

**22nd  
ANNUAL REPORT  
2008-2009**

**CERTIFIED TRUE COPY**

**For BACIL PHARMA LTD.**

  
**Director**

**BACIL PHARMA LIMITED**

401, Rajshila, 597 J.S.S. Marg, Near Princess Street,  
Girgaon, Mumbai - 400 002

# BACIL PHARMA LIMITED

## Board of Directors

Dr. L. L. Hingorani – Director  
Shirish Shetye – Director (Independent – Non-Executive)  
Dr. Nitin Kochar – Director (Independent – Non-Executive)  
Prakash Shah – Director

## Auditors

M/s. A. W. KETKAR & Co.  
Mumbai

## Registered Office

401, Rajshila, 597, J.S.S. Marg,  
Near Princess Street,  
Girgaon, Mumbai-400002.

## Factory Site

D-11/1/2, MIDC,  
Lote Parshuram Industrial Area,  
Taluka Khed, Dist. Ratnagiri 415 722

## Bankers

Union bank of India –  
Mumbai Samachar Marg, Mumbai – 400 023  
Chiplun – Maharashtra

## Registrar & Share Transfer Agents

BIGSHARE SERVICES PVT. LTD.  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai 400 072.  
Phone: 28470652, 28470653, 28473747, 28473474,  
Fax: 28475207

## BACIL PHARMA LIMITED

### NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of the members of BACIL PHARMA LIMITED will be held at 10.00 A.M. on Wednesday, 30th September 2009 at 71, Laxmi Building, 4th Floor, Sir P. M. Road, Fort, Mumbai 400 001 to transact the following Businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2009 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shirish Shetye, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Manmohan Ghildyal who satisfies all the conditions as set out under Part I of Schedule XIII to the Companies Act, 1956, as "Manager" of the Company for a period of 3 years w.e.f. 10th June 2009.

RESOLVED FURTHER THAT Mr. Manmohan Ghildyal be and is hereby re-appointed on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Manmohan Ghildyal, a draft whereof is placed before the meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/ or agreement, from time to time without requiring further approval of the members, but so as to be in conformity with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments and/ or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments there to as may be agreed to between the Board and Mr. Manmohan Ghildyal.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to amend the aforesaid agreement between the Company and Mr. Manmohan Ghildyal to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT Mr. Prakash Shah, and Mr. Shirish Shetye, Directors of the Company, be and are hereby severally authorised to do all such acts and things and deal with all such matters and take all such steps and finalise, approve, modify and sign the aforesaid agreement and all such papers/ forms/ documents as may be necessary for giving effect to the above resolution and that the Common Seal of the Company, if necessary, be affixed thereto in accordance with the provisions of the Articles of Association of the Company."

Mumbai : June 30, 2009  
REGISTERED OFFICE  
401, Rajshila, 597, J.S.S.Marg,  
Near Princess Street, Girgaon,  
Mumbai 400 002.

By Order of the Board of Directors

PRAKASH SHAH  
Director

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. Proxies must be received at the registered office of the Company not less than forty-eight hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September 2009 to Wednesday, 30th September 2009 (both days inclusive).
3. Members are requested to expeditiously intimate any change in their address registered with the Company.
4. Members are requested to bring their copies of the Annual Report at the time of Annual General Meeting.

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

#### Item No. 4

Mr. Manmohan Ghildayal was holding the office of Manager for a period up to 9th June, 2009.

Mr. Manmohan Ghildayal is a Science Graduate and accorded approval by F.D.A. in Fine Chemicals Bulk Drugs, aged 55 years, is eligible for re-appointment as a Manager of the Company subject to the approval of the shareholders in the forthcoming General Meeting. He has a total experience of 32 years.

The draft agreement to be entered into by the Company with Mr. Manmohan Ghildayal, in respect of his appointment, inter alia, contains the following terms and conditions:

Mr. Manmohan Ghildayal shall be entitled to remuneration of Rs. 12,500/- per month (all inclusive) with effect from 10th June, 2009.

The terms and conditions of appointment may be altered and varied from time to time by the Board of Directors of the Company as it may, in its discretion, deem fit so as to be in conformity with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), or any amendments made thereto.

The Agreement may be terminated by either party (Company or the Manager) by giving the other three months prior notice of termination in writing.

The draft Agreement to be entered into between the Company and Mr. Manmohan Ghildayal, is available for inspection by the Members of the Company at the Registered Office of the Company on any working day excluding Saturdays and holidays, one day before the date of the ensuing Annual General Meeting between 11.00 a.m. and 12.30 p.m.

The remuneration payable to Mr. Manmohan Ghildayal has been approved by the Remuneration Committee.

None of the Directors is, in any way, concerned or interested in the resolution. The Board recommends passing of the resolution.

Mumbai : June 30, 2009  
REGISTERED OFFICE  
401, Rajshila, 597, J.S.S.Marg,  
Near Princess Street, Girgaon,  
Mumbai 400 002.

By Order of the Board of Directors

PRAKASH SHAH  
Director

## BACIL PHARMA LIMITED

To  
The Members,  
BACIL PHARMA LIMITED.

