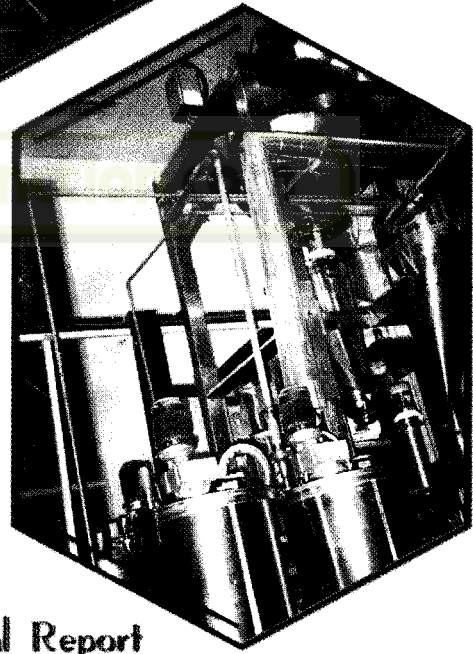
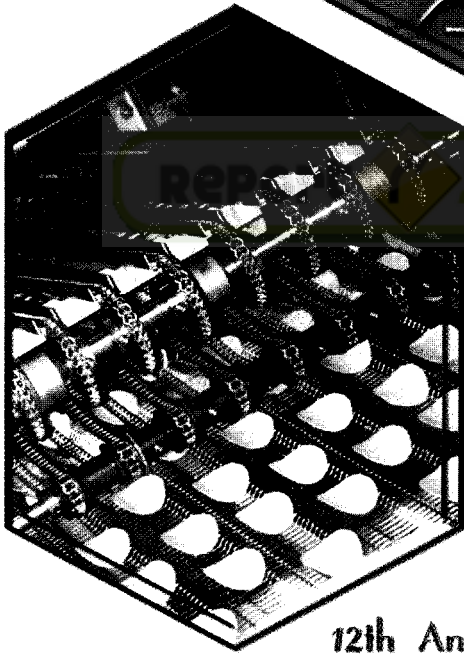
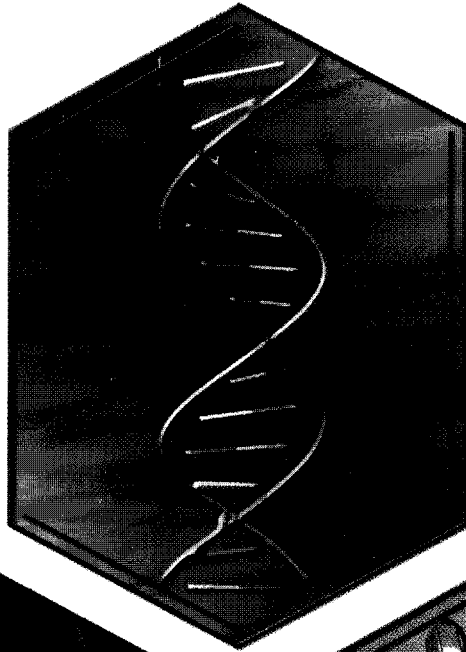


