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### BOARD OF DIRECTORS

Mr.C.Abraham - Chairman  
Mr.K.O.Isaac - Director  
Mrs.Rosemary Isaac - Director

### REGISTERED OFFICE

1, 4<sup>th</sup> East Street, Kamaraj Nagar  
Tiruvanmiyur, Chennai 600 041.

### HATCHERY

Thimmapuram  
Kappuluppada Village  
Bheemili Mandal  
Visakhapatnam District  
Andhra Pradesh

### AUDITORS

M/s Pratapkaran Paul & Co.,  
Chartered Accountants,  
Chennai - 600 020.

### BANKERS

Indian Bank  
Patullos Road Branch  
Chennai - 600 002.

### SHARE TRANSFER AGENTS

Hi-Tech Shore Registry Private Limited,  
81, Grems Road,  
Chennai - 600 006.

### DEMAT ELECTRONIC CONNECTIVITY AGENT

CAMEO CORPORATE SERVICES LTD  
"Subramaniam Buildings"  
1, Club House Road, Anna Salai  
Chennai - 600 002.



3)

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Tenth Annual General Meeting of the members of the company will be held on Monday, September, 30, 2002 at 10.30 a.m. at Chrompet Cultural Academy, 3, Indira Gandhi Cross Street, Radha Nagar, Chrompet, Chennai - 600 044, to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2002, the Profit and Loss Account for the year ended on that date, the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. C. Abraham, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint auditors of the company and to fix their remuneration. M/s Pratapkaran Paul & Co., Chartered Accountants, Chennai, the retiring auditors are eligible for reappointment.

**NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxy in order to be valid must be deposited at the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to notify immediately their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, Hi-Tech Share Registry Private Limited, 81, Greaves Road, Chennai - 600 006.
3. The Register of Members and the Share Transfer Books will remain closed from September 27, 2002 to September 30, 2002 (both days inclusive).

By the order of the Board  
For ABL BIOTECHNOLOGIES LTD

Date : 14.05.2002  
Place : Chennai

C. ABRAHAM  
Chairman

**DIRECTORS' REPORT**

To

All Members

Your Directors take great pleasure in presenting this 10th Annual Report together with the audited accounts for the year ended on March 31, 2002.

**FINANCIAL RESULTS**

The Company's performance during the year was focussed mainly at revamping its entire business strategy as operations in the aquaculture sector across the industry have become unviable. However the Company continued with its developmental activities in Research and Development. The financials of the company mainly reflect the Company's focus in this area. The total revenue for the year under review was at Rs.27.00 lakhs as against Rs.55.03 lakhs in the previous year. The Company has provided for interest of Rs.17.06 lakhs (previous year Rs.15.75 lakhs) and depreciation of Rs.9.85 lakhs (previous year Rs.10.01 lakhs). The Company also took the decision of writing off all obsolete stock valued Rs. 74.54 Lakhs and Bad debts amounting Rs. 38.67 lakhs during the financial year. After adjusting a sum of Rs.30.07 lakhs (previous year Rs.12.49 lakhs) against the write back of excess provision made in the previous years, the net loss for the year is Rs.105.32 lakhs as against a loss of Rs.29.87 lakhs in the previous year.

**PERFORMANCE**

During the year under review, your Company has successfully completed its technology development and transfer exercise for the production of betacarotene at the facility of Shantha Marine Biotechnologies Pvt Ltd at Tiruchendur, a joint venture between your Company and the Hyderabad based vaccine major Shantha Biotechnics Pvt Ltd. Considering that this technology involved domesticating a wild micro organism for the first time in India and establishing a commercial scale process methodology catering to global requirements of quality, ABL has provided innovative techniques to ensure its success. The joint venture company has begun commercial scale production and its bulk and formulated products have found ready acceptance in the national and international markets.

In addition, your Company has been working on shifting its current focus from the area of merely product development and trading into providing essential inputs to the pharmaceutical sector. This is through the process of formulating different kinds of nutritional and therapeutic products with outsourced capsulation



and soft gelling operations. It is expected that this activity will provide sufficient revenues for turning around the Company.

Your Company had renewed the lease of its hatchery for the period of one more year to ensure continued sustenance of its operations through rental income.

#### TRADING OF SHARES IN THE STOCK EXCHANGES

The shares of the Company are listed in Mumbai, Cochin and Chennai exchanges. The trading of shares on the Mumbai Stock Exchange has resumed. The shares of the Company are being dematerialized.

#### CORPORATE GOVERNANCE

The company continues to strictly adhere to the code of Corporate Governance during the year under review.

#### DEPOSITS

Your Company had not accepted any deposit from Public during the year under review.

#### DIRECTORS

Mr. Thomas Abraham resigned from the Board of the Company with effect from 14.05.2002 after his association with the Company since its early days. The Board reluctantly accepted his resignation and wishes to place on record its sincere gratitude for the guidance provided by him during his tenure as a Director in your Company.

Mr. C. Abraham, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

#### AUDITORS

M/s. Pratapkaran Paul & Co., Chartered Accountants, Chennai, auditors of the company retire at the ensuing annual general meeting and a notice has been received under Section 224 (1B) of the Companies Act, 1956 from them expressing their eligibility for reappointment.

#### EMPLOYEES

Your directors place on record their appreciation of the sincere and dedicated services rendered by all the employees during the year under review. None of the employees of the company were in receipt of remuneration in excess of the limits prescribed under

Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

#### ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, Technology absorption and Foreign Exchange earnings and outgo are given below:

##### CONSERVATION OF ENERGY

Energy conservation is not applicable to aquaculture industry or the current activities of the Company.

##### TECHNOLOGY ABSORPTION

The technology for Marine Microbial Metabolites is developed indigenously and hence absorption of foreign technology does not arise.

