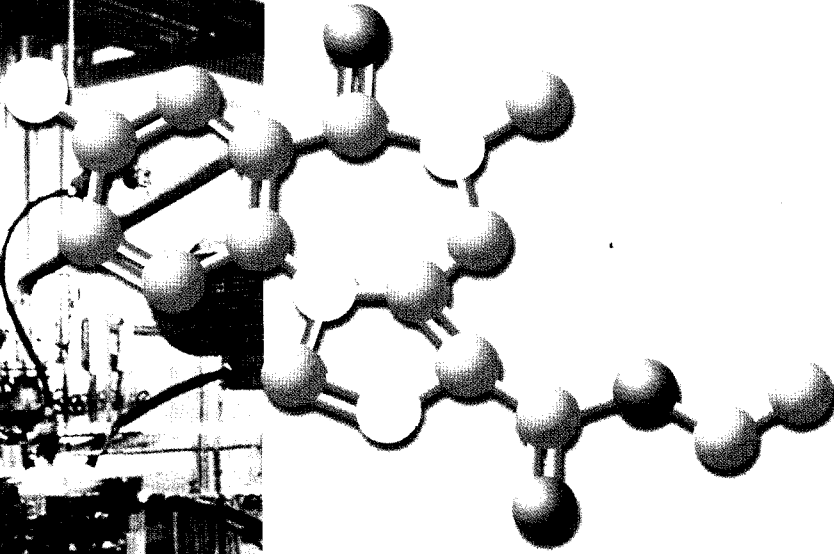


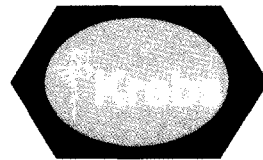
SALES SERVICE

VALUE THROUGH BIOCHEMISTRY



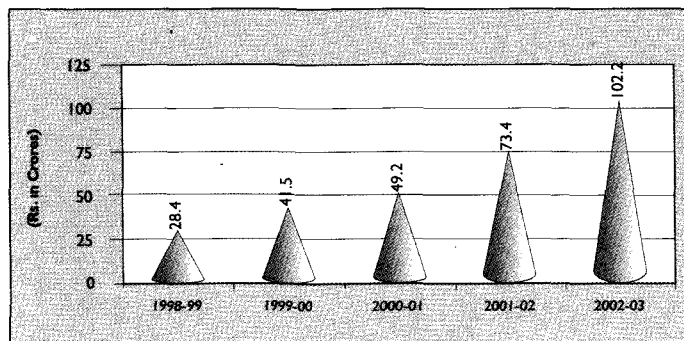
Report Junction

11th
Annual Report
2002-2003



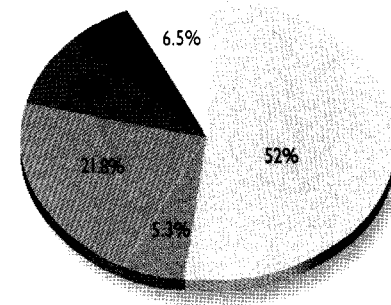
KREBS BIOCHEMICALS LIMITED

TURNOVER TREND

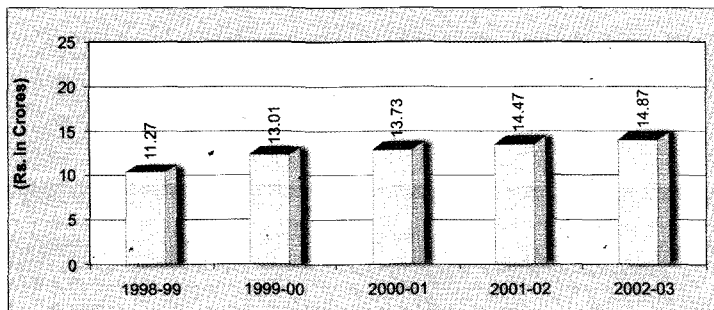


EXPENDITURE BREAKUP 2002 - 03

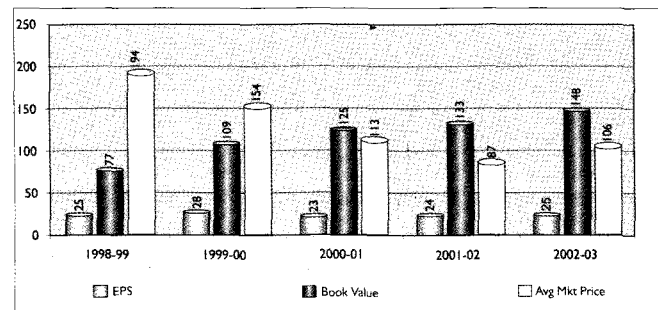
- Raw Materials
- Depreciation
- Interest
- Selling & Admn.
- Other Mfg. Exp
- Staff Cost



