

Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

96/LG/SE/JULY/2020/GBSL

**31<sup>st</sup> July, 2020**

To  
The Manager (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400001

To  
The Manager  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

**Scrip Code : 509079**

**Symbol : GUFICBIO**

Dear Sirs,

**Sub: Outcome of the Board of Directors Meeting held on July 31, 2020**

The Board of Directors of the Company at its Meeting held on July 31, 2020, which commenced at 8:00 p.m. and concluded at 11.40 p.m. on July 31, 2020, *inter alia* considered and approved the following:

1. The Audited Financial Results for the quarter and financial year ended March 31, 2020. Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), enclosed is the said results together with the Auditors Report with unmodified opinion.
2. Recommended Dividend @ 5% i.e. Re. 0.05 per equity share (Face Value of Re. 1/- each) for the financial year ended March 31, 2020, subject to the approval of the Shareholders at the ensuing Annual General Meeting.
3. Approved the updated Code of Conduct for Prevention of Insider Trading in line with the amended provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The said Code of Conduct is updated on the website of the Company and is available for the stakeholders of the Company at [www.gufic.com](http://www.gufic.com)

Also enclosed is the Management Report on the Financial Highlights of the Company.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,  
For Gufic Biosciences Limited



**Ami Shah**  
**Company Secretary & Compliance Officer**  
**Membership No. A39579**



# GUFIC BIOSCIENCES LIMITED

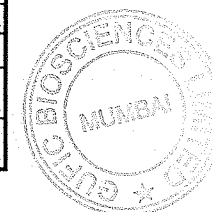
Regd. Office : 37, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai - 400069  
(CIN- L24100MH1984PLC033519)

Website - [www.gufic.com](http://www.gufic.com), email - [info@guficbio.com](mailto:info@guficbio.com), Ph-022 67261000, Fax - 022 67261068

(Rs. in Lakhs except EPS)

## Statement of Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2020

1]	Sr. No.	Particulars	Quarter Ended			Year Ended	
			31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
			Audited	Unaudited	Unaudited	Audited	Audited
1		<b>INCOME</b>					
	a	Revenue from operations	8159.08	9774.44	9154.80	35775.13	35076.96
	b	Other Income	112.57	305.71	328.67	681.50	417.22
		<b>Total Income</b>	<b>8271.65</b>	<b>10080.15</b>	<b>9483.47</b>	<b>36456.63</b>	<b>35494.18</b>
2		<b>Expenses</b>					
	a	Cost of Materials consumed	4184.95	5018.53	1979.09	15298.25	12715.73
	b	Purchase of stock-in-trade	(90.01)	1204.11	942.56	3722.41	3984.34
	c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(57.02)	(1423.26)	1536.83	(1272.93)	1377.25
	d	Employee benefits expense	1225.41	1270.99	1283.39	5157.07	4684.9
	e	Finance Cost	299.04	345.32	341.91	1271.83	1016.12
	f	Depreciation and amortisation expense	238.65	211.29	164.07	835.00	464.66
	g	Other expenses	1863.46	2511.22	2160.80	8411.99	7716.27
		<b>Total Expenses</b>	<b>7664.48</b>	<b>9138.20</b>	<b>8408.65</b>	<b>33423.62</b>	<b>31959.27</b>
3		Total Profit / (Loss) before exceptional and tax (1-2)	607.17	941.96	1074.82	3033.01	3534.91
4		Exceptional Items					
5		<b>Total Profit / (Loss) Before Tax</b>	<b>607.17</b>	<b>941.96</b>	<b>1074.82</b>	<b>3033.01</b>	<b>3534.91</b>
6		<b>Tax expense</b>					
		Current Tax	138.00	273.00	338.59	831.00	1152.82
		Deferred Tax	172.52	(32.98)	135.36	91.98	182.07
		Short/(excess) Tax Provisiopn of Earlier Years	(175.64)	0.00	(0.54)	(175.64)	5.94
		<b>Total Tax Expenses</b>	<b>134.88</b>	<b>240.02</b>	<b>473.41</b>	<b>747.34</b>	<b>1340.84</b>
7		<b>Net Profit/(Loss) for the period from continuing operations</b>	<b>472.29</b>	<b>701.94</b>	<b>601.41</b>	<b>2285.67</b>	<b>2194.08</b>
8		<b>Total Profit (Loss) for period</b>	<b>472.29</b>	<b>701.94</b>	<b>601.41</b>	<b>2285.67</b>	<b>2194.08</b>
9		<b>Other Comprehensive Income (OCI)</b>					
		Items that will not be reclassified to profit and loss	(50.94)	0.00		(264.54)	
		Less: Income tax relating to items that will not be reclassified to profit or	12.82	0.00		66.58	
		Other Comprehensive Income / loss (net of taxes)	(38.12)	0.00		(197.96)	
10		<b>Total Comprehensive Income</b>	<b>434.17</b>	<b>701.94</b>	<b>601.41</b>	<b>2087.71</b>	<b>2194.08</b>
11		<b>Reserves</b>					<b>8,807.09</b>
12		<b>Details of Equity Share Capital</b>					
		Paid-up equity share capital	778.3	778.3	778.3	778.3	778.3
		Face Value of equity share capital (Rs.)	1	1	1	1	1
13		<b>Earning per equity share</b>					
	i	Basic earnings/(loss) per share from continuing and discontinued operations	0.61	0.90	0.77	2.94	2.82
	ii	Diluted earnings/(loss) per share from continuing and discontinued operations	0.61	0.90	0.77	2.94	2.82