##### RESEARCH AND DEVELOPMENT

Your company has been continuing its research and development activities during the year on various Microalgae and other organisms and the future prospects of your company is dependent on the successful commercialization of various R & D efforts.

##### FOREIGN EXCHANGE EARNINGS : NIL

(Previous Year: Nil)

##### FOREIGN EXCHANGE OUTGO:

On account of import of goods - Nil

(Previous year Rs.7.58 lakhs)

Foreign Travel - Nil

(Previous Year: Nil)

##### ACKNOWLEDGEMENT

The Board would like to place on record its gratitude to Indian Bank and the ever so many people and organisations that have supported the company during the past year.

For and on behalf of the Board of Directors

Date: 14.05.2002  
Place: Chennai

C.ABRAHAM  
Chairman

**REPORT ON THE CORPORATE GOVERNANCE****A. COMPANY'S PHILOSOPHY**

The Company is committed to the principles of good Corporate Governance. The Company is also committed to report financial information transparently and adequately. A judicious and continuous process of empowerment and accountability based on trust, faith and transparency shall form the foundation of our growth.

**B. BOARD OF DIRECTORS**

1. Composition and category of Directors as on May 14, 2002 is as follows:

Category No. of Directors	: 3
Executive Directors	: 0
Non-executive,	
Independent Directors	: 3
Total	: 3

Constitution of Committees of the Board of Directors as May 14, 2002:

Share Transfer Committee

Smt. Rosemary Isaac, Chairman

Shri. K.O.Isaac, Member

2. Attendance of each Director at the Board meetings and the last AGM:

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	C. Abraham	4	4
2	Thomas Abraham	4	2
3	K.O.Isaac	4	4
4	Ms. Rosemary Isaac	4	4

3. No. of Board Meetings held, dates on which held:

Four Board Meetings were held during the year from April 2001 to March 2002. The dates on which the meetings were held are - 25.6.2001, 1.11.2001, 13.12.2001 and 4.2.2002.

**C. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee formed on May 23<sup>rd</sup> 1995 considers transfers/ transmissions of shares issued by the Company, issues duplicate certificates and certificates after split/consolidation/renewal.

The Board is conscious of the fact that as per regulations the number of Directors have to be increased by appointing more professionals and to constitute various other Committees such as Audit Committee, Investors Grievance Committee and Remuneration Committee. This arrangement would be completed before 31st March 2003, to comply with the regulations well in time.

**D. GENERAL MEETINGS**

No Extra-ordinary General Meeting was held since the date of the last Annual General Meeting.

**E. SHAREHOLDER RELATIONS**

The Company has 1,702 shareholders as on 31.03.2002. The main source of information for the shareholders is the annual report, which includes inter alia, the Chairman's Statement, Directors' Report and the audited financial results. The quarterly results are generally published in Trinity Mirror and Makkal Kural. Shareholders have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the Company's operations can be discussed. The Investor Service Centre serves as a contact point for shareholders on issues such as transfers and other related issues.

**F. DISCLOSURES**

There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives of the Directors during the year.

**G. GENERAL SHAREHOLDERS INFORMATION**

1. Date and Time of the Annual General Meeting:

The Annual General Meeting is proposed to be held on Monday, September 30, 2002, at 10.30 a.m. at Chromepet Cultural Academy, No. 3, Indira Gandhi Cross Street, Radha Nagar, Chromepet, Chennai 600 044.

2. Financial Year: April to March.

3. Date of Book Closure: September 27, 2002 to September 30, 2002 (both days inclusive)

4. Listing on Stock Exchanges:

The Shares of the Company are listed at Madras Mumbai and Cochin Stock Exchanges.

5. Registrar and Share Transfer Agent  
Hi-Tech Share Registry Private Limited  
Unit: ABL Biotechnologies Limited  
Murugesu Naicker Office Complex  
81, Greaves Road, Chennai 600 006

6. The Share Transfer Agent acknowledges and executes transfer/transmission of securities. It also accepts, deals with and resolves complaints of shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.

7. Shareholding pattern as on 31.03.2002:

Category	Total No shares	Percentage of Shares
Resident Indians	12,29,000	29.98
NRIs	3,600	00.09
Domestic Companies	8,17,700	19.94
Financial Institutions/Banks	5,00,000	12.20
Mutual Funds	4,10,700	10.02
Promoters	11,39,000	27.77
TOTAL	41,00,000	100.00

#### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As required, we have reviewed the company's procedures for compliance with the provisions of Clause 49 of the Listing Agreement.

On the basis of our review and according to the information and explanations given to us and the representations made by us to the Directors and the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of corporate governance stipulated in Clause 49 with the concerned stock exchanges, where the equity shares of the company are listed and traded.

For M/s. PRATAPKARAN PAUL & Co.,  
Chartered Accountants

Date : 15.05.2002  
Place : Chennai

PRATAPKARAN PAUL  
Partner

#### MANAGEMENT DISCUSSION ANALYSIS

The points set out by SEBI are already discussed in detail in the Directors' Report

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that -

These statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards. Judgments and estimates that are reasonable and prudent have been made where necessary.

The accounting policies selected and applied consistently give a true and fair view of the financial statements.

The Company has implemented internal controls to provide reasonable assurance of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures, and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's Internal Auditors conduct regular internal audits, which complement the internal controls. "Integrity" is one of the core values of the company, which prescribes that the Company and all employees are to maintain the highest ethical standards and its business policies are to be conducted in a manner above reproach.

The Company's statutory auditors M/s. Pratapkaran Paul & Co., Chartered Accountants, have audited the financial statements in accordance with generally accepted auditing standards and practices as indicated in their report.

Date : 14.05.2002  
Place : Chennai

C.ABRAHAM  
Chairman