NET PROFIT TREND



VALUE OF SHARES (in Rupees)





KREBS BIOCHEMICALS LIMITED

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BOARD OF DIRECTORS

Dr M VENKATARATNAM

IAS (Retd)

SRI S RAMACHANDRAN

SRI THOMAS ALVA EDISON

SRI G.V.L.PRASAD

Dr T KUCHROO

Dr R T RAVI

CHAIRMAN

IDBI Nominee

APIDC Nominee

Director

Director

Managing Director

COMPANY SECRETARY

SRI A.NARENDRA

BANKERS

Andhra Bank

Somajiguda Branch, Hyderabad - 500 004.

The Jammu & Kashmir Bank Ltd.,

J.N.Road Branch, Hyderabad - 500 001.

UTI Bank Ltd.,

Begumpet Branch, Hyderabad - 500 082

HDFC Bank Ltd.,

Lakdikapool Branch, Hyderabad - 500 005.

AUDITORS

M/s G.P.Associates,

Chartered Accountants.

105, 1st Block, 1st Floor, Divya Shakti Complex

Ameerpet, Hyderabad - 500 016.

REGISTERED OFFICE

Krebs Biochemicals Limited,

401 - 402, 4th Floor, Plot No.13, Cyber Heights,

Road No.2, Banjara Hills,

Hyderabad - 500 033.

Tel : 55593678, 55594798, Fax : 040 - 23540320

E-mail: krebsbio@hd1.vsnl.net.in

Website:<http://www.krebsbiochem.com>

FACTORIES

Unit 1: Regadichelika, Talamanchi Panchayat

Racharlapadu Post, Nellore Dist : PIN: 524 316

Andhra Pradesh.

Unit 2: Kothapalli Village, Vedruparthy Post

Kasimkota Mandal, Near Anakapalli

Visakhapatnam Dist, Andhra Pradesh, PIN: 531 031

**KREBS BIOCHEMICALS LIMITED****MISSION STATEMENT**

KREBS is committed:

- ❖ To be World-class, Research-driven Manufacturer of Bulk Drugs and Intermediaries to produce latest Quality Products.
- ❖ To add Ethical Value to the Business Practices and conduct business with Integrity.
- ❖ To serve Customers, Shareholders and Society at large.
- ❖ To operate in a Safe and Eco-Friendly environment.
- ❖ To be researching constantly seeking innovations.

CORPORATE VALUES

The overall philosophy of the Company is to be an ideal and model Corporate Citizen and hence takes on itself to carry out its business by following good corporate practices like

- ❖ Good Corporate Governance
- ❖ Transparency and honesty
- ❖ Social Responsibility
- ❖ Responsibility towards
 - a) Employees
 - b) Shareholders
 - c) Customers
 - d) Suppliers and
 - e) Society at large.



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ABOUT THE COMPANY

KREBS BIOCHEMICALS LTD (KREBS) is a pioneer in introducing Ephedrine and Pseudoephedrine via the Fermentation Technology. Since inception KREBS has established itself as a dominant global player (among the top 10) in this segment of the Pharma Industry.

KREBS was incorporated in December 1991, and commenced its operations at Unit I Regadichelika, Nellore facility in the year 1994 with an installed capacity of 60 TPA of Pseudoephedrine Hcl. KREBS went to public with an IPO in March 1994 to part finance the project. KREBS went on increasing production from this facility to 150 TPA by the year 1996. Products manufactured from the facility are Ephedrine and Pseudoephedrine and their salts, which are used for making formulations for respiratory ailments, viz., cough, cold etc. The current manufacturing capacity is about 300 MT annually.

KREBS has received ISO 9002 Certification for its Unit-I situated at Nellore from Yarsley International Certifications Services accredited by U.K.-United Kingdom Accreditation Services (U.K.A.S.) in the year 2001.