Value through Biochemistry

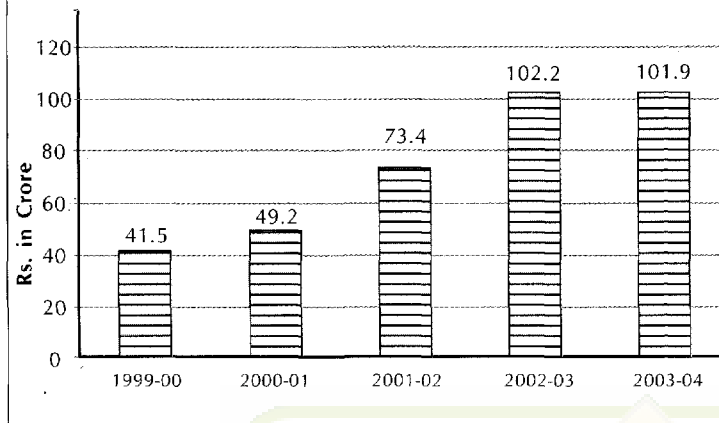


12th Annual Report
2003-2004

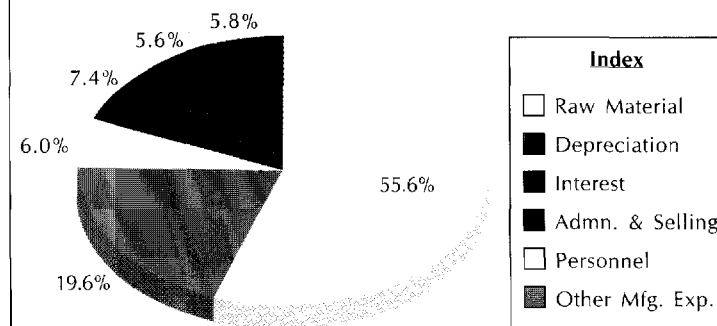


Krebs Biochemicals & Industries Limited

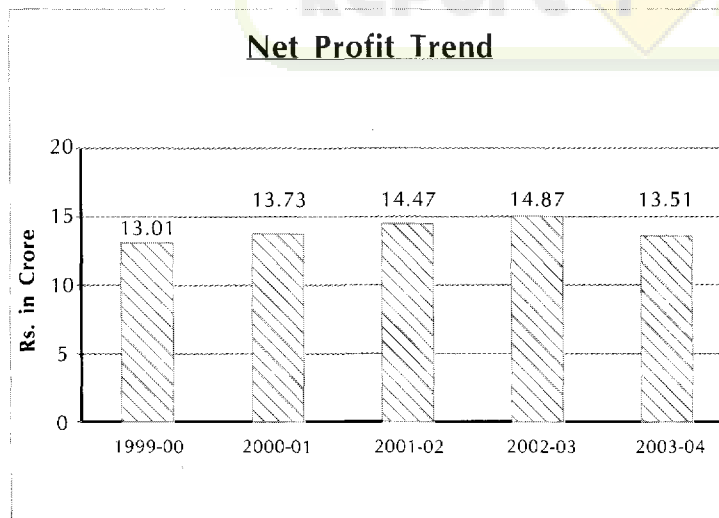
Turnover Trend



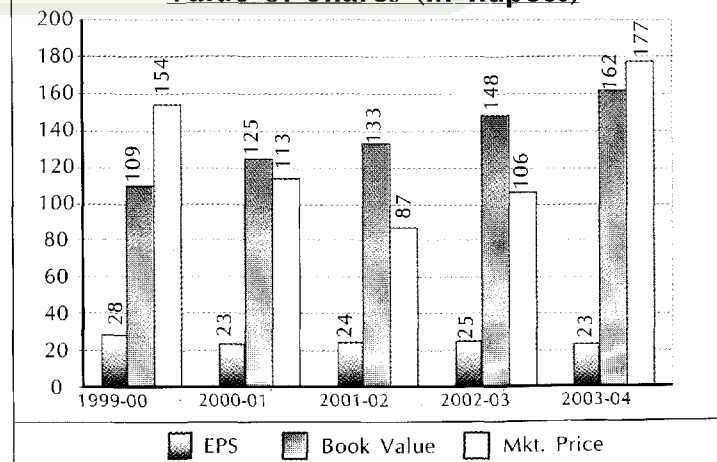
Expenditure Breakup 2003-04



Net Profit Trend



Value of Shares (in Rupees)



KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Contents

	Page Nos.
Board of Directors	3
Mission Statement & Corporate Values	4
About The Company	5
Notice to Shareholders	6
Directors' Report	9
Report on Corporate Governance	20
Management Discussion and Analysis	29
Auditors' Report	37
Balance Sheet	40
Profit & Loss Account	41
Schedules to Balance Sheet	42
Notes on Accounts	48
Cash Flow Statement	56
Additional Information	57
Appropriation of Retained Earnings	58
Value Added Statement	58
Proxy Form	59

12th Annual Report 2003-04

Report  Junction.com

This page is intentionally left blank



KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Board of Directors

Dr M VENKATARATNAM
IAS (Retd)

Chairman

SRI S RAMACHANDRAN
SRI THOMAS ALVA EDISON
SRI G.V.L.PRASAD

IDBI Nominee
APIDC Nominee
Director

Dr T KUCHROO

Director

Dr R T RAVI

Managing Director

COMPANY SECRETARY

Sri A.Veerendra Kumar

BANKERS

Andhra Bank
Somajiguda Branch, Hyderabad - 500 082

The Jammu & Kashmir Bank Limited
J.N.Road Branch, Hyderabad - 500 001

UTI Bank Limited
Begumpet Branch, Hyderabad - 500 082

HDFC Bank Limited
Lakdikapool Branch, Hyderabad - 500 004

AUDITORS

M/s. G.P.Associates,
Chartered Accountants
105, 1st Block, 1st Floor, Divya Shakti Complex
Ameerpet, Hyderabad - 500 016.

REGISTERED OFFICE

Krebs Biochemicals & Industries Limited,
401-402, 4th Floor, Plot No.13, Cyber Heights
Road No.2, Banjara Hills, Hyderabad - 500 033.
Tel : 040 - 55593678, 55594798, Fax : 040 - 23540320
E-mail : hyd1_krebsbio@sancharnet.in
Website : <http://www.krebsbiochem.com>

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Sathguru Management Consultants Pvt. Ltd.
Plot No. 15, Hindi Nagar, Panjagutta
Hyderabad - 500 034.
Tel : 040 - 23356507, 23350586, 23356975
Fax : 040 - 23354042
Email : sta@sathguru.com



Mission Statement

KREBS is committed to:

- ❖ be the world-class, research-driven manufacturer of Biopharmaceuticals, Intermediaries, Agro industrial products to produce latest and Quality Products.
- ❖ add Ethical Value to the Business Practices and conduct business with Integrity.
- ❖ serve Customers, Shareholders and Society at large.
- ❖ operate in a Safe and Eco - Friendly atmosphere.
- ❖ conduct research 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) Stakeholders
 - c) Customers
 - d) Suppliers and
 - e) Society at large

**KREBS BIOCHEMICALS & INDUSTRIES LIMITED****About the Company**

Krebs Biochemicals & Industries Limited (KBIL) was incorporated in the year 1991 as a Public Limited Company with the main objective of establishing commercially viable biotech processes with applications in Medicine, Agriculture and Industry. The company has pioneered in the fermentation technology over the last decade.

