



16TH ANNUAL REPORT
1999 - 2000

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BOARD OF DIRECTORS

J. P. CHOKSI	MG. DIRECTOR
V. J. CHOKSI	DIRECTOR
P. S. CHOKSI	DIRECTOR

BANKERS

DENA BANK,
VILE PARLE,
MUMBAI.

THE SARASWAT CO-OP. BANK LTD.,
MUMBAI.

BANK OF BARODA,
MUMBAI

AUDITORS

R. V. SHAH
Chartered Accountant
203, Rewa Chambers,
Sir Vithaldas Thackersey Marg,
MUMBAI - 400 020

REGISTERED OFFICE

Gufic House,
Subhash Road "A",
Vile Parle (E),
Mumbai - 400 057.

N O T I C E

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Friday, the 22nd September, 2000 at Santokba Hall, (Bhaidas), N.S. Road No.1, JVPI Scheme, Vile Parle (West), Mumbai - 400 058 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. Receive, consider and adopt the audited Balance Sheet as at June 30, 2000 and the Profit and Loss Account for the period ended on that date and the Report of the Directors and Auditors thereon.
2. Appoint a Director in place of Mr. Jayesh P. Choksi who was appointed as additional Director and who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. Appoint a Director in place of Mrs. Vipula J. Choksi who was appointed as Additional Director and who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
4. Appoint a Director in place of Mr. Pannalal S. Choksi who was appointed as Additional Director and who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.
6. To confirm the payment of interim dividend.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

"RESOLVED that in terms of the provisions of section 81(1A) and all other applicable provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India on the issue of Bonus shares, Board of Directors has proposed to issue Bonus shares in the ratio of 5:2 i.e. Five Bonus Shares to be issued for every two shares held and the same has been placed before the members for their approval."

Notes :

1. The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under item 7 setout above is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and such Proxy need not be a Member of the Company. The Proxy, in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from November 4, 2000 to November 9, 2000 (both days inclusive).
4. The Interim Dividend and Bonus Shares declared at the Annual General Meeting will be issued only to those Members whose names appear on the Company's Register of Members on November 4, 2000.
5. Members are requested to notify any change in their address to the Share Department of the Company. In all correspondence with the Company, Members are requested to quote their Account / Folio Number.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for Shareholders in respect of shares held by them. The members are, therefore, requested to submit the nomination with the company at its Registered Office in Form No.2B as prescribed under the Companies (Central Government) General Rules and Forms 1956 which can be obtained from the Company on request.
7. Members/Proxies should bring the attendance slips sent herewith duly filled in, for attending the meeting.

Registered Office :

Gufic House,
 Subhash Road "A",
 Vile Parle (East)
 Mumbai - 400 057.

BY ORDER OF THE BOARD
GUFIC BIOSCIENCES LIMITED

J.P. CHOKSI
 MG. DIRECTOR

Mumbai, dated August 23, 2000

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

In confirmity with the provisions of section 173(2) of the Companies Act, 1956 the following explanatory statement sets out all the material facts relating to the terms of Special Busienss mentioned in the accompanying Notice dated August 23, 2000 and the same should be taken as forming part of the Notice.

Item No.7

The Company has declared Bonus Shares in the ratio 5:2 i.e. Five Bonus Shares for every two equity shares held to be issued to the members out of the Share Premium account/ General Reserve. The above issue of the shares are in consonance with the Gudielines for issue of Bonus Shares by Security and Exchange Board of India and the provisions of the Companies Act. Pursuant to this the Equity Shares of the company stand increased to 55,25,000 from 22,10,000.

Registered Office :

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 Subhash Road "A",
 Vile Parle (East)
 Mumbai - 400 057.

BY ORDER OF THE BOARD
GUFIC BIOSCIENCES LIMITED

J.P. CHOKSI
 MG. DIRECTOR

Mumbai, dated August 23, 2000

DIRECTORS' REPORT

To :

The Members of
 Gufic Biosciences Limited

Your Directors have pleasure in presenting this 16th Annual Report and Audited Accounts of the Company for the period ended June 30, 2000.

	Period ended 30.6.2000 Rs. in '000	Year ended 31.3.1999 Rs. in '000
1. FINANCIAL RESULTS :		
Net Sales	34,203	—
Income from operation	3,228	8,978
Other Income	1,572	1,616
Profit before interest, depreciation and tax	7,173	6,838
Interest	2,741	1,520
Depreciation	469	1,554
Profit Before Tax	3,963	3,764
Extra-Ordinary Items	—	3,654
Provision for Tax	550	—
Profit After tax	3,413	110
Surplus brought forward	5,163	5,141
Tax - Earlier Years	37	60
Balance available for Appropriation	8,539	5,191
Appropriations :		
Interim Dividend	460	—
Tax on Interim Dividend	101	—
Statutory Reserve	—	28
Surplus carried forward	7,978	5,163

2. CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from Central Finance Limited to GUFIC BIOSCIENCES LIMITED effective from June 5, 2000. The change of name has been approved by the Registrar of Companies, Mumbai. The name was changed to reflect the nature of main business of the company to be that of Pharmaceuticals and Biosciences.

