous improvement, reducing manual interventions through digitization and automated equipment's. We intend to continue this journey and meet the highest regulatory standards for our manufacturing facilities and new product development.

Further, your Company is awaiting sanction of Scheme of Amalgamation of Gufic Lifesciences Private Limited (GLPL) with the Company by the requisite regulatory authorities. The manufacturing unit of GLPL is EU-GMP certified and this Scheme on becoming effective would provide larger asset base to the Company, and enable further growth and development of the Company especially in terms of Exports.

Our thanks to the management team and all our employees for coming together to deliver better results and many thanks to you for your support.

With best regards,

Yours faithfully,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director



GUFIC BIOSCIENCES LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 36th Annual Report of the Company and the Standalone Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL SUMMARY :

The financial performance of the Company, for the year ended March 31, 2020 is summarized below :

₹ in Lakhs

Particulars	2019-20	2018-19
Total Revenue from Operations	35,775.13	35,076.96
Other Income	681.50	417.22
Total Income	36,456.63	35,494.18
Profit / (Loss) before Depreciation, Finance Cost, Exceptional items & tax Expenses	5,139.84	5,015.69
(Less): Depreciation and Amortization expense	835.00	464.66
Profit / (Loss) before Finance Costs/ Exceptional items & Tax Expense	4,304.84	4,551.03
(Less): Finance Costs	1,271.83	1,016.12
Profit / (Loss) before Exceptional items and Tax Expense	3,033.01	3,534.91
Add /(Less) Exceptional items	-	-
Profit / (Loss) before tax Expense	3,033.01	3,534.91
(Less): Tax Expense (Current)	831.00	1,152.82
Deferred Tax	91.98	182.07
(Excess)/ Short Tax Provision of Earlier Years	(175.64)	5.94
Profit / Loss for the year (1)	2,285.67	2,194.08
Other Comprehensive Income / (Loss) (2)	(197.96)	(2.24)
Total (1+2)	2,087.71	2,191.84

The Company has prepared the Standalone Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

PERFORMANCE REVIEW:

The Company's total revenue for the financial year under review was ₹. 36,456.63 lakhs as compared to ₹. 35,494.18 lakhs in the previous year thus making an increase of about 2.71%. The turnover of the Company from the domestic market is around 88% and from exports is around 12%.

During the year under review, the Net Profit after tax of the Company increased to ₹. 2,285.67 lakhs as against ₹. 2,194.07 Lakhs in the previous year, thus registering a growth of about 4.17%. The increase in the Net Profit is mainly due to the increase in the operational revenue of the Company in the financial year 2019-20.

The Company has made a significant progress in the export market by making a growth of 38.50%.

There is no change in the nature of business of the Company and it continues to operate only in one segment i.e. Pharmaceutical.

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis section.

TRANSFER TO RESERVES:

The Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹. 0.05/- on every equity share of face value ₹. 1/- each (5%) for the financial year ended March 31, 2020. The dividend if approved at the 36th Annual General Meeting (AGM), will be paid to those shareholders whose name appear on the Register of Members of the Company as on the Book Closure date as specified in the Notice to the AGM.

The total dividend pay-out would amount to approximately ₹. 38,91,500. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Accordingly, your Company shall make the payment of the Final Dividend after deduction of tax at source.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked with long-term growth objectives of the Company to be met by internal cash accruals.

SCHEME OF AMALGAMATION

The Board of Directors of the Company at its Meeting held on March 25, 2019 approved the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme"). The Company has also received No Objection from BSE Limited and National Stock Exchange of India Limited vide their Observation letters both dated April 15, 2020 for the said Scheme.

Further, application for approval of the said Scheme has been filed before the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") and as per the directives of NCLT, the meeting of shareholders for approval of the Scheme is scheduled to be held on September 15, 2020.

MATERIAL CHANGES & COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report. There has been no change in nature of business of the Company.

CHANGES IN CAPITAL STRUCTURE:

During the year under review, neither there have been any change in the authorized, issued, subscribed and paid up share capital of the Company nor the Company have re-classified or sub-divided its Share Capital.

Further, neither the Company have issued any shares with differential voting rights nor granted any stock options nor sweat equity shares nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees, in the financial year ending March 31, 2020.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

I KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

2. CESSATION/ EXPIRY OF DIRECTORSHIP TENURE:

Mr. Sharat S. Gandhi tendered his resignation as an Independent Director of the Company on March 30, 2019 effective from April 01, 2019. The Board places on record its sincere appreciation for Mr. Gandhi's contribution and guidance provided during his tenure as a Director and a Member on various Committees of the Board.