### DIRECTORS' REPORT

The Directors have pleasure in submitting the Annual Report alongwith the audited statement of accounts for the year ended March 31, 2009.

#### FINANCIAL HIGHLIGHTS

The Company has successfully continued its business of Export of Agro Products and one consignment was exported during the year under review.

The company has achieved export turnover of Rs. 14,22,580/- as compared to Rs. 26,55,025/- in the previous year. Due to loss for the current year, your Directors are unable to recommend any dividend.

No activities were carried out at the plant of the company and the expenses pertaining to the said facility were included under the head project pre-operative expenses pending allocation as per past practice.

#### CORPORATE GOVERNANCE

Your Company has ever been an ardent practitioner of the core values of corporate governance. A separate report on Corporate Governance is attached herewith.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- 2) Appropriate accounting policies as mentioned in Schedule No. 12 have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the loss for the year ended on that date;
- 3) 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;
- 4) The annual accounts have been prepared on a going concern basis.

#### DIRECTORS

Mr. Shirish Shetye, Director retire by rotation and being eligible offer himself for reappointment.

#### LISTING AGREEMENT

The Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE), Ahmedabad Stock Exchange Ltd. (ASE) and The Delhi Stock Exchange Association Ltd. (DSE) and have been duly paid Annual Listing Fees for the year 2009-2010. The Company has initiated the process of voluntarily delisting of its securities from ASE and DSE.

#### PERSONNEL

No employee is receiving remuneration beyond the limit prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended up to date.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Since the Company has not commenced any manufacturing activity, information about Conservation of energy and technology absorption is not applicable.

The Company has earned foreign exchange of Rs. 14,22,580/- from its export activities and there was no outgo of foreign exchange.

#### AUDITORS

M/s. A. W. Ketkar & Co., Chartered Accountants, Auditors of the Company retires on conclusion of the ensuing Annual General Meeting. They are eligible for reappointment and members are requested to appoint the auditors.

#### ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the valuable Co-operation and support extended by Employees, Registrars and other agencies. We are also grateful to all the Shareholders for reposing their confidence in the Company.

By Order of the Board of Directors

Place : Mumbai  
Dated : June 30, 2009

PRAKASH SHAH  
Director

SHIRISH SHETYE  
Director

## Annexure to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Industry structure and developments

As the Company has not started any activities at its factory premises at MIDC, Lote (Maharashtra) due to financial constrain and non-availability of the funds. During the year under review the Company has successfully exported one consignment of agro commodities and the company is in the process of exploring new opportunities in the trading business including export. The report contains certain forward-looking statements, which are based on certain assumptions and expectations of future events.

#### Opportunities and threats

There is growing demand for agro commodities in India and abroad specifically due to opening of the Indian Economy to world competition. Agro products and commodities are on demand both in the local and export market. The Company has plans to tie up with various prospective buyers (for test marketing) of indigenous as well as foreign market.

As far as threats are concerned no significant threats except the general market conditions are perceived in the near future.

#### Outlook

The outlook for agro products and commodities in general is good for the years to come. The Company is taking necessary measures to arrange the required finance for the project implementation and working capital requirements for its plant at MIDC, Lote (Maharashtra) or will have to evaluate other avenues or to dispose off the existing manufacturing facilities and diversify in to other areas.

#### Internal control systems

The company has a proper and adequate security system to ensure that all assets are safeguarded and protected against any possible loss from unauthorised use or disposition. The internal systems and other records are reliable, for preparing financial statements and other information, and for maintaining accountability of assets. Proper security arrangements are being made for safety of all assets, even though the insurance cover for plant and machinery is not obtained.

#### Financial and operational performance

During the year under review, the Company has continued its export business and has not carried out any manufacturing activities from facilities available with the company and the necessary permission under pollution control regulations is still awaited.

#### Cautionary Statement

The delay in project implementation has caused increase in project preoperative expenses. Statements in this Management Discussion and Analysis Report are based upon the data available with the company at this point of time and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country. The management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein. Delay in project implementation and commercial production has already caused depletion of the existing plant & machinery, due to plant being in chemical zone and the same will have a barring in the near future for extensive repairs & maintenance.

## Annexure to Directors' Report

### CORPORATE GOVERNANCE REPORT

#### 1. Company's philosophy on code of corporate governance

Bacil Pharma Limited's philosophy on corporate governance envisages the attainment of transparency, accountability and equity, in all facets of its operations and all its transactions with its stakeholders, including shareholders, employees and government.

Bacil Pharma Limited is committed to achieve the goal of enhancing shareholders satisfaction over a period of time.

#### 2. Board of Directors

##### i) Composition and Category of directors:

The Board of Directors comprises of Four Directors, all are being Non-Executive Directors. Out of four Directors, two directors are promoters and remaining two directors are independent. All Directors are liable to retire by rotation.

