

18th Annual Report, 2001 - 2002



 **GUFIC**
BIOSCIENCES LIMITED

Speech by Chairman & Managing Director



A warm welcome to all of you. Completing its second year in the field of Biosciences, Gufic Biosciences is sprinting towards its goal. I would like to express my gratitude to the dedication and enthusiasm that was observed among all the associates and everyone present here, who're partnering this common goal.

I would like to share with you a small note that I recently read: "Nobody can predict the future. But those who think systematically, will have an edge in defining new opportunities and working out strategies to achieve those targets successfully."

Gufic had seen an opportunity in Biosciences more than two years ago and had started building up the strength and expertise then. And today, I am glad to announce that we have achieved a turnover of Rs. 372 millions during the year 2001-2002. I am also happy to add that our profit before tax has grown vertically by 651%, which amounts to Rs. 33 millions.

As you all know the company has a vision to be a major player in the larger field of Biosciences, the model which was worked out for short term with an emphasis on the OTC segment is paying off remarkably. Our OTC product range that is catering to the urban population of middle income group is giving excellent results. And products that were introduced in the personal hygiene segment too are doing extremely well. Biotechnology is another area which we had focussed and it gives me great pleasure to announce that we have already commercialized the plantation of Pomegranate and Bixa plant by tissue culture. We have also developed the process of multiplication of high yield crops of herbal plants by tissue culture. This process will help us get a regular supply of plants. We have ventured into another growth avenue called "Agro-Biotech" and have started marketing the plants to farmers.

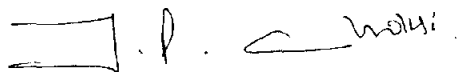
On the international front we are getting good response for our product from European countries where we have a major focus on phytopharmaceuticals and nutraceuticals.

Gufic's strength lies in it being among the leaders and belonging to two distinct industries i.e. Modern and Herbal. And the company has successfully blended the two to come out with very niche products both in ethical as well as OTC.

We have come this far with a lot of branding and innovative ventures in the OTC and ethical divisions, where one's successes are repeated in the other and failures are avoided.

Highly relying on our human resources, we have a strengthened our R & D team with high calibre scientists. This will help us in creation of intellectual properties in the near future. I 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. But I would always attribute Gufic's success to all our shareholders, bankers, our distributors and consumers, for their support and continued patronage that keeps the company in business. Finally, no praise can match the dedication and hard work of the Gufic's strong, unshakable pillars, its employees. I can only thank you and continue to admire you as our most valuable asset.

Thank you.



Jayesh P. Choksi

Chairman & Managing Director

Gufic Biosciences Ltd. -18th Annual Report

BOARD OF DIRECTORS

- | | | |
|---------------------------|---|--|
| Mr. Jayesh P. Choksi | - | Chairman & Managing Director (B. Pharm) |
| Mr. Khantilal N. Sanghavi | - | Whole Time Director (Works & Production) |
| Mrs. Vipula J. Choksi | - | Director |
| Mr. Hitesh R. Shah | - | Director (Chartered Accountant) |
| Dr. Sharat S. Gandhi | - | Director |

AUDITOR

R.V. Shah
Chartered Accountant

BANKERS

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

LEGAL ADVISERS

Crawford Bayley & Co.
(Solicitors & Advocates)
B. Amin & Co.
(Solicitors & Advocates)

REGISTERED OFFICE &
SHARES DEPARTMENT

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

Contents

Page No.

Notice ③

Directors Report ③

Annexure to Directors' Report ③

Auditors Report ③

Annexure to Auditor's Report ③

Balance Sheet ③

Profit & Loss Account ③

Statement of Financial Position ③

18th Annual General Meeting

Day & Date
Friday, 27th September, 2002

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 Eighteenth Annual General Meeting of the Members of the Gufic Biosciences Limited will be held on Friday the 27th day of September 2002, 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 31st March 2002, the Profit and Loss Account for the year 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 Mr. Hitesh R. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

- 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, Dr. Sharat S. Gandhi, who was appointed as an Additional Director at the Board Meeting held on 31st July 2002 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 Dr. Sharat S. Gandhi, as a candidate for the office of the Director of the Company, together with necessary deposit, be and is hereby appointed as 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 a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 16, 17, 192A and other applicable provisions if any, of the Companies Act, 1956, clause 1 and 2 of the main object clause of the Memorandum of Association of the company be deleted and the following clause be added as clause 1 and 2:

CLAUSE 1

To carry on the businesses as cultivators, tillers, husbandrymen, nurserymen, seedsmen, agriculturists, horticulturist, sericulturists, farmers, gardeners and producers of seeds with a view to raise crops, vegetables, plants, trees, fruits, flowers, herbs, shrubs, sprouts, bulbs, roots, creepers, garden plants, medicinal plants, grapes, wines, sugarcane, cotton, tea, cocoa, coffee, rubber and products and to process, treat and refine seeds and to produce, breed and grow hybrid seeds, grains and farm produce and to grow, cultivate, plant, produce, process, buy, sell, make marketable, import, export or otherwise deal in agricultural, horticultural, sericultural, botanical and garden products and farm products, grains, seeds, crops, including commercial products, growth promoters, fertilizers, agrochemicals & bio fertilizers.

