

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