##### ii) Attendance of each director at Board Meetings and the last Annual General Meeting (AGM):

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM
Mr. Shirish Shetye	Independent	6	Yes
Dr. Nitin Kochar	Independent	5	Yes
Mr. Prakash Shah	Promoter	6	Yes
Dr. L. L. Hingorani	Promoter	4	Yes

##### iii) Number of other Board of Directors or Board Committees where Directors of the Company are a Director/ Member/ Chairman

Name of Director	No. of Directorships in other Boards*	No. of Memberships in other Board Committees**	No. of Chairmanships in other Board Committees
Mr. Shirish Shetye	1	0	0
Dr. Nitin Kochar	0	0	0
Mr. Prakash Shah	3	0	0
Dr. L. L. Hingorani	0	0	0

\* These exclude directorship held in foreign companies, private limited companies which are not subsidiaries or holding companies of public limited companies, unlimited companies, associations not carrying on business for profit or which prohibit the payment if dividend, statutory entities and also alternate directors as provided under Section 278 of the Companies Act, 1956

\*\* Membership in Audit Committees/ Shareholder Grievance Committee/ Remuneration Committee of all Public Limited Companies have been considered.



iv) Details of Board Meetings held for the period 1/04/2008 to 31/03/2009

Sr. No.	1	2	3	4	5	6
Date	28/04/08	30/06/08	31/07/08	31/10/08	31/01/09	28/02/09

3. **Audit Committee**

i) *Brief description of terms of reference:*

The terms of reference of this committee cover matters specified under the Listing Agreement and the Companies Act, 1956

ii) *Composition, name of members and Chairperson:*

The Audit Committee comprises two independent, non-executive directors, Mr. Shirish Shetye, Dr. Nitin Kochar and promoter, non-executive director Mr. Prakash Shah with Mr. Shirish Shetye as chairman of the Committee.

iii) *Meetings and attendance during the year:*

Sr. No.	Date
1	30/06/2008
2	31/07/2008
3	31/10/2008
4	31/01/2009

Name of Member	No. of Meetings attended
Mr. Shirish Shetye	4
Dr. Nitin Kochar	4
Mr. Prakash Shah	4

4. **Remuneration Committee**

i) *Brief description of terms of reference*

The role of the committee is to consider the company's policy on specific remuneration packages for executive directors and Manager and determine the same within the overall limits provided in the Companies Act, 1956. The decisions of the committee are placed before the Board of Directors at the subsequent meeting for its approval.

ii) *Composition, name of members and Chairperson*

The Remuneration Committee comprises two independent, non-executive directors, Dr. Nitin Kochar, Mr. Shirish Shetye and promoter, non-executive director Mr. Prakash Shah with Dr. Nitin Kochar as chairman of the Committee.

iii) *Attendance during the year*

No Meeting of the committee was held during the year 2008-2009.

iv) *Remuneration policy*

Non-Executive Directors of the Company have not received any remuneration. The remuneration payable to Manager is reviewed at the time of re-appointment. The Company has no Stock Option Scheme for any of its Directors/ Employees.

5. **Shareholders' / Investors' Grievance Committee**

i) *Name of non-executive director heading the committee*

Mr. Shirish Shetye

- ii) Name and designation of compliance officer  
Mr. Prakash Shah – Non-Executive/ Promoter Director
- iii) Numbers of shareholders' complaints received so far

12 complaints were received during the year under review. All the complaints received have been generally resolved to the satisfaction of the shareholders and no complaint is lying unresolved for the year ended 31/03/2009.

#### 6. General Body Meetings

- i) Location and time, where last three Annual General Meetings held:

Sr. No.	Particulars	Date	Venue	Time
1	19th Annual General Meeting for the Financial Year 2005-2006	30/09/2006	10, Vashani Chambers, 47, New Marine Lines, Mumbai - 400 020	10.00 A.M.
2	20th Annual General Meeting for the Financial Year 2006-2007	29/09/2007	- do -	10.00 A.M.
3	21st Annual General Meeting for the Financial Year 2007-2008	30/09/2008	71, Laxmi Building, 4th Floor, Sir P. M. Road, Fort, Mumbai – 400 001	10.00 A.M.

- ii) All the resolutions, including the special Resolutions set out in the respective notices were passed by the members.

#### Special Resolutions passed in the previous 3 AGMs

AGM Date	Whether Special Resolution Passed	Summary of the resolution
30/09/2006	Yes	Re-appointment of Mr. Manmohal Ghildyal as a Manager of the Company and fixing of his remuneration
29/09/2007	Yes	De-listing of Securities of the company from the Ahmedabad and Delhi stock Exchanges under SEBI (Delisting of Securities) Guidelines, 2003 Alteration of the Articles of Association of the Company

- iii) The Company has not passed any resolution at any annual general meeting, which was required to be passed through postal ballot as per the provisions of the Companies Act, 1956, and the rules framed thereunder.

#### 7. Disclosures

- i) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last three years.
- ii) There is no materially significant related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc., that may have any potential conflict with the interest of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- iii) Transactions with the related parties are disclosed in Note No. 11 of Schedule 9 to the Accounts in the Annual Report.

8. Particulars of Directors Eligible for Re-Appointment

Mr. Shirish Shetye

Mr. Shirish Shetye is a practicing Company Secretary, who has vast experience in the field of company law matters. Re-appointment of Mr. Shirish Shetye on the Board will bring his expert knowledge and guidance and the Company will benefit from his experience. He joined the Board of your Company on 25/03/2003. He is the chairman of the Audit Committee and the member of the Remuneration Committee and Investor Grievance & Share Transfer Committee.

