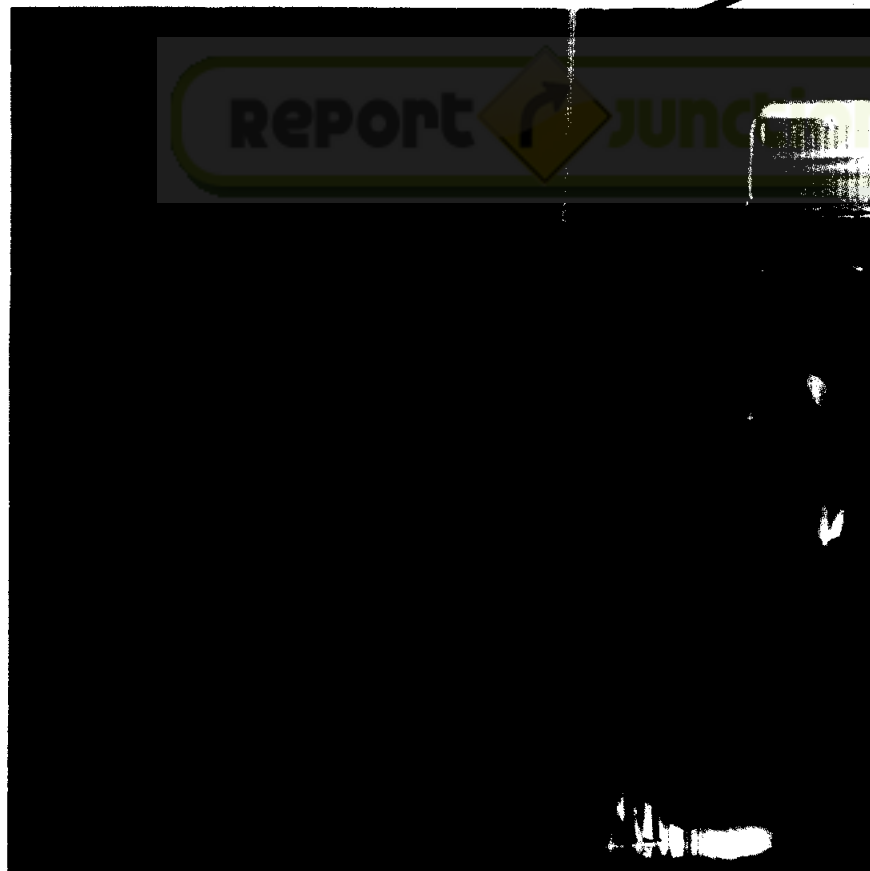
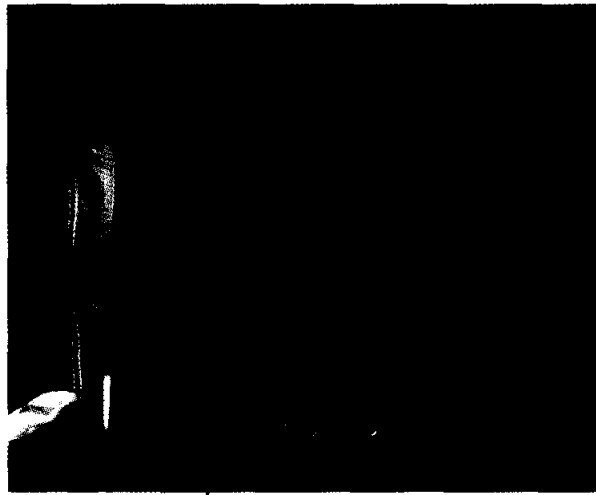


17th ANNUAL REPORT, 2000-2001



 **GUFIC**  
BIOSCIENCES LIMITED

### Speech by Chairman & Managing Director



*I* extend a warm welcome to all. As Gufic Biosciences completes its first year in the field of Bioscience, I would like to express my gratitude to the dedication and enthusiasm that was observed amongst all the associates who're partnering our common goal - Leadership in Healthcare and Personal Hygiene business through innovative and superior products.

The company has achieved a turnover of Rs. 21 crore, and that too without completing an entire year in business. As a startup company, I will consider this a good start. The company has generated the necessary velocity, which will stand by it in good stead in moving further year after year.

