



Reaching the summit



GUFIC
BIOSCIENCES LIMITED

BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	-	Chairman & Managing Director
Mr. Khantilal N. Sanghavi	-	Director
Dr. Sharat S. Gandhi	-	Director
Mr. Ashok M. Tarale	-	Director
Mr. Pranav J. Choksi	-	Director
Dr. M. G. Dhapalapur	-	Director

COMPANY SECRETARY

Mr. Hitesh P. Mutha

AUDITOR

Mayur Chokshi & Co.
Chartered Accountant

BANKERS

State Bank Of India
Commercial Branch, Vile Parle (E).

**REGISTERED OFFICE &
SHARES DEPARTMENT**

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

PLANT

National Highway No. 8, Near Grid,
Kabilpore Navsari, Gujarat 396 424

REGISTRAR AND TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LIMITED
C – 13, Pannalal Silk Mills Compound,
L.B.S. Road, Bhandup (W) , Mumbai 400 078.
Tel No.: (022) 2596 3838

24th Annual General Meeting**DAY & DATE**

Saturday, 20th December, 2008

TIME

2.30 PM.

VENUE

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

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Regd. Office: Subhash Road, A, Vile Parle (East), Mumbai 400 057

Dear Shareholder/s,

SEBI vide its letter No. DCC/FITTCIR-3/2001 dated 15th October 2001 has advised that all companies should mandatorily use Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to the investors wherever available. In the absence of availability of ECS facility, the companies may use warrants for distributing the Dividends.

Currently ECS facility is available at locations specified by RBI. We request all the shareholders to give their bank details so that all future Dividend payments can be remitted through ECS. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on dividend warrants issued in future.

Shareholders who for any reason, would not avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish (if not done earlier) in the Mandate Form provided on reverse of this letter, details of their bank account number and name of bank and the branch, which would be printed on the dividend warrants to avail.

Kindly note that the ECS / Bank Mandate instructions should be under the signature of the shareholder/s as per specimen lodged with the company.

We seek your co-operation to enable us to serve you better.

Yours faithfully,
For Gufic Biosciences Limited

Sd/-
Jayesh P. Choksi
Chairman & Managing Director

ECS MANDATE / BANK MANDATE FORM

(Not to be filled by Shareholders holding shares in dematerialised form)

Intime Spectrum Registry Ltd.
 (Unit: Gufic BioSciences Ltd.)
 C-13, Pannalal Silk Mills Compound
 L. B. S. Marg, Bhandup (W), Mumbai-400078

Place: _____

Date: _____

Dear Sirs,

I / We, hereby consent to have the amount of Dividend on my / our equity shares credited through the Electronic Clearing Service (Credit Clearing) (ECS). The particulars are:

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) ECS Mandate *
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me Bank Mandate*

(* Strike out whichever is not applicable)

Folio No. _____

- A. Bank Name
 B. Branch
 C. Bank Address
 D. Bank Account Number
 E. Account Type (Savings / Current)
 F. 9 Digit Code number of the bank and branch as appearing on the MICR cheque (for ECS Mandate only)
Please attach photocopy of the cheque
 G. STD code & Telephone number of Shareholder (optional)

I/We shall not hold the Company responsible if the ECS mandate could not be implemented for reasons beyond the control of the Company.

 Signature of shareholder/s
 (as per specimen lodged with the Company)

Note:

1. Please complete the form and send it to Registrar & Share Transfer Agent at the above address if you are holding share certificates(s) in physical form.
2. In case your shares are in Dematerialised form, inform/update your information directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrars.
3. In case of more than one Folio please complete the details on separate sheets.
4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

Notice

NOTICE is hereby given that the Twenty-Fouth Annual General Meeting of the Members of the Gufic Biosciences Limited will be held on Saturday the 20th day of December, 2008, at 2.30 P.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, 2008, the Profit and Loss Account for the year ended as on that date and the Report of the Board of Directors and the Auditors thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. Ashok Tarale, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. K. N. Sanghavi, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) 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.

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By Order of the Board of Directors,

Jayesh P. Choksi
Managing Director

Mumbai, 14th November, 2008
Registered office:
Gufic House,
Subhash Road- A,
Vile Parle (E),
Mumbai 400 057