9. Means of Communication

Quarterly/ Half-yearly results are taken on record by the Board and submitted to the BSE in terms of the requirement of Clause 41 of the Listing Agreement. Quarterly/ Half-yearly results are usually published in English in Free Press Journal and in vernacular in Daily Navshakti from Mumbai.

Your Company has a system of sending Annual Report to their shareholders once in a year.

No presentation has been made to institutional investors or to analysts during the year under review.

10. General Shareholder Information

i) ANNUAL GENERAL MEETING

Date and Time

30th September 2009 at 10.00 A.M.

Venue

71, Lakshmi Building, 4th Floor  
Sir P. M. Road, Fort,  
Mumbai – 400 001.

ii) Financial Calendar (tentative)

Results for the quarter ending	30th June 2009	Last Week of July 2009
- do -	30th September 2009	Last Week of October 2009
- do -	31st December 2009	Last Week of January 2010
Results for the year ending	31st March 2010	Last week of June 2010
Annual General Meeting		September 2010

iii) Annual Book Closure

24th September 2009 to 30th September 2009 (both days inclusive)

iv) Listing of Shares

The shares of the Company are listed on Mumbai Stock Exchange (Stock Code – 524516). The Company's shares are also listed on Delhi Stock Exchange (Stock Code – 07450) and Ahmedabad Stock Exchanges (Stock Code – 07092). However, no trading has taken place at these Stock Exchanges. The Company has initiated for delisting of shares from these stock exchanges and necessary steps are being taken for the same. Listing Fees have been duly paid to all Stock Exchanges for the year 2009-2010.

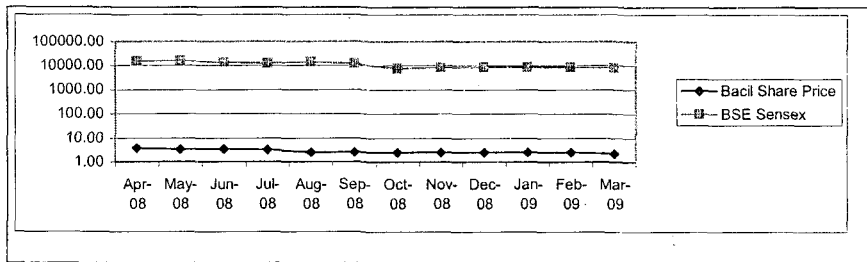
v) Dividend Payment Date

Company has not declared any dividend

vi) Stock Market Data, The Stock Exchange, Mumbai

Month	Highest (Rs.)	Lowest (Rs.)	Close (Rs.)
April 2008	4.83	3.85	3.85
May 2008	3.80	3.41	3.41
June 2008	3.74	3.08	3.56
July 2008	3.55	3.24	3.24
August 2008	3.08	2.54	2.54
September 2008	---	---	---
October 2008	---	---	---
November 2008	---	---	---
December 2008	---	---	---
January 2009	---	---	---
February 2009	---	---	---
March 2009	2.42	2.42	2.42

vii) Stock performance of Company in comparison to BSE Sensex



viii) Registered Office and Registrar & Share Transfer Agent

Investor Assistance, Registered Office

Bacil Pharma Limited  
401, Rajshila, 597, J.S.S. Marg,  
Near Princess Street, Girgaon,  
Mumbai 400 002.

Contact Person:

Mr. Prakash Shah,  
Compliance Officer – Director

Phone: (022) 22618452  
Fax: (022) 22618327

Registrar & Share Transfer Agent

BIGSHARE SERVICES PVT. LTD.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai 400072

Contact Person:

Mr. N. V. K. MOHAN,  
Managing Director

Phone: (022) 28470652, 28470653  
Fax: (022) 28475207

ix) **Share Transfer System**

The Company's shares, whether in physical form or demat form, are processed by the Registrar & Transfer Agents, and are approved by the Committee of Officers for share transfers/ Shareholders Investor Grievance Committee of the Company.

x) **Distribution of Shareholding as on 31st March 2009**

	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's Holding		
	Indian Promoters	2171300	36.86
	Sub-Total	2171300	36.86
B.	Others		
1.	Private Corporate Bodies	358500	6.09
2.	Indian Public		
	- Share Capital upto Rs. 1 lac	2987100	50.71
	- Share Capital in excess of Rs. 1lac	274500	4.66
3.	NRIs/OCBs	98600	1.67
4.	Any other		
	Sub-Total	3718700	63.14
	GRAND TOTAL....	5890000	100.00

xi) **Dematerialisation of Shares and Liquidity**

The Company has established electronic link with the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the International Securities Identification Number (ISIN) allotted to the Company is INE711D01018. The shareholders are welcome to send their shares to any of the depositories for dematerialization. Annual Custody fees have been paid to both depositories for the year 2009-2010. As on 31/03/2009 12,14,100 equity shares representing 20.61% capital of the company are in dematerialized form.

xii) **Plant Location**

D-11/1/2, MIDC,  
Lote Parshuram Industrial Area,  
Taluka Khed, Dist. Ratnagiri 415 722

xiii) **Address for Communication**

BIGSHARE SERVICES PVT. LTD.  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai 400 072.  
Phone: 28470652, 28470653, 28473747, 28473474,  
Fax: 28475207

xiv) **Compliance of Code of Conduct**

It is hereby declared and confirmed that all the Board members and senior management of the company have complied with the Code of Conduct for the period from 1st April, 2008 to 31st March, 2009.