KBIL went into public in the year March 1994 to part finance its fermentation technology project. KBIL has a strong shareholding community of over 10000 spread across all parts of the country. Presently the equity shares are listed on HSE, BSE and NSE with active trading on BSE.

KBIL has manufacturing facilities at Ragadichelika, Nellore (Unit I) and at Kothapalli Village, Kasimkota Mandal, Visakhapatnam District (Unit II). Products manufactured from Unit I facility are Ephedrine, Pseudoephedrine and their salts, which are used for making formulations for respiratory ailments, viz., cough, cold etc.

The facility at Unit II is being used to manufacture a basket of fermentation products viz., Lovastatin, Simvastatin, (all cholesterol reducing agents) and Vitamin-C and its salts (neutraceuticals), which has wider applications in Pharma, feeds, foods beverages etc. The company is focussing on the research and development of new bio molecules and genetically engineered products by synthetic and biological approaches.

The R&D centres of KBIL situated at Unit I and ICICI Knowledge Park, Hyderabad are recognized by DSIR, New Delhi. The growth of KBIL is strengthened by its work force consisting of Doctorates, Post Graduates, Technocrats etc.,

KBIL has received ISO 9002 Certification for its

Unit-I situated at Nellore from Yarsley International Certifications Services accredited by United Kingdom Accreditation Services (U.K.A.S.) in the year 2001. Unit I is also accredited with European Certificate of Suitability from European Directorate for the Quality of Medicines (EDQM). Further, Certificate of Suitability has been submitted to EDQM for Lovastatin and Simvastatin.

The Unit I is a USFDA certified facility. Unit II is in the process of obtaining USFDA. The requirement of various criteria by USFDA involving appropriate designs, data collection, statistics and safety monitoring in concurrence with Good Manufacturing Practices and Good Laboratory Practices are followed by KBIL.

KBIL's past performance and success holds the strength for opening up new avenues for diversification, in addition to the existing line of bulk drugs. The company follows current Good Manufacturing Practices (cGMP) in addition to Good Business Practices.

Under the diversification programme and as a part of seeking new opportunities, KBIL has set up stackable potato chips plant at Gaganpahad, Hyderabad. Further, KBIL has acquired The Nannapaneni Venkat Rao Co-operative Sugar Factory, Jampani under the privatisation process and successfully completed crushing operations for the season 2003-04.

KBIL focuses on knowledge and expertise which will involve both experience and manpower skills necessary to organize suitable plant infrastructure at low cost for enabling the fermentation activities as an integral part of exploiting traditional microbial technology.

**12th Annual Report 2003-04****Notice to Shareholders**

Notice is hereby given that the Twelfth Annual General Meeting of the members of KREBS BIOCHEMICALS & INDUSTRIES LIMITED will be held on Thursday, the 30th day of September, 2004 at 11.00 a.m. at Sri Sathya Sai Nigamagadam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2004, 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 Mr.G.V.L.Prasad 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 this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

by order of the Board

Sd/-

Place : Hyderabad

Date : 31.7.2004

A.Veerendra Kumar

Company Secretary

Report  Junction.com



KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 23rd September, 2004 to Thursday, the 30th September, 2004 (both days inclusive) for determining the list of members eligible for dividend, if approved.
4. On the basis of particulars of beneficial ownership furnished by the depositories, dividend will be paid in respect of shares held in electronic form.
5. Pursuant to the provisions of the Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 1997 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, 1998 or any subsequent financial years are requested to seek issue of duplicate warrant(s) by writing to the company's Registrar and Transfer Agents.
6. Members desirous of having any information regarding Accounts are requested to address their queries to the General Manager (Accounts) 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

Sd/-

A.Veerendra Kumar
Company Secretary

Place : Hyderabad

Date : 31.7.2004

**12th Annual Report 2003-04****Additional Information on Directors Seeking Appointment /
Re-Appointment at the Annual General Meeting**

(Pursuant to Clause 49 of the Listing Agreement)

Item No.3

Sri.G.V.L.Prasad, Director is a Chartered Accountant by Profession. He is also a commerce and law graduate. He has rich and varied experience of over 22 years in the fields of Audit, Lease Financing, Project Financing, Taxation, Working Capital Management etc.,

Sri.G.V.L.Prasad was appointed as Director of the company in the annual general meeting held on 26th September, 2000 whose term of office shall be liable to retire by rotation.

He is the Chairman of "Shareholder and Investor Grievance Committee" and a member of "Audit Committee" of the company.

Sri.G.V.L.Prasad is holding Directorship in M/s. Visakha Foods Private Limited, Block-D, Auto Nagar, Gajuwaka, Visakhapatnam.