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 Statement 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 the Share Transfer Books of the Company shall remain closed from 15th December, 2008 to 20th December, 2008 (both days inclusive).
- d) The dividend, as recommended by the Board, if declared at the meeting, will be paid to those Members whose name appears in the Register of Members of the Company on 20th December, 2008 for shareholding held in physical form and the list of beneficial ownership as furnished by the Depositories (NSDL and CDSL) as of the close of business hours on 22nd December, 2008 for shareholding in electronic form.
- e) M/s Intime Spectrum Registry Ltd., C-13, Pannalal Silk Compound, L.B.S. Road, Bhandup (w), Mumbai 400 078 are the Registrar and Share Transfer Agent for physical share of the Company. Intime is also the depository interface of the Company with both NSDL and CDSL.
- f) While members holding shares in physical form may write to Intime or the Company for any change in their address and bank mandates, members having shares in electronic form may inform any change in address to their depository participant immediately so as to enable the Company to dispatch dividend warrant at correct addresses.
- g) The members are requested to note that the dividend for the financial year 2001-02 which has remained unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956, and thereafter no claim shall lie against the said fund or the Company. The members who have not yet encashed the dividend warrant(s) for the financial year 2001-02 and thereafter are requested to make their claims to the Company.
- h) Shareholders who would like to avail of the ECS facility or the Bank Mandate facility (if not done earlier) are requested to complete and submit the ECS/Bank Mandate Form that is also sent with this notice, to the Company's Registrar and Transfer Agents so as to reach them latest by 24th March, 2008. Please note that shareholders holding shares in dematerialized form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directive.
- i) 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.
- j) Members / Proxy are requested to bring their copy of the Annual Report with them at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.

By Order of the Board of Directors,

Jayesh P. Choksi

Chairman & Managing Director

Mumbai, 7th March, 2008

Registered office:

Gufic House,

Subhash Road- A,

Vile Parle (E),

Mumbai 400 057

Chairman's Message

Dear Shareholders,

THIS was a landmark year for Gufic marked with number of changes and initiations. The Company continued its marathon run of excellence and growth. Grown into full youth, with required experience and depth. Motivated, open, daring, energetic and eagerness to grow and make statement. Nothing seems impossible. Now the time has come to take Gufic Family to new pinnacle.

It gives me immense pleasure to say that year 2007-08 has been year of positive change for your Company. Earlier the Company had started the process of Consolidation and integration of its overall business. Numbers of initiatives were taken to increase the efficiency and to focus on the core competence of the Company. Result of these changes is reflected in the working and functioning of the Company and improved the prospects of the future growth.

In pursuance of expansion, your Company has tripled its capacity to manufacture pharmaceutical products at Navsari Plant and further expansions are in pipeline. We have upgraded technology of manufacturing facility to meet higher standards of process, quality and efficiency. It has given your company a technological edge in highly competitive market. We have received WHO GMP certification making us eligible to get our various dossiers (products) registered in the foreign market. We have already applied in the number of countries for dossier registration.

The Company has built up state-of-art Oncology manufacture facility to produce complex Oncology drugs and supplements, placing your Company with selected few pharmaceutical entities who have facility and technology to do so. We have also made in considerable progress in Human Therapeutics via Biotechnology. Moreover the Company has entered into important agreements with number of leading pharma entities to manufacture drugs on contract manufacturing basis.

The sales of Bulk Drug and Consumer product have increased by more than 7% and 8% respectively in 2007-08 year. Despite the odds that Indian Rupee appreciated by 11% during the year and some of the unfavourable market conditions the Company not only retained its margins but has also shown the trend of growth for the future.

Being the science based industry marked with complex drug manufacture and technology. The Company is committed to its thrust for improvement in existing drugs and in New Drug Discovery Research (NDDR) through its committed R&D lab. Recently we have carried out reorganization of our R&D Lab. The centre is dedicated to provide 'Total Product Development'. We have also taken notable steps for development of New Drug Delivery System (NDDS). We strongly believe that this will create extra edge for your Company to distinctly stand out in the market.

The Board and Senior management is committed to the efficiency, productivity, cost effectiveness and quality improvement through number of initiatives. We have recently implemented the integrated Enterprise Resource Planning (ERP) system in the company to synchronize all the departments and entities to improve the efficiency and speed of communication. Internal controls and systems are regularly evaluated to check their effectiveness. All this initiatives and changes are done with aim of profit maximisation and will yield the results over the period.

The Board with independent directors function through various committees of corporate governance. The Board actions abide the model code of conduct adopted by the Company. The Board has focused itself on enhancing the skills and domain expertise across enterprise. We have built up integrated system of communication, controls and reporting and will continue to invest in the system and process to leverage our capabilities to provide better results.

The Company is poised to create atmosphere of dedication and commitment in working. We are continuously striving to enhance the productivity and effectiveness of the work force by creating and enabling positive culture in the organization. The management through exiting incentives, training and development, better communication and appreciation system striving to create satisfied and efficient work force to build enduring Gufic Family.

The Company is continuously moving towards higher position in overall pharma industry. The Indian pharma industry remained one of fastest growing sector and promising to delivers results and rewards in future. Our efforts in the contract manufacturing have given us the diversified base.

Your Company is committed to grow and prosper. The Board thanks you for your support and faith in the Management and the Board of the Company. We strive to fulfill your expectation with full sincerity and hard work. Taking the Gufic Family to new level will be our motto.

Thanking you,

Yours truly,

Jayesh Choksi

Chairman & Managing Director

GUFIC BIOSCIENCES LIMITED**Directors' Report**

To,

The Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March, 2008.