## Auditors' Certificate

To the members of  
Bacil Pharma Limited

We have examined the compliance of condition of Corporate Governance by Bacil Pharma Limited for the year ended 31st March 2009 as stipulated in clause 49 of the Listing Agreement of the said company with The Stock Exchange, Mumbai.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

*In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement for the year ended March 31, 2009.*

We state that in respect of investor grievances received during the year ended 31st March 2009, no investor grievances are pending against the company as per records maintained by the company and presented to the Shareholders/ Investors Grievance Committee of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Place: Mumbai  
Dated: June 30, 2009

For **A. W. KETKAR & CO.**  
Chartered Accountants

Address: 4, "SOUKHYA", Opp. B.M.C. Hospital  
V. N. Purav Marg  
Chunabhatti, Mumbai 400 022

**A. W. KETKAR**  
Proprietor  
Membership No.: 012287

BACIL PHARMA LIMITED

AUDITORS' REPORT

To,  
The Members of BACIL PHARMA LIMITED,

1. We have audited the attached Balance Sheet of BACIL PHARMA LIMITED as at 31st March 2009 and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4A of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of Account as required by law have been kept by the Company, so far as appears from our examination of such books;
  - iii) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes on Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
    - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - c) In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

Place: Mumbai  
Dated: June 30, 2009

For **A. W. KETKAR & CO.**  
Chartered Accountants

Address: 4, "SOUKHYA", Opp. B.M.C. Hospital  
V. N. Purav Marg  
Chunabhatti, Mumbai 400 022

A. W. KETKAR  
Proprietor  
Membership No.: 012287

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of BACIL PHARMA LIMITED, for the year ended on 31st March, 2009.)

- 1) The provisions of clauses ii, x, xi, xii, xiii, xiv, xv, xvi, xviii and xix of paragraph 4 and 5 of the Companies (Auditors' Report) Order, 2003 are not applicable for the current year.
- 2) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As informed to us, fixed assets of the company were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- 3) (a) Loans taken by the company:

The Company has taken unsecured loans from Companies, Firms, or other parties ought to be listed in the register maintained under Section 301 of the Companies Act, 1956 and the rate of interest wherever applicable and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company and the maximum amount outstanding to them amounts to Rs. 21,28,052/- and we are informed that there is no Company under the same management within the meaning of section 370(1-B) of the Companies Act, 1956.
- (b) Loans given by the company:

The company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, the company has adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase and sale of plant and machinery, equipment and other assets.
- 5) According to the information and explanations provided by the management, there have been no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- 6) The company has not accepted any deposits from the public. Accordingly provisions of section 58A and 58AA of Companies Act, 1956 are not applicable to the company.



- 7) In our opinion the company has an internal audit system commensurate with the size and nature of its Business.
- 8) The Central Government has not prescribed the maintenance of Cost Records under Section 209(1) of the Companies Act, 1956 for any of the products of the Company.
- 9)
  - a) As informed to us Provident Fund and Employee State Insurance Act is not applicable to the Company.
  - b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of Income-Tax, Wealth-tax, Sales-tax, Custom Duty and Excise Duty, which have remained outstanding as at the date of Balance Sheet for the period of more than six months from the date they became payable.
- 10) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investments (fixed assets, etc.) and vice versa, other than temporary deployment pending application.
- 11) The Company has not raised any money through a public issue during the year under review.
- 12) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

Place: Mumbai  
Dated: June 30, 2009

For **A. W. KETKAR & CO.**  
Chartered Accountants

Address: 4, "SOUKHYA", Opp. B.M.C. Hospital  
V. N. Purav Marg  
Chunabhatti, Mumbai 400 022

**A. W. KETKAR**  
Proprietor  
Membership No.: 012287

BACIL PHARMA LIMITED

BALANCE SHEET AS AT 31.3.2009

Particulars	Schedule	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
<b>SOURCES OF FUNDS:</b>			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	6,52,71,500	6,52,71,500
b. Reserves & Surplus	2	8,67,998	12,38,008
2. LOAN FUNDS			
Unsecured Loans	3	2,93,708	8,73,708
	Total	6,64,33,206	6,73,83,216
<b>APPLICATION OF FUNDS :</b>			
1. FIXED ASSETS	4		
a. Gross Block		5,20,520	5,20,520
Less : Depreciation		4,80,409	4,70,612
Net Block		40,111	49,908
b. Capital Work in Progress Including Advances		2,70,32,842	3,12,59,402
c. Project Preoperative Expenses Including Public Issue Expenses	5	2,91,54,234	2,87,32,087
		5,62,27,187	6,00,41,397
2. INVESTMENTS	6	69,07,015	69,14,515
3. CURRENT ASSETS, LOANS & ADVANCES	7		
a. Sundry Debtors		1,24,692	13,09,509
b. Cash and Bank Balances		9,16,071	1,39,871
c. Loans, Advances & Deposits		34,81,350	26,65,420
		45,22,113	41,14,800
Less : CURRENT LIABILITIES AND PROVISIONS	8	12,23,109	37,36,746
NET CURRENT ASSETS		32,99,004	3,78,054
4. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		---	49,250
	Total	6,64,33,206	6,73,83,216