## GUFIC BIOSCIENCES LIMITED

Regd. Office : 37, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai - 400069  
(CIN- L24100MH1984PLC033519)

Website - www.gufic.com, email - info@guficbio.com, Ph-022 67261000, Fax - 022 67261068

### Audited Standalone Balancesheet as at March 31, 2020

2]	Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
	Property, plant and Equipment	3,178.49	2,408.18
	Intangible Assets	55.70	36.64
	Capital Work-in- Progress	3,061.03	962.62
	Right of use assets	930.11	-
	Financial Assets		
	i. Investments	0.50	0.50
	ii. Loans	1,005.57	423.42
	iii. Other Financial Assets	-	359.71
	Non-Current Tax Assets (Net)	-	-
	Deferred Tax Assets (Net)	43.56	68.96
	Other Non-Current Assets	1,001.05	442.60
	<b>Total Non-Current Assets</b>	<b>9,276.01</b>	<b>4,702.62</b>
	<b>Current Assets</b>		
	Inventories	10,919.77	9,428.46
	Financial Assets		
	i. Investments	-	-
	ii. Trade Reciveables	10,123.94	10,318.04
	iii. Cash & Cash equivalent	418.39	366.15
	iv. Bank Balances	663.32	393.33
	v. Loans & Advances	18.90	3.02
	Other Current assets	4,203.75	2,742.35
	<b>Total Current Assets</b>	<b>26,348.07</b>	<b>23,251.35</b>
	<b>TOTAL ASSETS</b>	<b>35,624.08</b>	<b>27,953.96</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity Share Capital	778.30	778.30
	Other Equity	8,807.09	6,756.49
	<b>Total Equity</b>	<b>9,585.39</b>	<b>7,534.79</b>
	<b>Liabilities</b>		
	<b>Non-Current Liabilities</b>		
	Financial Liabilities		
	i. Borrowings	1,792.35	1,131.17
	ii. Other Financial Liabilities	474.75	468.09
	iii. Provisions	694.73	185.59
	iv. Lease liability	620.13	-
	Non-Current Tax Liabilities (Net)	-	-
	Other non-current liabilities	-	-
	<b>Total Non- Current Liabilities</b>	<b>3,581.96</b>	<b>1,784.85</b>
	<b>Current Liabilities</b>		
	Financial Liabilities		
	i. Borrowings	8,943.27	8,469.00
	ii. Trade & Other Payables	10,862.28	7,780.51
	iii. Other Financial Liabilities	925.04	1,108.70
	iv. Lease liability	343.16	-
	Provisions	926.89	336.89
	Other Current Liabilities	376.76	519.16
	Current tax liabilities (Net)	79.33	420.07
	<b>Total Current Liabilities</b>	<b>22,456.73</b>	<b>18,634.33</b>
	<b>Total Liabilities</b>	<b>26,038.69</b>	<b>20,419.18</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,624.08</b>	<b>27,953.97</b>



