To,
Corporate Relations Department,
Bombay Stock Exchange Limited,
2nd Floor, P.J Towers,
Dalal Street,
Mumbai-400 001

Scrip Code: 524314

Dear Sir/Madam,


An update relating to the impact of the COVID-19 pandemic and the resultant lockdown on the Company’s operations is provided herewith.

Impact on business operations:

Gujarat Terce Laboratories Ltd. is a pharmaceutical company wherein its operations are majorly categorized to marketing & manufacturing. As medicines fall under essential commodities, our operations were not halted, but logistics stagnancy and lockdown slowed pace of business operations.

During lockdown, where chronic segment surged, acute therapy had hardly any movement. Gujarat Terce Laboratories Ltd. majorly deals in acute therapies with most of its business volume is generated from antibiotics, anti-allergic, & anti-cold class of drugs.

Our marketing operations mainly comprise of visits to doctors, chemists, & hospitals. As marketing was not an essential operation during lockdown our reach and visits got limited. Company is set to revive its business to normalcy with launch of wellness products, digital promotion & making the products available on e-commerce platforms.

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus
GUJARAT TERCE LABORATORIES LIMITED

immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. The switch to work from home for employees was carried out seamlessly to work remotely and securely. This response has reinforced customer and employee confidence in GTLL and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions. Our Factory was operational after first week of closure due to lockdown. Supply chain and demand were hit from day one, and was worsening as days passed by.

Although there are uncertainties, GTLL as always involved in public service, started mass production of Sanitizers at a reasonable rate to serve the nation in these trying times. With its positive outlook, innovative business model and work commitment even in these uncertain time due to the pandemic, the Company is anticipating to navigate the challenges ahead and gain better momentum in the near future.

Existing contracts/agreements and non-fulfilment of the obligations if any:

The Company at present continues to fulfil its obligations with respect to all the existing contracts and agreements. The Company does not foresee any material impact on account of non-fulfilment of obligation by any party in existing contracts or agreements.

Capital and liquidity:

The customers continue to pay within normal credit terms and the Company remains committed to paying its suppliers on time. The Company has also instituted, across all its operations, aggressive and focused cost control programs and a deferment of all but completely necessary capital expenditure to build up and conserve its already healthy cash position.

Internal Financial Reporting and Control;

There is no impact on internal financial controls due to the Covid-19.

Annual Financial Results:

As the lockdown started in last week of March, Our FY 2019-20 had negligible effect of it. The Q1 of FY 2020-21, saw lockdown across India for almost 60 days. Our Q1 revenues are down by 30% QoQ. Also, expecting the next two quarters to be the same. As a company we are saw an opportunity in healthcare and wellness products, and thus launched 3 new products to cater the demand. Initial response of the new products is encouraging.

We see new opportunity in this segment, which was untouched by the company. We are planning to launch new products in this segment and entering areas which are new for us. As the demand trend is not encouraging, it is difficult to ascertain this FY 21 numbers. We have well understood
that covid is going to stay, and a U or V recovery of demand is difficult. Our team is charged and as a company we are looking at new opportunities to add volume in healthcare and wellness segment.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
Gujarat Terce Laboratories Limited

Ashka Solanki
Company Secretary & Compliance Officer