NOTES ON ACCOUNTS

12

As per our Report of even date

For **A. W. KETKAR & CO.**

Chartered Accountants

A. W. KETKAR

Proprietor

Place : Mumbai

Dated : June 30, 2009

Shirish Shetye

Director

Prakash Shah

Director

**BACIL PHARMA LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2009**

Particulars	Schedule	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME:</b>			
Sales/ Income from Operations	9	16,21,994	26,55,025
Other Income	10	1,20,000	4,76,000
	Total	17,41,994	31,31,025
<b>EXPENDITURE:</b>			
Purchase of goods traded		14,00,000	23,41,000
Other Expenses	11	5,52,797	6,12,086
Salaries		1,53,707	1,64,780
	Total	21,06,504	31,17,866
Profit before tax		- 3,64,510	13,159
Less: Provision for Taxation			
Fringe Benefit Tax		5,500	6,270
Provision for Taxation		---	4,070
		5,500	10,340
Profit after Tax		- 3,70,010	2,819
Add : Balance brought from last year		12,38,008	12,35,189
Balance Carried to Balance Sheet		8,67,998	12,38,008

NOTES ON ACCOUNTS

12

As per our Report of even date  
For **A. W. KETKAR & CO.**  
Chartered Accountants

**A. W. KETKAR**

Proprietor

Place : Mumbai

Dated : June 30, 2009

**Shirish Shetye**

Director

**Prakash Shah**

Director

BACIL PHARMA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.3.2009

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
-------------	---------------------------	---------------------------

Schedule 1

SHARE CAPITAL

Authorised 80,00,000 Equity Shares of Rs. 10/- each	8,00,00,000	8,00,00,000
Issued, Subscribed and Paid up 58,90,000 (Previous year 58,90,000)	5,89,00,000	5,89,00,000
Add: Forfeited Shares (Amount originally paid-up)	63,71,500	63,71,500
	<u>6,52,71,500</u>	<u>6,52,71,500</u>

Schedule 2

RESERVES & SURPLUS

Surplus in Profit & Loss Account	8,67,998	12,38,008
	<u>8,67,998</u>	<u>12,38,008</u>

Schedule 3

LOAN FUNDS

(Unsecured Loans)

Inter corporate Loans	2,93,708	2,93,708
Loan from Directors	---	5,80,000
	<u>2,93,708</u>	<u>8,73,708</u>

Schedule 4

FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.3.08	Additions/ Deductions	As at 31.3.09	As at 31.3.08	For the Year	As at 31.3.09	As at 31.3.09	As at 31.3.08
Furniture and Fixtures	4,43,945	---	4,43,945	3,98,040	8,309	4,06,349	37,596	45,905
Vehicles	37,175	---	37,175	36,375	207	36,582	593	800
Data Processing Equipments	39,400	---	39,400	36,197	1,281	37,478	1,922	3,203
TOTAL Rs.	5,20,520	---	5,20,520	4,70,612	9,797	4,80,409	40,111	49,908
Previous Year Rs.	5,15,620	4,900	5,20,520	4,58,765	11,847	4,70,612	49,908	---

### Schedule 5

#### PROJECT PREOPERATIVE AND PUBLIC ISSUE EXPENSES INCURRED UPTO 31/03/2009, PENDING ALLOCATION

Salaries, Wages & Staff Welfare	2,02,600	1,65,500
Office Rent	---	30,000
Electricity Charges	43,310	---
Telephone and Fax Charges	4,357	11,354
Repairs and Maintenance	---	1,029
Water Bills	84,060	---
Depreciation	9,797	11,847
Factory Expenses	1,17,463	90,189
Security Charges	65,560	44,503
	<u>5,27,147</u>	<u>3,54,422</u>
Add : Balance brought forward from Previous year	2,87,32,087	2,83,88,889
	<u>2,92,59,234</u>	<u>2,87,43,311</u>
Less: Expenses earlier debited but not payable/ transferred	1,05,000	11,224
	<u>2,91,54,234</u>	<u>2,87,32,087</u>

### Schedule 6

#### INVESTMENTS

##### UNQUOTED, AT COST

Fully paid Equity Shares of Rs. 10/- each  
3,10,000 Ganga Cements Ltd.