The term of Mr. Jagdish D. Shah as an Independent Director of the Company ended on September 25, 2019 and he had conveyed his unwillingness to be re-appointed as the Director of the Company. The Board places on record its sincere appreciation for Mr. Shah's contribution and guidance provided during his tenure as a Director and a Member on various Committees of the Board.

The term of Mrs. Hemal M. Desai, Whole time Director of the Company is expiring on September 30, 2020 and she has conveyed her unwillingness to be re-appointed as the Director of the Company. Accordingly, the tenure of Mrs. Hemal M. Desai as Whole Time Director of the Company shall end on September 30, 2020.

3. RETIREMENT BY ROTATION:

In accordance with the provisions of the Section 152(6) of the Companies Act, 2013 read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Bal Ram Singh, Non-Executive Non-Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

4. APPOINTMENT:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee and after considering the knowledge, experience and skill set in the field of medicine, had appointed Mr. Rabi Narayan Sahoo as an Additional Independent Director of the Company for a term of three years effective from June 29, 2019, subject to the approval of the shareholders. The shareholders of the Company at its 35th Annual General Meeting held on September 30, 2019 approved the said appointment.

The shareholders at its 35th Annual General Meeting held on September 30, 2019 re-appointed Mr. Jayesh P. Choksi as Chairman & Managing Director and Mr. Pranav J. Choksi as Whole Time Director of the Company for a period of five years each, commencing from April 01, 2020 and Mr. Shreyas K. Patel and Mr. Gopal M. Daptari for a further period of five years commencing from September 26, 2019 and November 23, 2019 respectively.

The Board of Directors at its Meeting held on December 23, 2019, on the recommendation of the Nomination & Remuneration Committee had appointed Dr. Anu Sanjiv Aurora as an Additional Independent Director of the Company for a consecutive period of two years with immediate effect, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Board recommends her appointment.

The term of Mr. Shrirang V. Vaidya as an Independent director and Dr. Bal Ram Singh as a Non-Executive, Non Independent director expires on February 11, 2021 and May 28, 2021 respectively. Pursuant to the provisions of section 149 and 152 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee, the Board recommends re-appointment of the above-mentioned Directors and the details of which are mentioned in the Notice to the ensuing General Meeting.

In the opinion of the Board, the Independent Directors appointed / re-appointed during the year under review are persons of high repute, integrity and possess the relevant expertise and experience (*including the proficiency) in their respective field.

*As per Ministry of Corporate (MCA) Notification dated 22nd October, 2019, Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, the Independent Director need to give proficiency test online with the Indian Institute of Corporate Affairs within one year from the date of inclusion of his name in the Independent Directors data bank. Accordingly, your Directors have registered their name in the said data bank and they shall be appearing for the online proficiency test within the prescribed timelines.

GUFIC BIOSCIENCES LIMITED

DECLARATION BY INDEPENDENT DIRECTORS:

The Company have received declaration/confirmation from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that there is no change in the circumstances which may affect their status as Independent Director during the year under review.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees including the senior management of the Company in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The Code can be accessed from the website of the Company i.e., www.gufic.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has put in place a Familiarization Programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors in the Company.

Through the Familiarization programme, the Company apprises the Independent Directors about the Company's operations, Corporate strategy, business plans, regulatory, internal control system and critical aspects which would enable them to effectively discharge responsibilities and functions conferred on them.

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/wpcontent/uploads/2020/08/Familiarisation%20Programme%20for%20independent%20directors.pdf>

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at <http://gufic.com/investor/Appointment.pdf>

NUMBER OF MEETINGS OF THE BOARD

During the year under review, Eight Board Meetings were convened and held. The details of which are given in the Corporate Governance Report, which forms part of this Report. The intervening gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

COMMITTEES OF THE BOARD

The Board currently has four committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Stakeholders Relationship Committee. All the recommendations made by the Committees of Board including the Audit Committee were accepted by the Board. The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report that forms part of this Annual Report.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company is in compliance with the provisions of Section 177(8) of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The functions performed by the Audit Committee, details of meetings held and attendances thereat are given in the Corporate Governance Report, which forms part of this Annual Report. The Board have accepted all the recommendations made by the Audit Committee.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, Listing Regulations and all other applicable laws in force.