CLAUSE 2

To act as agricultural consultants, farm-experts, plantation experts, technical advisors in agriculture, farming, gardening, seeds growing, scientific farming, gardening, intensive and extensive cultivation, large scale farming and as experts in agriculture, horticulture, sericulture, botanical gardening.

- 7) To consider and if thought fit, to Pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 16, 17, 192A and other applicable provisions, if any, of the Companies Act, 1956, after clause 54 in the Ancillary object clause of the Memorandum of Association of the company the following sub clauses be and is hereby added as 54 A and 54 B.

CLAUSE 54 A

To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental work shops for scientific and technical research and experiments and to undertake and to carry on all scientific and technical research and tests of all kinds and to promote studies and research and investigations both scientific and technical by conducting agricultural schools, colleges, training centers, research centers, model farms and the like and by providing for the remuneration of professors or teachers and by providing for awards, scholarships, prizes and encourage, promote and reward studies, research and investigations, experiments, tests and inventions of all kinds that may be considered likely to assist any of the businesses which the company is authorized to carry on.

CLAUSE 54 B

To establish branches or to appoint stockist, distributors or representatives the part of the world for promoting the sale of any of products of the company and finance the trade of such branches or agencies."

- 8) To consider and if thought fit, to Pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to provisions of Section 16, 17, 94 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 clause V of the Memorandum Of Association of the Company be and is hereby altered by dividing the existing share capital of Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each in to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 1/- each.

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By Order of the Board of Directors,

4

Jayesh P. Choksi
Managing Director

Mumbai, 16th August 2002.

Registered office:

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

Gufic Biosciences Ltd. -18th Annual Report

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 20th September 2002 and will remain closed till 27th September 2002 (both days inclusive).
- d) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 27th September 2002, to those Members entitled thereto whose name appears in the Register of Members of the Company on 27th September 2002.
- 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, 16th August 2002.

Registered office:

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



Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

The Board of Directors appointed Dr. Sharat S. Gandhi, as Additional Director of the Company at the Board Meeting held on 31st July 2002.

Under Section 260 of the Companies Act, 1956, Dr. Sharat S. Gandhi 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 Dr. Sharat S. Gandhi, as Director of the Company.

Dr. Sharat S. Gandhi, is at present 63 years of age. He is M.B.B.S. from Bombay University. His over 4 decades of all encompassing experience in Medicine & Pharma industry, with innumerable achievements will be a guiding phenomenon to the company.

Save and except, Dr. Sharat S. Gandhi, no other Directors of the Company are interested in the resolution.

ITEM NO. 6 & 7

In view of ample of new business opportunities coming up in the area of agricultural and related activities in the recent years and in view of the growth strategies of the Company, in the present business scenario it is proposed to venture in the said business area.

Pursuant to provision of section 192 A of the Companies Act, 1956, read with Companies (Passing of resolution through Postal Ballot) Rules, 2001, the shareholders consent for the purpose of the amendment to the object clause of the Memorandum of Association as stated above is required to be obtained by means of postal ballot.

The resolution is recommended for the approval for the members.

We are attaching here with a Postal Ballot paper. May we request you to please read the draft Special resolution and vote by tick mark at the appropriate places in the said Postal Ballot paper indicating your assent or dissent to the Special Resolution. Please return the said Postal Ballot form duly completed using the attached self addressed postage pre paid envelop so as to reach us the same with in 30 days from the date of issue of this notice. Please note that non – receipt of the said Postal Ballot form duly signed by you on or before 16th September 2002 will amount to you not voting on the Special Resolution. Consent or otherwise relating to the resolution received after 16th September, 2002 will be strictly treated as if reply from the members has not been received. The result of the resolution will be declared at the ensuing Annual General Meeting.

The company has appointed Mr. Nilesch Pradhan, partner of M/S. J. P. Associates, practising Company Secretary, as the scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

Gufic Biosciences Ltd. -18th Annual Report

ITEM NO. 8

In order to create better liquidity in the shares of the Company on the Stock Exchange where the shares of the Company are Listed and also to provide opportunity to small investor to invest in the shares of the Company, it is proposed to sub divide the shares of the Company in to smaller denomination.

The resolution is recommended for the approval of the members.

By Order of the Board of Directors,

Jayesh P. Choksi
Managing Director

Mumbai, 16th August 2002.

Registered office:

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



Gufic Biosciences Ltd. -18th Annual Report

Directors' Report

To,

The Shareholders,

The Directors have great pleasure in presenting their report on the business and operations of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS AND OPERATIONS:

	Rs. In '000 For the year 31 st March 2002	Rs. In '000 For the period 31 st March 2001 (9 Months)
Net Sales	371,901	214,486
Profit before interest, depreciation and tax	57,467	21,087
Interest	20,007	13,002
Depreciation	3,994	2,948
Profit before Tax	33,466	5,137
Provision for tax	470	500
Provision for Deferred Taxation	4,398	—
Profit After Tax	28,598	4,637
Surplus brought forward	9,420	7,978
Tax – Earlier Years	—	2
Balance available for appreciation	38,018	12,617
Dividend	11,603	2,901
Tax on dividend	—	296
Transfer to General Reserve	2,860	—
Surplus carried forward	23,555	9,420