31,00,000	31,00,000
<u>31,00,000</u>	<u>31,00,000</u>

##### QUOTED, AT COST

Fully paid Equity Shares of Rs. 10/- each

8,100 Vora Constructions Ltd.  
65,700 Mayur Flooring Ltd.  
42,800 White Diamonds Ltd.  
50,000 Hitesh Textiles Ltd.  
0 New Markets Advisory Ltd (Previous year 3,000)

12,86,100	12,86,100
11,31,775	11,31,775
7,79,140	7,79,140
6,10,000	6,10,000
---	7,500
<u>38,14,515</u>	<u>38,14,515</u>

TOTAL 69,14,515 69,14,515

Market Value of Quoted Investments (as per BSE Quotation)

6,03,843 8,09,025

### Schedule 7

#### CURRENT ASSETS, LOANS AND ADVANCES

##### Sundry Debtors

(Unsecured, Considered Good)

Outstanding for more than six months  
Other Debts

---	---
1,24,692	13,09,509
<u>1,24,692</u>	<u>13,09,509</u>

##### Cash and Bank Balances

Cash in hand  
Balance with Scheduled Banks in Current Accounts

5,46,188	5,276
3,69,883	1,34,595
<u>9,16,071</u>	<u>1,39,871</u>

Loans, Advances and Deposits  
(Unsecured, Considered Good)  
Advances recoverable in cash or in  
kind or for value to be received  
Other Amounts Receivable  
Deposits

	36,000	36,000
	11,64,730	1,68,800
	22,80,620	24,60,620
	<u>34,81,350</u>	<u>26,65,420</u>

Schedule 8

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

a) Sundry Creditors	2,00,000	25,88,210
b) Other Liabilities	10,23,109	11,48,536
	<u>12,23,109</u>	<u>37,36,746</u>

Schedule 9

SALES/ INCOME FROM OPERATIONS

Export of Agro Products	14,22,580	26,55,025
Sale of Export Licences	1,99,414	---
	<u>16,21,994</u>	<u>26,55,025</u>

Schedule 10

OTHER INCOME

Godown Rent	1,20,000	1,20,000
Sale of Scrape	---	3,05,000
Sale of waste substance	---	51,000
	<u>1,20,000</u>	<u>4,76,000</u>

Schedule 11

OTHER EXPENSES

Office and General Expenses	1,07,195	46,195
Office Rent	---	90,000
Electricity Charges	15,064	21,441
Telephone and Fax Charges	21,166	21,304
Postage, Telegram and Courier	38,346	37,470
Printing & Stationery	35,424	34,917
Books and Periodicals	5,557	5,356
Traveling Expenses	56,904	1,02,042
Conveyance and Vehicles Expenses	29,691	26,406
Clearing and forwarding Expenses	63,647	92,899
Repairs and Maintenance	24,000	41,398
Bank Charges	6,409	7,770
Insurance Expenses	473	3,518
Listing Fees	46,236	35,000
Audit Fees	10,000	10,000
Legal & Professional Fees	6,525	2,350
Preliminary Expenses written off	49,250	---
Share Transfer Charges	36,910	34,020
	<u>5,52,797</u>	<u>6,12,086</u>

Schedule 12 ▾

NOTES ON ACCOUNTS

1) Significant Accounting Policies

- a) The Financial Statements are prepared under historical cost convention on an accrual basis.
- b) Fixed Assets are stated at cost of acquisition less accumulated depreciation
- c) Depreciation is provided on the Written Down Value Method at the rates and the manner specified in Schedule XIV of the Companies Act, 1956, and the same is added to project pre operative expenses pending allocation.
- d) Investments being Long Term Investments are stated at cost. Fluctuation in Value of investments is accounted on realisation.
- e) Capital Work in Progress includes Land, Building, Plant and Machineries at MIDC, Lote, capital advances, material at site and incidental expenses.
- f) Project Pre-operative, Public Issue and Preliminary Expenses, pending allocation, are deferred to be adjusted till commencement of commercial production.
- g) No provision for retirement i.e. bonus & gratuity has been made as no employee is eligible for entitlements of said benefits.

2) Quantitative Information

DESCRIPTION	31.3.2009		31.3.2008	
	Nos.	Rs.	Nos.	Rs.
<u>Purchases</u> Guar Gum Powder (M.T.)	20	14,00,000	40	23,41,000
<u>Sales</u> Guar Gum Powder (M.T.)	20	14,22,580	40	26,55,025

3) Contingent Liabilities

*Estimated amount of contract remain to be executed Nil (Previous Year Nil)*

- 4) In the opinion of the board, current assets, loans and advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.

5) Payment to Auditors

Description	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

6) Amount outstanding for payment to SSI Units over Rs. 1 Lac for 30 days or more: NIL  
(Previous year: NIL).

7) In view of project in progress, the deferred tax assets/liabilities is not ascertained on prudent basis.

8) *No Impairment of Assets has been ascertained.*

9) There are no reportable segments.

10) Previous year figures have been regrouped/rearranged wherever necessary.

11) Figures have been rounded off to nearest rupees.