As you are aware, the times are changing and so are the factors that determine the success or the failure of any corporate. The focus now is shifting to creation and enhancement of intellectual properties, and we are not very far from the times when these properties would play an important role in the valuation of any business.

The company has a vision to be a major contributor in the larger field of Biosciences. We have carved out a model, which will help us to stay on course with well-defined short-term end points, helping us reach our long-term goals. We have a known reputation of creating brands that have created leadership positions for themselves in the category in which they have been marketed. We would like to encash this skill and focus on few of our existing brands and take them to a leading position. In view of the prevailing situations in the domestic market and based on our experiences of last many years, we would be concentrating our efforts on OTC products segment, for a medium to short term period, within the country.

There has been an increasing trend towards launching products over the counter. With the changing life styles of a large middle class urban population there will be many niche areas, which will be opened up where Gufic intends to be a major player with its unique marketing and brand creating strategies. We will also be focusing our efforts on strengthening our distribution network to provide an efficient backbone to complement our market-specific strategies. We are certain that this strategy of ours would provide sufficient fuel for our growth engine and lead the company towards its vision

We have been creating and working on various databases covering ancient literatures including Ayurveda and are analyzing them using tools which are used in the modern drug discovery processes. We at Gufic call this as AIMD (Ancient Insights leading to Modern Discoveries). To begin with, we have already started addressing the major lacunae of traditional herbal industries of poor standardization, batch-to-batch variation and ill-defined efficacy of their products. All the products from the house of Gufic are and will comply with the highest quality standards akin to a modern pharmaceutical drug and the efficacy of the same will also be well documented. From a long-term perspective, we will be increasingly focusing on limited ingredients Phytopharmaceuticals, using various biotechnological tools. With this aim in mind, we are in the process of creating an efficient virtual network of research units spanning across various reputed national and international laboratories, which would take up projects on contract basis from Gufic. We have already created access to Plant Tissue culture laboratory dealing with micropropagation technologies to clone high yielding medicinal plants and even to create elite clones. This will ensure supply of standardized raw material for our Phytopharmaceuticals, which will provide a uniform high quality to all our products. We have already initiated research to evaluate the efficacy of all these products in the pipeline thus ensuring their efficacy even before they reach the market.

On the international front, Gufic has already started creating alliances to initially market our various Nutraceutical products. This will provide us with sufficient knowledge and skill, to launch our Phytopharmaceutical products at a later date. Even on an international front our focus would be on creating high value brands rather than launching generic products. This we intend to build up jointly with the help of various marketing alliances.

We have always relied heavily on our human resources; this will further help in our creation of intellectual properties in the near future. We will also strengthen our R&D team by recruiting scientists of high calibre, who will add substantial value to our Phytopharmaceutical initiatives. Last but not the least, I'd like to thank my colleagues on the Board for their strong support during the year. I would also like to place on record my appreciation of the support given by our collaborators in all our activities. And I would like to thank all our shareholders, bankers, financial institutions, our distributors and the consumers for their support and continued patronage. Finally, a word for all our employees "I appreciate and admire your dedication and hard work. You have always been and will continue to be our most valuable asset".

Thank You.



**Jayesh P. Choksi**

CMD

**BOARD OF DIRECTORS**

Mr. Jayesh P. Choksi	- Chairman & Managing Director
Mr. Khantilal N. Sanghavi	- Director (Works & Production)
Mrs. Vipula J. Choksi	- Director
Mr. Hitesh R. Shah	- Director

**AUDITOR**

R.V. Shah  
Chartered Accountant

**BANKERS**

Dena Bank  
The Saraswat Co - op. Bank Ltd.  
Bank Of Baroda

**LEGAL ADVISORS**

Crawford Bayley & Co.  
(Solicitors & Advocates)

**REGISTERED OFFICE & SHARES DEPARTMENT**

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

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**17<sup>th</sup> Annual General Meeting****Day & Date**

Saturday, 29<sup>th</sup> September, 2001

**Time**

10 AM.

**Venue**

Hotel Parle International,  
B.N. Agarwal Market,  
Next to Dinanath Mangeshkar Hall,  
Vile Parle (E), Mumbai 400 057.