4. ACQUISITION

The Company has entered into an Agreement for the Assignments of business of Gufic Health Care Ltd. to the company under an Agreement dated 18.5.2000. The various formalities in connection with the assignments are in progress. In the meantime the company is deemed owner of the said business.

The acquisition is being made in order to expand Company's activities in the field of pharmaceuticals and Biosciences.

5. PREFERENTIAL ALLOTMENT OF SHARES

During the period 13,10,000 Equity shares of Rs.10/- each were allotted to the Promoters by way of Preferential Allotment at a premium of Rs.40/- per share aggregating to Rs.6,55,00,000/- to acquire the aforesaid business.

6. DIVIDEND AND BONUS ISSUE

The Company has declared an Interim Dividend of 5% for the period ended June 30, 2000 which will be paid to all the shareholders except that prorata dividend will be paid in respect of the fresh issue of capital.

The Directors have declared Bonus Shares in the ratio of 5 shares for every 2 shares held on the record date subject to approval by the shareholders in the ensuing General Meeting.

7. OPERATIONS

The performance of your company during the period ended June 30, 2000 has been satisfactory. The Company's pharmaceutical business has achieved the turnover of Rs.3.42 Crores including export turnover of Rs.1.19 crores. Besides this, the company has earned substantial income from its share market operations and other income.

8. FUTURE OUTLOOK

Hitherto the Company was a Finance Company and by its very nature the business prospects of such a company were limited. With the acquisition of business of Gufic Health Care Ltd. the company is now in a position to operate in the promising fields of Pharmaceuticals and Biosciences.

The mission of the company is to be a front runner in the said business through innovative and superior products. This would be achieved by tie up with the companies proficient in this field.

It is accepted world over, that after IT Revolution, the next major break-through will be in the field of Bio-Technology. With the acquisition of business of Gufic Health Care Ltd. it will now be possible for the company to take full advantage of the opportunities in the field of Bio-technology.

For any company to survive in the forthcoming challenging times it will have to keep the Global market in mind. The company has its presence in major European as well as CIS countries. Efforts are underway to make its presence in North America as well.

The Company is also expanding a number of domestic outlets to increase domestic turnover.

9. DISCLOSURE OF PARTICULARS

Information as per section 217(1)(e) & 217(2A) of the Companies Act, 1956 read with rules made thereunder relating to conservation of energy, foreign exchange earnings and outgo and particulars of employees respectively, are given in Annexure - A and B forming part of this Report.

10. STOCK EXCHANGE LISTING

The Company is listed on the Bombay Stock Exchange and traded in B-2 Group. The shares issued by way of Preferential allotment during the period were listed on 1st August, 2000.

11. Y2K PROJECT

Steps were taken to ensure that all operating systems are fully Y2K compliant and successfully rolled over to new millenium.

12. DIRECTORS

Shri Jayesh P. Choksi, Smt. Vipula J. Choksi and Shri Pannalal S. Choksi who retire at this Annual General Meeting as Additional Director, offer themselves for re-appointment.

13. EXTENSION OF FINANCIAL YEAR

The Financial Year of the company which ends on 31st March, 2000 has been extended to 30th June, 2000.

14. AUDITORS

R. V. SHAH Chartered Accountant, retire as Auditor of the company at the conclusion of ensuing Annual General Meeting and have confirmed his eligibility and willingness to accept the office of the Auditor, if re-appointed.

15. PARTICULARS OF EMPLOYEES

The relation between the employees at all locations and management continues to be cordial during the year.

16. ACKNOWLEDGEMENT

Your Directors record their thanks to the Company's employees at all levels for their dedication and commitment throughout the year. The Directors would also like to record their thanks to the Company's shareholders, bankers, financial institutions, trade and all customers for their continued support and co-operation.

FOR AND ON BEHALF OF THE BOARD

J. P. CHOKSI
MG. DIRECTOR

Mumbai, dated August 23, 2000

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ANNEXURE - A**I. (A) CONSERVATION OF ENERGY**

Conservation of Energy is an ongoing process achieved through installation of energy efficient equipment, improved maintenance system and monitoring of operational parameters.

Power & Fuel Consumption**(a) Electricity**

Purchased Units (kwh)	1,09,759
Total amount	Rs.5,50,739
Rate per unit (average)	Rs.5.01

(b) Furnace Oil

Quantity (Ltrs.)	36,828
Total Cost	4,48,201
Average Cost	Rs.12.17

B. CONSUMPTION PER UNIT OF PRODUCTION

Products	} Since the company manufactures several formulations and bulk drugs in the same factory it is not practical to apportion consumption of facilities based on the records.
Electricity	
Furnace Oil	

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings amounted to Rs.129.01 and total Foreign Exchange outgo amounted to Rs.6.65 lakhs.

For and on behalf of the Board

J. P. CHOKSI
 Mg. Director

Mumbai, dated August 23, 2000