12) Related Party Disclosures:

a) List of Related Parties and Relations

Party	Relation
Prakash Shah	Director
Ramesh Shah	Relative of Director
Shantilal Shah	Relative of Director
Suresh Shah	Relative of Director
B C Shah	Relative of Director
Badar Enterprises	Relative of Director
Symbol Advertising & Marketing	Associates
Khem-Sum Apparels Overseas Ltd.	Associates
New Markets Advisory Limited	Associates

b) Related Party Transactions

Details	Related Parties	Opening Balance	Debit for the Year	Credit for the Year	Closing Balance
Loan	Director	5,80,000	10,97,104	5,17,104	---
Current Account	Associates	3,26,701	3,26,701	---	---
Office Deposit	Associates	24,00,000	---	1,80,000	22,20,000
Outstanding Expenses	Associates	3,09,205	3,43,097	33,892	---
Sundry Creditors	Relative of Director	12,40,000	24,40,000	14,00,000	2,00,000
Amounts payable	Relative of Director	3,61,150	---	---	3,61,150



13) Balance Sheet abstract and Company's general business profile:

I> Registration Details

Registration No. : 43427 State Code : 11  
Balance Sheet Date : 31.03.2009

II> Capital Raised during the year (Amount in Rs. Thousands)

Public Issue : Nil  
Right Issue : Nil  
Bonus Issue : Nil  
Private Placement : Nil

III> Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities : 66,433  
Total Assets : 66,433

Sources of Funds

Paid up Capital : 65,271  
Reserves and Surplus : 868  
Secured Loans : Nil  
Unsecured Loans : 294

Application of Funds

Net Fixed Assets : 56,227  
Investments : 6,907  
Net Current Assets : 3,299  
Miscellaneous Expenditure : 49  
Accumulated Losses : Nil

IV) Performance of Company (Amount in Rs. Thousands)

Turnover : 1,742  
Total Expenditure : 2,057  
Profit/(Loss) before Tax : (364)  
Profit/(Loss) after Tax : (370)  
Earning per Share (in Rs.) : ---  
Dividend Rate (in %) : Nil

V) Generic Names of Three Principal Products/ Services of Company : No commercial Production

As per our Report of even date

For **A. W. KETKAR & CO.**  
Chartered Accountants

A. W. KETKAR  
Proprietor  
Place : Mumbai  
Dated : June 30, 2009

Shirish Shetye  
Director

Prakash Shah  
Director

BACIL PHARMA LIMITED

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Lacs)

	<u>2008-2009</u>	<u>2007-2008</u>
<b>A) Cash flow from Operating Activities</b>		
Operating Profit/(Loss) before Tax	- 3.64	0.13
Adjustment for		
Taxation	- 0.06	- 0.10
Trade & Other Receivables	3.69	- 12.56
Payables	- 25.14	8.17
Preliminary Expenses	0.49	Nil
Net Cash from Operating Activities	- 24.66	- 4.36
<b>B) Cash flow from Investing Activities</b>		
Purchase/Sale of Fixed Assets (Including Capital Work in Progress)	38.14	2.96
Purchase/Sale of Investments	0.08	Nil
Net Cash from Investing Activities	38.22	2.96
<b>C) Cash flow from Financing Activities</b>		
Proceeds from Borrowings	- 5.80	1.20
Net Cash from Financing Activities	- 5.80	1.20
Net increase/(decrease) in Cash & Cash Equivalent (A + B + C)	7.76	- 0.20
Cash & Cash Equivalent at the Commencement of the year	1.40	1.60
Cash & Cash Equivalent at the end of the year	9.16	1.40
Net Increase/(decrease) as disclosed above	7.76	- 0.20

**Notes**

- 1 Figures in brackets is out flow
- 2 Purchase/sale of Fixed Assets includes Capital Work in Progress and Pre-operating Expenses

As per our Report of even date

For **A. W. KETKAR & CO.**

Chartered Accountants

**A. W. KETKAR**

Proprietor

Place : Mumbai

Dated : June 30, 2009

**Shirish Shetye**

Director

**Prakash Shah**

Director

**BACIL PHARMA LIMITED**

Registered Office: 401, Rajshila, 597, J.S.S. Marg, Near Princess Street,  
Girgaon, Mumbai 400 002.

**PROXY FORM**

Reg. Folio No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ being member/s of the above mentioned  
Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the district of  
\_\_\_\_\_ as my/our proxy to vote for me/us on my/our  
behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company to be  
held on Wednesday, September 30, 2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

NOTE : This Proxy must be deposited at the Registered Office at 401, Rajshila, 597, J.S.S. Marg, Near Princess Street, Girgaon, Mumbai 400 002 at least 48 hours before the meeting.

**BACIL PHARMA LIMITED**

Registered Office : 401, Rajshila, 597, J.S.S. Marg,  
Near Princess Street, Girgaon, Mumbai 400 002.

**ATTENDANCE SLIP**

22nd Annual General Meeting

Reg. Folio No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

I certify that I am registered Shareholder/Proxy for the Registered Shareholder(s) of the Company.

I hereby record my presence at the TWENTY- SECOND ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 30, 2009 at 71, Laxmi Building, 4th Floor, Sir P. M. Road, Fort, Mumbai 400 001 at 10.00 a.m.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

NOTE : Please fill this attendance slip and hand it over at the entrance.

BOOK-POST

*If undelivered, please return to:*

**BACIL PHARMA LIMITED**

401, Rajshila, 597 J.S.S. Marg, Near Princess Street,  
Girgaon, Mumbai – 400 002