## Notice

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Gufic Biosciences Limited will be held on Saturday, the 29<sup>th</sup> day of September 2001, at 10.00 a.m., at Hotel Parle International, B.N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400 057 to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2001, the Profit and Loss Account for the period ended as on that date and the Report of the Directors and the Auditors thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Mrs. Vipula J. Choksi, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to applicable provision of the Companies Act, 1956, Mr. R.V. Shah, Chartered Accountant, a relative of Mr. Hitesh R. Shah, Director of the Company, be and is hereby re - appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the next Annual General Meeting at such remuneration as may be decided by the Board of Directors."

- 5) To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 257 of the Companies Act, 1956, Mr. Hitesh R. Shah, who was appointed as an Additional Director at the Board Meeting held on 19<sup>th</sup> July 2001 and whose term of office expires at the commencement of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. Hitesh R. Shah, as a candidate for the office of the Director of the Company, together with necessary deposits, be and is hereby appointed as Non - Executive Director of the Company, liable to retire by rotation."

- 6) To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 257 of the Companies Act, 1956, Mr. Khantilal N. Sanghavi, who was appointed as an Additional Director at the Board Meeting held on 30<sup>th</sup> October 2000 and whose term of office expires at the commencement of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. Khantilal N. Sanghavi, as a candidate for the office of the Director of the Company, together with necessary deposits, be and is hereby appointed as Director of the Company, liable to retire by rotation."

- 7) To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. Khantilal N. Sanghavi, as Whole-Time Director of the Company, designated as Director (Works & Production), for a period of two years with effect

from 1<sup>st</sup> July 2001, on the following terms of remuneration:

1. Salary: Rs.47,600 per month (Rupees Forty-seven thousand six hundred only)

2. Perquisites:

**a) Medical Benefits for Self & Family:**

Reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed Rs. 37,000/- .

b) (i) Other perquisites viz Gratuity / Exgratia will be provided as per rules of the company.

**(ii) Car:**

Free use of car , petrol and maintenance cost for the purpose of company's business. Monetary value for private use will be evaluated as per Income tax Rules, 1962.

**(iii) Telephone:**

Free telephones at the residence at Company's expenses. However, the personal long distance calls for private purposes shall be paid by him.

(iv) Personal accident insurance as per Company's Policy.

The above mentioned salary, perquisites & subsequent revisions, if any, will be paid as minimum remuneration in the event of loss or inadequacy of profits.

The appointment is terminable by 3 months notice or by payment of three month's salary in lieu thereof by either party."

8) To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31(1) and other applicable provisions, if any, of the Companies Act 1956 ('the Act'), Article 156 of Articles of Association of the Company, be and is hereby altered by replacing words "forty-two" appearing at the fourth line of the said article with the words "thirty" .

9) To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31(1) and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') the Articles of Association of the Company be and is hereby altered by insertion of the following new Article as Article No. 189, after the existing Article No. 188, in the following manner:

**Article 189**

**NOMINATION:**

Notwithstanding anything contained in these Articles and subject to Section 109A of the Act:

Every holder of Shares or debentures of the Company, may at any time nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death. A member may revoke or vary his or her nomination at any time by notifying the Company to that effect.

Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the manner prescribed under the Act, a person to

whom all the rights in the shares or debentures of the Company shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares or debentures of the Company, the nominee shall, on the death of the shareholder or the debenture holder concerned, or on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company of such shareholder or holder of debentures or as the case may be of all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless, the nomination is cancelled in the manner prescribed under the Act.

Where the nominee is a minor, the holder of the Shares or debentures concerned can make the nomination to appoint, in the prescribed manner under the Act any person to become entitled to the shares or debentures concerned in the event of his death, during the minority.

Notwithstanding anything contained in these Articles, any person who becomes a nominee under the provisions of Section 109A, and to whom the shares in or debentures of the Company have vested on the death of the shareholder or holder of the debentures of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the shares or debentures as the case may be; or to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him that nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder / debenture holder, as the case may be.

All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice of transfer were signed by that shareholder or debenture holder, as the case may be.