**Gufic Biosciences Limited**

Statement of cash flows for the year ended March 31, 2020

All amounts are in Rs. Lakhs unless otherwise stated

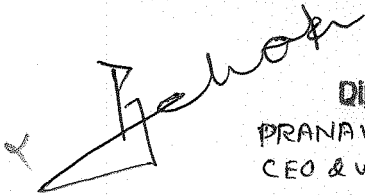
3]	Particulars	For the Year ended March 31, 2020 (Audited)	For the Year ended March 31, 2019 (Audited)
	<b>A. Cash flows from operating activities</b>		
	Profit for the year	2285.67	2194.07
	Adjustments for:		
	Income tax expense recognised in profit or loss	747.34	1340.84
	Depreciation	835.00	464.66
	Dividend	(0.04)	(0.04)
	Interest income on fixed deposits with banks	(36.76)	(26.09)
	Interest income on financial assets carried at amortised cost	(65.78)	(55.89)
	Interest costs on financial liabilities measured at amortised cost	1271.83	1016.12
	Non Current Security Deposits at amortised cost	58.11	54.26
	Sundry credit balances written back	(236.29)	(117.77)
	<b>Operating profit before movements in the working capital</b>	<b>4859.08</b>	<b>4870.16</b>
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	(1481.04)	(3508.12)
	(Increase)/decrease in inventories	(1491.31)	(8.36)
	Increase/ (Decrease) in trade and other payables	3678.78	164.74
		<b>706.43</b>	<b>(3351.74)</b>
	Cash generated from operations	5565.51	1518.43
	Income taxes paid	(996.09)	(997.69)
	<b>Net cash generated by operating activities (A)</b>	<b>4569.42</b>	<b>520.74</b>
	<b>B. Cash flows from investing activities</b>		
	Purchase of property, plant and equipments including capital advances	(4011.72)	(1,308.38)
	Purchase of intangibles		0.00
	Sale of property, plant and equipments	0.49	0.50
	Other dividends received	0.04	0.04
	Balance in earmarked accounts	(258.19)	(29.46)
	Interest income on fixed deposits with banks	24.96	37.86
	<b>Net cash (used in)/generated by investing activities (B)</b>	<b>(4244.42)</b>	<b>(1,299.45)</b>
	<b>C. Cash flows from financing activities</b>		
	Proceeds from borrowings	1404.71	2468.27
	Repayment of borrowings	(110.25)	(661.66)
	Processing Fees Paid	(2.38)	(22.35)
	Payment for Lease Liabilities	(262.23)	-
	Payment for interest on Lease Liabilities	(105.78)	-
	Dividends paid on equity shares	(48.75)	(38.75)
	Interest paid	(1148.08)	(974.51)
	<b>Net cash used in financing activities (C)</b>	<b>(272.76)</b>	<b>770.94</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>52.24</b>	<b>(7.77)</b>
	Cash and cash equivalents at the beginning of the year	366.15	373.92
	<b>Cash and cash equivalents at the end of the March 20</b>	<b>418.39</b>	<b>366.15</b>



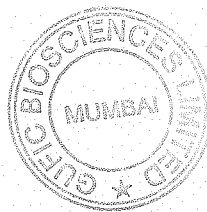
#### 4] Notes:

- 1 The above financial results have been prepared in accordance with the companies (Indian Accounting Standards), Rules, 2015 (Ind AS) as amended, prescribed under section 133 of companies Act, 2013, read with rules issued thereunder.
- 2 The above Results for the quarter and year ended March 31, 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 31st July 2020 and concluded on 31st July 2020. The Statutory Auditors have carried out Audit for the Audited Financial Results for quarter and year ended March 31, 2020.
- 3 The Company's business activity falls within a single operating segment i.e., Pharmaceuticals
- 4 The Board of Directors of the Company at its Board 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"), subject to sanction of the regulatory authorities. The BSE Limited and National Stock Exchange of India Limited vide its letters dated April 15, 2020 issued "Observation Letter" approving the said Scheme, subject to compliance of the said letters. The Company has filed the application for approval of the Scheme before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and the Company shall hold its Shareholder Meeting on September 15, 2020 for approval of the Scheme and comply with other conditions as per the directions issued by NCLT.
- 5 Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" applicable to all contracts having lease components existing on April 1, 2019 using modified retrospective approach. This has resulted in recognising right of use asset and a corresponding lease liability of Rs. 925.55 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the quarter and year ended March 31, 2020 is lower by Rs. 11.14 lakhs and Rs. 32.27 lakhs respectively. Consequent to adoption of Ind AS 116, there is no impact on retained earnings as on April 1, 2019 resulting in no restatement in results of comparative period.
- 6 The Government of Indian, on 20th September 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. Accordingly, the Company has recognized Provision for Income Tax for the quarter and year ended March 31, 2020 and re-measured its opening balance of net Deferred Tax Assets based on the rate prescribed in the said section.
- 7 Pursuant to outbreak of coronavirus disease (Covid - 19) worldwide and its declaration as global pandemic, the government of India, declared lockdown on March 24, 2020, followed by several restrictions imposed by the governments across the globe on the travel, goods movement; and transportation considering public health and safety measures. Considering that the Company deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. As of today, production facilities of the company remain operational. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.
- 8 The Board of Directors at its meeting held on July 31, 2020 has recommended a final dividend of ₹ 0.05 (Rupees Zero Point Zero Five only) per equity share i.e., @ 5% on the face value of ₹ 1/- each, for the financial year 2019-20, subject to the approval of the shareholders at the ensuing Annual General Meeting.
- 9 The figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter ended December 31, 2019 and December 31, 2018 respectively, which were subjected to limited review.
- 10 Previous year figures have been regrouped / reclassified, wherever necessary.

For GUFIC BIOSCIENCES LIMITED



Director  
PRANAV CHOKEJI  
CEO & WHOLE TIME DIRECTOR  
DIN: 00001731



**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
Board of Directors of  
Gufic Bio Sciences Limited

**Report on the audit of the Financial Results**

**1. Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of Gufic Biosciences Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**2. Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**3. Emphasis of Matter**

Attention is invited to note no. 7, of the statement, on the assessment of the management in respect of impact of Covid - 19 on the financial statements and operation of the company.

Our opinion is not modified in Respect of this matter.

**4. Management's Responsibilities for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets





of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

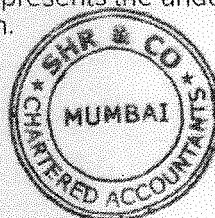
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### 5. Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

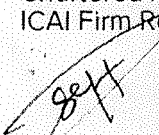


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S H R & CO  
Chartered Accountants  
ICAI Firm Registration Number: 120491W

  
Deep N Shroff  
Partner  
Membership No.: 122592  
UDIN: 20122592 AAAAD52828  
Mumbai, dated July 31, 2020



**212A/203, Rowa Chambers,  
Sir Vithaldas Thakersey Marg,  
Mumbai - 400 020.**



Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

98/LG/SE/JULY/2020/GBSL

31<sup>st</sup> July, 2020

To  
The Manager (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400 001

To  
The Manager  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

Scrip Code : 509079

Symbol : GUFICBIO

Dear Sirs,

Sub: Declaration under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI Circular No. CIR/CFD/CMD/56/2016

**DECLARATION**

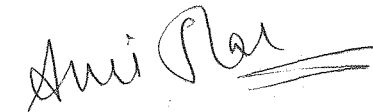
In Compliance with the provisions of Regulation 33(3)(d) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended and SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, I hereby declare that M/s. SHR & Co., Chartered Accountants (FRN - 120491W), Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Standalone Audited Financial Results of the Company for the quarter and year ended March 31, 2020.

Kindly take the same on record.