KREBS has set up its second unit (Unit-II) at Kothapalli Village, Kasimkota Mandal in Visakhapatnam Dist. to manufacture a basket of Fermentation products viz., Lovastatin, Simvastatin, Pravastatin etc (all cholesterol reducing agents). The Company is now producing and marketing Lovastatin, Simvastatin and Vitamin-C

Right from the inception, KREBS has adopted global agenda for its growth by focusing on its specific area of expertise "Fermentation Technology".

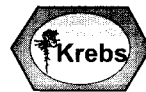
KREBS is a Professionally Managed Company ensuring Good Corporate Governance with about 10000 shareholders spread across the Country, with shares listed on HSE, BSE & NSE.

Today, large proportion of KREBS products is exported to advanced countries like USA, Germany and also to about 30 other countries. This itself, is a testimony of the quality products of the Company.

KREBS follows current Good Manufacturing Practices (cGMP) as well as Good Business Practices.

Solid financial performance is closely connected to ethical business practices. KREBS believe that companies that understand and address the impact of business on society and the environment will be the leaders of the future. This is why KREBS is committed to connecting business decisions to ethical, social and environmental concerns.

Value through Biochemistry



KREBS BIOCHEMICALS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eleventh Annual General Meeting of the members of KREBS BIOCHEMICALS LIMITED will be held on Tuesday the 30th September, 2003 at 10.00 A.M at Satya Sai Nigamagmam, 8-3-987/2 Srinagar Colony, Hyderabad - 500073 to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2003, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr.M.Venkataratnam, who retires by rotation and being eligible, proposed for re-appointment as a Director subject to retirement by rotation.
4. To appoint M/s G P Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration. The following resolution may be considered:

"RESOLVED that M/s G P Associates, Chartered Accountants, Hyderabad be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting".

"FURTHER RESOLVED that the Board of directors of the Company be and is hereby authorised to fix the remuneration, out of pocket expenses and fees for other services of the auditors".

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 293(1)(d) and other applicable provisions if any, of the Companies Act, 1956, and in modification of the resolution passed at the Annual General meeting held on 28th September 2002 the consent of the Company be and is hereby accorded to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed together with monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of Business) may exceed, the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purposes, provided however, the total amounts borrowed shall not exceed Rs.200.00 Crores (Rupees One Hundred Crores only), at any time."

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

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the modifications / alterations, if any, suggested by the appropriate authority, consent of the Company be and is hereby accorded to alter the Objects clause of the Memorandum of Association of the Company by adding the following objects after the existing clause III(A) 8."



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- III(A) 9. To carry on the business of manufacture, produce, grow, process, prepare, extract, distil, filter, purify, separate, dry, pack, condense, concentrate, refine, preserve, can, freeze, bottle, store, buy, sell, import, export, stock, trade and deal in all or any kinds of agricultural produce and agricultural inputs like seaweed's, fertilisers, bio-fertilisers, genetically treated seeds, agricultural & vegetable produce, extracts, food products, cereal products, tea, coffee, cocoa, seeds, fruits, vegetables, milk products, poultry, animal husbandry, pisciculture, sericulture, floriculture, horticulture and products thereof, dairy and dairy products and allied products including and consisting of the plants, medicinal plants pulp, fibre, tubors, vegetables, roots, seeds, spices, spice oils, extracts, edible oils, cereals, pulses, gram, grain, leaves, branches, herbs, flowers, fruits, nuts, natural colours, flavours, additives, perfumes, grass, and any food related items relating to above.
- III(A)10. To manufacture, produce, refine, process, formulate, mix or otherwise acquire, invest in own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade deal in and with, import or export any and all classes and kinds of agricultural chemicals, fertilizers, manures, their mixtures, and formulations, petro-chemicals, industrial chemicals, and any and all classes and kinds of chemicals, acids, alkalies corrosive or anti corrosive substances, non- corrosive substances, source materials, ingredients, mixtures, derivatives, and compounds thereof, and industrial and other preparations or products arising from or required in the manufacture, refining any kind of fertilizers, manures, their mixtures in the formulations and any type of fats, dips, sprays, vermifuges, insecticides, germicides, its disinfecting preparations, fumigators, medicines, and remedies of all kinds for agricultural tree and fruit growing, gardening, and other purposes or as remedies for human and animal and whether produced from vegetable, mineral, gaseous and animal source.
- III(A)11. To carry on the business of manufacture, produce, process, prepare, extract, distil, filter, purify, separate, dry, condense, concentrate, refine, preserve, can, freeze, bottle, store, buy, sell, import, export, trade and deal in all or any kinds of goods, commodities, Agro commodities, Non Agro commodities, food items, Fast Moving consumer goods, consumer durables chemicals, petrochemicals and plastics, minerals, mineral products, fertilisers, or other things.
- III(A)12. To manufacture, buy, sell, process, import, export, trade, grow, refine, research, mix, pack, market, act as distributors, wholesalers, dealers, consignment agents and handling agents and consultants in all kinds of pharmaceuticals, drugs, medicaments, intermediates and their raw-materials, surgical equipment, apparatus, and devices, cosmetics, medicated soaps, shampoos, toiletries and health care products, hospital products and items of personal hygiene whether prepared by ayurvedic, homeopathic, unani, allopathic, nature-cure, herbal or any other medicinal system for human beings, birds, animals, insects or other purpose and to run hospitals and diagnostic centres.
- III(A)13. To carry on any where in India or abroad, the business of manufacturing, building, assembling, fitting, constructing, repairing, servicing, providing services or otherwise acquire, invest, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade deal in and with, import or export any and all classes of ships, automobile vehicles or such other vehicles, seagoing vessels of every kind and description whether operated by fuel of otherwise whether finished or unfinished for finishing, repairing, or improving the same and reselling or using of carriage of passengers, or cargo by chartering the same or otherwise



