

Chairman's Message

Dear Shareholders,

It gives me great pleasure to report that the financial year 2018-19 has been challenging yet satisfying year for the company. This encouraging performance has been supported by 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.

In the financial year 2018-19, the Company has achieved total revenue of around ₹. 350 crores over ₹. 300 crores in the previous year and net profit of ₹. 21.94 Crores over ₹.16.47 crores in the previous year, respectively. The EBITDA growth of the company has increased by 20.44% 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 Criticare and Criticare Life and Infertility division.



During the year under review, your Company launched 10 new products and made continuous efforts for improvising the existing products. R&D has around 23 active projects in the pipeline out of which 3 have been applied for approval to the FDA in India. 3 clinical trials have been initiated in India in the field of Arthritis, Influenza and resistant bacterial infections.

Your company's drive in the domestic business has started paying off as it has entered the Top 100 company ranking (source IQVMI) for the MAT sales as per June 2019 by reaching a position of 98. Also the standalone rank for the month of June 2019 is 88. ORG IMS also records the company's domestic growth of approximately 33%.

Your Company covers more than one Lakh doctors and has established its foothold in all major hospital chains in India. Your Company's products are prescribed by around 30,000 doctors across the country. Your company covers approximately 2 Lakh retail counters which caters to the patients across India.

Your company's Active Pharmaceutical Ingredient (API) business has seen good growth. The API revenue for the year under review grew by 15.16% as compared to the previous financial year. Your company also plans to increase the pipeline of API product offering by at least 6 more products in FY2020 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.

Keeping in mind the shortage and dependency of the API situation in China due to shut down in factories due to pollution and other factors, company has started its R&D work on backward integration especially for core APIs which cover 60% of our import from China.

Your Company is an indigenous manufacturing company to launch Botulinum Neurotoxin in India with a robust and inherent world class infrastructure in collaboration with USA based Company Prime Bio, Inc., led by Dr. Bal Ram Singh, who is also a Non Executive Director of the Company. The Company has received all the regulatory approvals to manufacture and market Botulinum Neurotoxin in India and is planning to launch in FY2020. The Company is 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.

Your company is in talks with several international companies for in-licensing innovative concepts in various therapy areas such as Dermatology, Diabetes, 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.

Your company is in the process of expansion in new lyophilized equipment's which would further drive our business from FY2020.

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 primarily in terms of Exports.

Given your company's significantly improved performance in the financial year 2018-19, the success in improving operational efficiencies and our determination to drive growth, we are reasonably optimistic of the future prospects. In the year ahead, we are confident of growing with more improved performance through new product launches in multiple markets and existing productivity enhancement. We aim to provide enhanced value in the hands of all our stakeholders.

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.

Yours faithfully,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director