Thanking You,

Yours Faithfully,

For Gufic Biosciences Limited



Ami N. Shah  
Company Secretary & Compliance Officer  
Mem No. A39579



Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

## GUFIC BIOSCIENCES LIMITED

### MANAGEMENT REPORT

1. Pursuant to outbreak of coronavirus disease (Covid-19) worldwide and its declaration as global pandemic, the government of India, declared lockdown on March 24, 2020, followed by several restrictions imposed by the governments across the globe on the travel, goods movement; and transportation which had some impacts on Company's supply chain during March, 2020.
2. Export sales (FOB basis) during the last week of March 2020, amounting to Rs 454.59 lakhs has not been recognised due to complete lockdown of all international mode of transport till 31st March, 2020. The same has been shipped in the subsequent month. The Management is of view the export sales in on FOB Basis. The ownership of the goods is already transferred to customers and which has been confirmed in writing by the customer. It is the customer responsibility to pick up the goods whereas the auditors view is that the bill of lading is after March 31, 2020. Hence Export sales can not be recognized in Financial year 2019-20. To avoid the qualification management has accepted auditors view and not recognized Rs 454.59 lakhs Export sales.
3. Domestic sales (Ex-factory) during the last week of March 2020, amounting to Rs 314.18 lakhs has not been recognized due to complete lockdown of all mode of transport till 31st March, 2020. The same has been dispatched in subsequent month. The Management is of view the Domestic sales in on Ex-factory. The ownership of the goods is already transferred to customers. It is the customer responsibility to pick up the goods whereas the auditors view is that the dispatch of material is after March 31, 2020. Hence Domestic sales cannot be recognized in Financial year 2019-20. To avoid the qualification management has accepted auditors view and not recognized Rs 314.18 lakhs Domestic sales.
4. During the Financial year 2019-20 the company has focused to improve the cash flow and strictly followed the credit policy for customers. As a result the customers who are not paying within a credit period the company has taken the goods return back and accounted sales return in the financial year 2019-20. The sales return percentage has increased during the year. Hence additional provision made during the year 2019-20 towards future sales return as per Accounting Standards. Management is of view that being change in



Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

the credit policy implementation additional provision has been made one time. In future company do not expect any major provision towards future sales return.

Details as below:

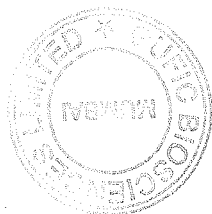
<u>Provision for future sales return</u>	<u>Rs in lakhs</u>
Cumulative provision as on 31st March 2019	266.52
Additional provision for F.Y. 2019-20	796.37
Cumulative provision as on 31st March, 2020	1,062.89

Management view on Audited financial results for quarter and year ended 31st March 2020 Rs in lakhs.

Particulars	Audited		As per Management (See Note below)	
	Quarter ended 31st March 2020	Year ended 31st March 2020	Quarter ended 31st March 2020	Year ended 31st March 2020
Revenue from operations	8,159.08	35,775.13	9,410.92	37,340.27
Cost of material consumed including stock in trade	4,037.92	17,747.73	4,764.97	18,474.78
Profit Before income tax	607.17	3,033.01	1,131.96	3,871.10
Income tax	134.88	747.34	271.33	965.24
Profit after tax	472.29	2,285.67	860.63	2,905.86

Note:

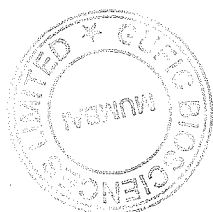
Financial result as per management if export sale of Rs 454.59 lakhs and domestic sales of Rs 314.18 recognised and no additional provision has made for financial year 2019-20 for future sales return as explain above.



- Gufic has reached a MAT rank of 94 in the year ending March 2020 (as per IQVIA, formerly Quintiles and IMS Health Inc.). Growth in the Indian pharmaceutical market continues to happen in the range of 18 % plus YoY

Division	% Growth Apr to March 2020 Vs Apr to March 2019
Nutraceutical and Alternate medicine	5
Spark ( Pediatric and Gynecology)	11
Criticare	10
Criticare Life	23
Ferticare	18
Ferticare Life	NA (launched in October 2018)
Per Man Productivity	26

- However, since March 2020, in the scenario of Covid we have seen the domestic sales really take a hit as transportations, hospitals, dispensaries were shut and the entire movement was almost static till June, 2020.
- Criticare sales (both the divisions) had been reduced to 10% in the month of April, 2020 and moved to 30% by the month of May, 2020. The month of June, 2020 has seen an improvement to 40% which has further improved to the extent of 75 % in the month of July, 2020. We foresee the division to return to pre-covid number by September 2020 and better growth possible due to new and innovative products which will be launched between August and November 2020.
- Fertility divisions have taken the biggest hit and sale has returned to only 40 % levels by July 2020 from almost no sales in April 2020. We expect this division to be flat this year or maximum 10% degrowth as compared to previous year..
- Healthcare (nutraceutical and Alternate medicine) has achieved 60% of sales between April to June, 2020 and has recovered to 90% in the month of July, 2020 we hope this division to end the year with a min 10% growth.
- Spark division (pediatric and Gynecology) has clocked 45% of the sales in April to June, 2020 and will also end the year with a 8 to 12 % growth as we have planned some new launches in the second quarter of the financial year 2020-21. Recovery of Spark has been 75% in July 2020.



Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

- The launch of Asthaderm division has been pushed from April to October 2020 keeping in mind the scenario and the Unlock guidelines to ensure better return against planned investments.
- Cash flow had been the focus in the year 2019-20 and it is paying dividends as seen in the data. This has helped Gufic to pass through the Covid 19 and Lockdown phase without much trouble or increase in debt when collections were low.
- Contract manufacturing division which has seen an 18% degrowth in 2019-20 has seen a good recovery in January to February 2020. The order book however has been robust even during lockdown and we foresee a growth of minimum 15% this year in this division.
- This will be in part aided by the increase in Lyophilization capacity by 1.6 million vials per month which will take the total capacity of the Company and Gufic Lifesciences Private Limited from 2.6 million to 4.2 million vials per month. The machinery have arrived in end of March 2020 and can be seen reflected in the balance sheet as capital work in progress. The total investment will be 36 crores. The Trade payables this year contain 22.8 crores of this investment. The team at Navsari has done a wonderful job inspite of the lockdown and we will start commercialization from the month of August 2020.
- A majority part of the capacity will be dedicated to exports markets like Germany , Portugal, Brazil, Philippines and Canada. Russia, South Africa and UK also should initiate contribution by the end of the financial year 2020-21 or by first quarter of 2021-22. This revenue will be captured In Gufic Lifesciences Private Limited.
- As already mentioned above in the notes, BSE Limited and National Stock Exchange of India Limited has conveyed their "No Objection" for Approval of the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors vide their Observation letters both dated April 15, 2020. Further, application for approval of the said Scheme has been filed before the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") and vide the directions of NCLT, shareholder meeting for approval of the Scheme shall be held on September 15, 2020. We expect both the companies to merge before the end of the financial year 2020-21.



Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

- Exports for both the companies will be one of the high growth drivers in this year and we have started seeing the benefit already from June once logistics has started. July to September should be the highest quarter in the history of Gufic for exports formulations.
- Gufic Lifesciences Private Limited has also tied up with Hetero Labs Limited ("Hetero") to manufacture Remdesvir injection (Hetero Labs Limited has in-licensed the product from Gilead for India and other countries) on loan license basis at the EU GMP approved facility and has already assisted to supply injections to countries like Kazakhstan, Philippines, Pakistan and Indonesia apart from India. We hope to help Hetero serve million of patients in the near future.
- Gufic will assist Hetero to make at least 500,000 vials of Remdesevir injection in the next 45 days.
- Company API's division has continued its growth and ended the year on 40% YOY due to increase in capacity. As per the new India Pharma vision, Gufic will use its new capacity to not only backward integrate but also work on certain molecules which are currently being imported from our neighboring countries. We have planned for API business, in the next 3 years, to become another strong growth driver for the company in the field of Antibiotics, Anti funginals, and biological products.
- Gufic has continued its investment in Research and Development inspite of the current economic scenario.
- Trials for D-29 has been initiated for the novel second-generation lipoglycopeptide antibiotic. It belongs to the same class as vancomycin, the most widely used and one of the few treatments available to patients infected with methicillin-resistant Staphylococcus aureus (MRSA) and we hope to launch the product by 2021.
- Gufic drug candidate O-26 for the treatment of community-acquired bacterial pneumonia and acute skin and skin structure infections will be ready for filing in DCGI and other countries by November 2020 and aim for commercialization by last quarter 2021 or early 2022.





11734

Corp. Office : 1st to 4th Floor, SM House, 11, Sahakar Road, Vile Parle (East), Mumbai - 400 057.  
Tel. : (91-22) 6726 1000 Fax : (91-22) 6726 1068 E-mail : info@guficbio.com, CIN No. L24100MH1984PLC033519

- Gufic's drug candidate IS-6, an antifungal to treat invasive aspergillosis and mucormycosis will be applied for registration by Jan 2021 and a commercialization launch target of second or third quarter 2021.
- Apart from new first to launch molecules, Gufic also plans to launch new drug delivery systems in the field of Antibacterial and also Biological peptides by 2021 and DCGI process will be initiated by December 2020 with infrastructure tie ups from Spain and Italy.

Date : 31.7.2020

Place: Mumbai