A person being a nominee becoming entitled to shares or debentures by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares or debentures except that he shall not, before being registered as member in respect of his shares or debentures, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time give notice requiring any such person to elect to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days the Board may thereafter withhold all payments of all dividend, bonus or other money payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

The Board shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased shareholder or debenture holder as the case may be, had



transferred the shares or debentures as the case may be, before his death.

No person shall be recognized by the Company as a nominee unless the shareholder has, during his life time, given an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.

The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such information.

If the holders of the shares or debentures survives the nominee, then and in such case, the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.

A depositor may, at any time, make a nomination and the provisions of Section 109A and 109B shall as far as may be applicable to such nominations made pursuant to the provisions of Section 58A(11) of the Companies Act, 1956."

By Order of the Board of Directors,

Jayesh P. Choksi  
Managing Director

Mumbai, 20<sup>th</sup> August 2001.

**Registered office:**

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

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**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- b) The relative Explanatory statements pursuant to section 173 (2) of the Companies Act, 1956, in respect of the Special business is attached hereto.
- c) The Register of Members and Transfer Books of the Company will be closed from 25<sup>th</sup> September 2001 and will remain closed till 29<sup>th</sup> September 2001 (both days inclusive).
- d) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 30<sup>th</sup> September 2001, to those Members entitled thereto whose name appears in the Register of Members of the Company on 29<sup>th</sup> September 2001.
- e) Shareholders desiring any information as regards the Accounts, are requested to write to the Company at least 8 days in advance so as to enable the Management to keep the information ready.
- f) Members are requested to notify the Company immediately of any change in their Registered Address along with the pin code.

By Order of the Board of Directors,

Jayesh P. Choksi  
Managing Director

Mumbai, 20<sup>th</sup> August 2001.

**Registered office:**

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

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**Annexure to the Notice****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 4**

Mr. R. V. Shah, Chartered Accountant, is proposed to be re-appointed as Auditor of the Company. During the year Mr. Hitesh R. Shah, a relative of Mr. R. V. Shah, was appointed as Additional Director.

Though not strictly required, however, by way of abundant caution, as well as, as a measure of good corporate governance, the above Special Resolution is proposed.

Save and except, Mr. Hitesh R. Shah, no other Directors of the Company are interested in the resolution, except as a member of the Company.

Consent letter received from Mr. R. V. Shah, Chartered Accountant, is available for inspection at the Registered office of the Company between 11.00 AM. to 1.00 PM. on any working days (except Saturdays) up to the date of the meeting.

**ITEM NO. 5**

The Board of Directors appointed Mr. Hitesh R. Shah, as Additional Director of the Company at the Board Meeting held on 19<sup>th</sup> July 2001.

Under Section 260 of the Companies Act, 1956, Mr. Hitesh R. Shah hold office as Director up to the date of the forthcoming Annual General Meeting.

Company has received notice from a member, Under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Hitesh R. Shah, as Non - Executive Director of the Company.

Mr. Hitesh R. Shah, is at present 34 years of age. He is a member of the Institute Of Chartered Accountants of India (ICAI).

Save and except, Mr. Hitesh R. Shah, no other Directors of the Company are interested in the resolution, except as a member of the Company.

**ITEM NO. 6 & 7**

The Board of Directors appointed Mr. Khantilal N. Sanghavi, as Additional Director of the company with effect from 30<sup>th</sup> October 2000.

Under Section 260 of the Companies Act, 1956, Mr. Khantilal N. Sanghavi holds office as Director up to the date of the forthcoming Annual General Meeting.

Company has received notice from a member, Under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Khantilal N. Sanghavi, as Director of the Company.

At the Board meeting of the Company held on 19<sup>th</sup> July 2001, he was appointed as Whole - Time Director (Works & Production), with effect from 1<sup>st</sup> July 2001, for a period of two years.

Mr. Khantilal N. Sanghavi, is at present 67 years of age. Since 1947 he is associated with Gufic group. As on date he is in charge of the production process. In view of his vast & enriched experience, Board considers his association as a Whole time Director (Works and Production) will be beneficial and in the interest of the Company.

Abstract under section 302 of the Companies Act, 1956 has already been sent to the members vide letter dated 19<sup>th</sup> July 2001.

Save and except, Mr. Khantilal N. Sanghavi, no other Directors of the Company are interested in the resolution, except as a member of the Company.