KREBS BIOCHEMICALS LIMITED

operating services by the company itself, general carriers by land, water, air, railway, port, shipping and forwarding agents, warehousemen's, and any other business which can be conveniently carried on in connection with the above.

- III(A)14 To carry on the business of construct, maintain, or work any tramways, railways, branches, or sidings, wharves and ware houses, highways, roads, airports, ports, harbours, highway projects, heritage projects and to carry out all other works and conveniences which may seem to carry on directly or indirectly to advance the company's interest and to contribute or otherwise assist, or take part in the construction or maintenance thereof.

"FURTHER RESOLVED THAT Dr.R.T.Ravi, Managing Director and/ or the Company Secretary of the Company be and is hereby authorised to take all necessary steps for giving effect to the resolution."

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

"RESOLVED THAT pursuant to the provisions of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of concerned statutory authorities the name of the Company be and is hereby changed from "KREBS BIOCHEMICALS LIMITED" to "KREBS BIOCHEMICALS & INDUSTRIES LIMITED" and that the name of the company shall be "KREBS BIOCHEMICALS & INDUSTRIES LIMITED" with effect from the date of issue of certificate of incorporation by the Registrar of Companies, Andhra Pradesh in that behalf.

"FURTHER RESOLVED THAT the name "KREBS BIOCHEMICALS LIMITED" wherever appears in the Memorandum of and Articles of Association of the Company be substituted by the new name "KREBS BIOCHEMICALS & INDUSTRIES LIMITED".

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under item 5 to 7 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the Company.
3. The instrument(s) appointing the proxy, if any, shall be delivered at the Registered Office of the Company at Suit No.401-402, Cyber Heights, 4th Floor, Plot No.13, Road No.2, Banjara Hills, Hyderabad -500 033, not less than forty eight hours(48) before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2003 to 30th September 2003 (Both days inclusive).
5. Dividend if declared, will be paid within the stipulated statutory period for payment of dividend to those members whose names appear on the Company's Register of Members as on 21ST September 2003. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per the details furnished by NSDL and CDSL for this purpose.

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6. Pursuant to the provisions of the Section 205A and 205C of the Companies Act, 1956, any dividend for the financial year ended 31st March 1996 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1997 or any subsequent financial years are requested to make their claim to the Company.
7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Item No.6 and Item No.7 of the Notice requires the approval of members by following Postal Ballot procedure, for which relevant postal Ballot papers are enclosed.
9. Members desirous of having any information regarding Accounts are requested to address their queries to the General Manager (Finance) at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.

by order of the Board
For **KREBS BIOCHEMICALS LTD**
Sd/-
(A.Narendra)
Company Secretary

Place : Hyderabad
Dated : 23rd August, 2003

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