	Rs. In '000 For the year 31st March, 2008	Rs. In '000 For the year 31st March, 2007
Net Sales	540,943	534,187
Profit before interest, depreciation and tax	52,489	59,331
Interest	18,842	25,301
Depreciation	18,036	17,224
Profit before Tax	15,611	16,806
Provision for tax	18,664	8,705
Fringe Benefit Tax	376	724
Provision for Deferred Taxation	(12,200)	378
Profit After Tax	8,771	6,999
Surplus brought forward	66,312	63,857
Tax - Earlier Year	--	134
Deferred Tax - Earlier Year	--	--
Prior Period Expenses	--	--
Balance available for appreciation	75,082	70,722
Dividend	3,868	3,868
Tax on dividend	657	542
Transfer to General Reserve	---	---
Surplus carried forward	70,558	66,312

During the year under review the Sales increased from Rs. 534187 thousand in the previous year to Rs. 540943 thousand, a increase of 1.27%.

The Directors are pleased to recommend a Dividend of 5 % per equity share of Re.1 each for the financial year ended 31st March,2008.

Your Company is listed with the Mumbai Stock Exchange at P.J. Towers, Dalal Street, Mumbai 400 001, bearing script code No. 509079 and with the National Stock Exchange of India Limited at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 bearing script code No. GUFICBIO. The listing fees for the year 2008- 2009 has already been paid by the Company.

During the year under review, your Company has not accepted any deposit from the public.

DECLARATION OF DIRECTORS

In terms of provisions of Section 217(2AA) of the Companies Act, your Directors' confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2008 and of the profits of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

DECLARATION OF COMPLIANCE

A Report on Corporate Governance alongwith a Certificate from the Auditors of the Company regarding compliances with the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto.

DECLARATION OF COMPLIANCE WITH SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

The information required under 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 is annexed hereto and forms part of this Report.

EMPLOYEES

There are no employees drawing remuneration above the limits specified under Section 217 (2A) of the Companies Act, 1956.

RETIREMENT

Mr. Ashok M. Tarale, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Mr. K. N. Sanghvi, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

AUDITORS

Comments given by the Auditors in their Audit Report when read together with the notes of Accounts are self explanatory and needs no further comments.

Members are requested to appoint Auditors for the ensuing year. M/s. Mayur Chokshi & Co., Chartered Accountant, retires and being eligible offer themselves for appointment.

As required per proviso to Section 224(1) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors, M/s. Mayur Chokshi & Co., Chartered Accountant, certifying that, if they are appointed Auditors of your Company, such appointment would be within the limits specified in Section 224(1)(B) of the Companies Act, 1956.

APPRECIATION

Your Directors would like to place on record their sincere gratitude to the Shareholders, Bankers, Business Associates, Medical Professionals, Customers, Government, other Regulatory Agencies for their continued support and faith in the Company. Your Directors are also happy to place on record their appreciation for the whole-hearted co-operation, commitment and contribution made by all the staff members of GUFIC FAMILY and look forward to their continued support.

By Order of the Board of Directors,

Jayesh P. Choksi

Chairman & Managing Director

Mumbai, 14th November, 2008

GUFIC BIOSCIENCES LIMITED

Management Discussion & Analysis Report:

The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. A highly organized sector, the Indian Pharma Industry is growing at the rate around 13-14 percent per year. It is one of the largest and most advanced among the developing countries. Indian pharmaceutical companies now supply almost all the country's demand for formulations and nearly 70 per cent of demand for bulk drugs.

Technologically strong and totally self reliant, the pharmaceutical industry in India is marked with low costs of production, low R&D costs, innovative scientific manpower, strength of national laboratories and an increasing balance of trade. Core competencies will play an important role in determining the future of pharmaceutical companies.

According to a McKinsey study, the Indian pharmaceutical industry is projected to grow to US \$ 25 billion by 2010 whereas the domestic market is likely to more than triple to US \$ 20 billion by 2015 from the current US \$ 6 billion to become one of the leading pharmaceutical markets in the next decade

Sales for last 2 years is as follows:

	Rs. in '000	Rs. in '000
	2007-08	2006-07
Formulation	328755	333688
Bulk Drugs	79046	73511
Consumer Products	75827	69152
Chemicals	30661	---
Agro Products	41687	75744
Total	555976	552095

Indian Pharma market continues to be promising industry. Future is marked by high volume consumption driven by economic growth, increasing health insurance coverage, deeper penetration of health services in the rural areas and rising awareness of health and new medicines. New intellectual property regulations have open up the promising opportunities for the research and development of new and better drugs. Availability of cheaper skilled personnel has given required edge to Indian Pharma industry over other competing countries.

The Bulk drug market has shown growth in domestic as well as overseas market. The Consumer market for the Company products has shown the growth underlining the fact that products with strong results will drive the market. Herbal medicine market is gaining the momentum with popularity of ayurveda medicines in the country. The Company with established Herbal product line gives it extra edge over other competitors.

Focusing on the core competence will remain the key for success of the Company and to remain viable in the competition. As result the Contract Manufacturing is bound play important role in diversifying the base in different products.

The Pharma industry remained to be affected by the rising cost of raw material due to high rate of inflation and appreciation of