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management. The details of the Policy are disclosed in the Corporate Governance Report, which forms a part of this Report.

The policy lays down the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission, if any.), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The policy can be accessed on the following link: <http://gufic.com/wpcontent/uploads/2016/08/Appointment of DirectorsKMP201718.pdf>

BOARD EVALUATION:

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 read with the Rules framed there under and the Corporate Governance requirements as prescribed by Listing Regulations.

The performance evaluation of Individual Directors, Committees of the Board and the Board as a whole was carried out, after seeking inputs from all Directors, inter-alia covering different aspects viz. composition and structure of the Board, responsibilities, attendance including participation of the Directors at the Board and Committee meetings, observance of governance, functions and duties, quality of deliberations and effectiveness of the procedures adopted by the Board and all other factors based on the criteria and framework approved by the Nomination and Remuneration Committee.

The Board of Directors were satisfied with the evaluation process and expressed satisfaction over performance of individual directors, Board as a whole and of the Board Committees, as revealed by the evaluation reports.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated.

Manner in which the evaluation has been carried out and matters incidental thereto, have been detailed in the Corporate Governance Report, which forms part of this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as “Annexure- A”.

Further, the information as required under Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Corporate office of the Company and pursuant to the proviso to Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at the Corporate office address of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby confirm: -

- a. In the preparation of the annual accounts/financial statements for the year ended March 31, 2020, the applicable Indian Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b. The Directors had 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 your Company at the end of the financial year March 31, 2020 and of the profit of your Company for that year;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual financial statements on a going concern basis;
- e. The Directors had laid down proper internal financial controls and that the same are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Internal Auditor review the effectiveness and efficiency of these systems and procedures to ensure that adopted policies and procedures are followed and implemented properly.

Your Company is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

REPORTING OF FRAUDS

During the year under review, the statutory auditors, internal auditor, secretarial auditor and cost auditor have not reported to the Audit committee, any instances of fraud committed against the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013, the details of which would need to be mentioned in the Board's report

SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

During the year under review, the Company did not have any subsidiary, joint venture or associate Company. Hence, statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014 in Form AOC-1 is not applicable to the Company.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company had not given any loan or provided any guarantee or given any security with respect to any loan given or invested by way of subscription, purchase or otherwise, the securities of any other body corporate as per Section 186 of the Companies Act, 2013.

UNCLAIMED DIVIDEND/SHARES

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the details of shares lying in unclaimed suspense account and unclaimed shares/dividend transferred to IEPF, are provided in the Corporate Governance Report, that forms part of this Report.

RELATED PARTY TRANSACTIONS

In lines with the requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at the link: <http://gufic.com/wpcontent/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>

Prior omnibus approval was obtained for Related Party Transactions (RPTs) from Audit Committee at the beginning of the financial year for transactions likely to be entered with the related parties. All RPTs were placed before the Audit Committee for review and approval on quarterly basis. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

There are no material related party transactions which are not in ordinary course of business and which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held for the financial year 2019-20 are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board, on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the web link: <http://gufic.com/wp-content/uploads/2016/09/CorporateSocialResponsibilityPolicy.pdf>

Your Company continues to contribute to its CSR activities in accordance with the CSR policy. During the year under review, the Company continued several initiatives under the CSR program focusing on its thrust areas i.e., Community Healthcare, Sanitisation & Hygiene; 2. Education, Knowledge & Research and 3. Social Care and Concern, through various agencies permitted under the Act.

The details of the CSR activities undertaken by the Company during the year under review, is annexed to this report as "Annexure B"

CONSERVATION OF ENERGY

1. Steps taken by the Company or impact on conservation of energy:

- Energy saving being a prime objective for all new procurement and modification i.e the machines/equipments purchased by the Company are Energy efficient and controlled by Variable Frequency Drive (VFD) so that the power is consumed as per the requirement of each equipment. Automatisation leads to less human intervention.
- Have Energy Management System in place
- Uses Online Energy Monitoring System for monitoring day to day energy consumption and an online report is generated in which day to day consumption is being monitored and compared with production so as to analyse and reduce excess/additional uses of power.
- Replaced Conventional CFL lights with LED lights in phased manner. Primarily all new purchases of lights are done of LED lights.
- Installation of Steam Strap on main stream line to improve quality of steam.