

23rd
ANNUAL REPORT
2009-2010

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.
www.bacilpharma.com

Corporate Office

71, Laxmi Building,
Sir P. M. Road, Fort,
Mumbai-400 001.

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, Sakinhar Road, Saki Naka,
Andheri (East), Mumbai 400 072.
Phone: 28470652, 28470653, 28473747, 28473474,
Fax: 28475207
www.bigshareonline.com

BACIL PHARMA LIMITED

NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of the members of BACIL PHARMA LIMITED will be held at 10.00 A.M. on Thursday, 30th September 2010 at 71, Laxmi Building, 4th Floor, Sir P. M. Road, Fort, Mumbai 400 001 to transact the following ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2010 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. L. L. Hingorani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Mumbai : May 31, 2010
REGISTERED OFFICE
401, Rajshika, 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 Friday, 24th September 2010 to Thursday, 30th September 2010 (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.

BACIL PHARMA LIMITED

To
The Members,
BACIL PHARMA LIMITED.

DIRECTORS' REPORT

The Directors have pleasure in submitting the Annual Report along with the audited statement of accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The Company was unable to procure any Export Order of Agro Products and no shipment was exported during the year under review.

The Income from operation during the year was Rs. 1,28,000/- as compared to Rs. 16,21,994/- 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, 2010 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

Dr. L. L. Hingorani, 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 paid Annual Listing Fees for the year 2010-2011 to BSE. 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 no foreign exchange earning and outgo during the year under review.

AUDITORS

M/s. A. W. Kelkar & 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 : May 31, 2010

PRAKASH SHAH
Director

SHIRISH SHETYE
Director

Annexure to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments

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 not done any export 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.

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 lease or dispose off the existing manufacturing facilities and diversify in to other areas.

Internal control systems

The company has a proper and adequate security system barring natural calamities 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 was unable to procure any Export Order and has not carried out any manufacturing activities from facilities available with the company.

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, and 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 bearing 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	4	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 of 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 1/04/2009 to 31/03/2010

Sr. No.	1	2	3	4	5	6
Date	30/04/09	30/06/09	31/07/09	31/10/09	30/01/10	26/03/10

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	30/06/09
2	31/07/09
3	31/10/09
4	30/01/10

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

A meeting of the committee was held on 30/06/2009 and the same was attended by the all committee members during the year under review.

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

6 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 31/03/2010.

6. General Body Meetings

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

Sr. No.	Particulars	Date	Venue	Time
1	20th Annual General Meeting for the Financial Year 2006-2007	29/09/2007	10, Vashani Chambers, 47, New Marine Lines, Mumbai - 400 020	10.00 A.M.
2	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.
3	22nd Annual General Meeting for the Financial Year 2008-2009	30/09/2009	- do -	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
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
30/09/2009	Yes	Re-appointment of Mr. Manmohal Ghildyal as a Manager of the Company and fixing of his remuneration

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. 12 of Schedule 12 to the Accounts in the Annual Report.

8. Particulars of Directors Eligible for Re-Appointment

Dr. L. L. Hingorani

Dr. L. L. Hingorani holds a Ph.D. Degree In Organic Chemistry (IIT, Bombay) followed by a Diploma in Business Management. He is a member of Indian Pharmaceutical Association, and has 29 years experience In various capacities. Re-appointment of Dr. L. L. Hingorani 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 as on 09/08/1990.

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. The company's website www.bacilpharma.com contains a separate section 'Investor Relations' where shareholders information is also available.

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 2010 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 2010	Second Week of August 2010
- do -	30th September 2010	Second Week of November 2010
- do -	31st December 2010	Second Week of February 2011
Results for the year ending	31st March 2011	Second week of May 2011
Annual General Meeting		September 2011

iii) Annual Book Closure

24th September 2010 to 30th September 2010 (both days inclusive)

iv) Listing of Shares

The shares of the Company are listed on Mumbai Stock Exchange (Stock Code - 524516) and the Listing Fees for the year 2010-2011 have been duly paid. 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.

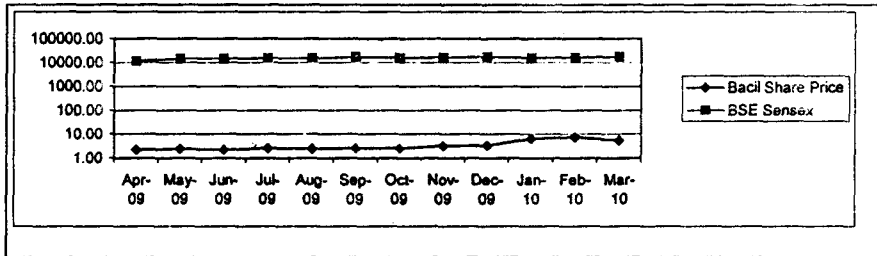
v) Dividend Payment Date

Company has not declared any dividend

vi) Stock Market Data, The Stock Exchange, Mumbai

Month	Highest (Rs.)	Lowest (Rs.)	Close (Rs.)
April 2009	2.30	2.30	2.30
May 2009	2.53	2.41	2.53
June 2009	2.52	2.29	2.52
July 2009	2.60	2.60	2.60
August 2009	2.49	2.49	2.49
September 2009	2.87	2.55	2.60
October 2009	3.39	2.51	3.39
November 2009	3.55	3.22	3.41
December 2009	6.33	3.45	6.33
January 2010	8.99	6.63	7.91
February 2010	8.20	7.80	7.80
March 2010	7.42	5.49	5.76

vii) Stock performance of Company in comparison to BSE Sensex



viii) Registered Office/Corporate Office and Registrar & Share Transfer Agent

Investor Assistance, Corporate Office

Bacil Pharma Limited
71, Laxmi Building,
Sir P. M. Road, Fort,
Mumbai 400 001.
www.bacilpharma.com

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,
Sakvihar Road, Sakl Naka,
Andheri (East), Mumbai 400072
www.bigshareonline.com

Contact Person:

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

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

Registered Office

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

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 2010

Category (Shares)	Total Holders	%age of Total Holders	Total Holding	%age of Total Capital
1 - 500	5710	85.93	1646600	27.96
501 - 1000	606	9.12	511800	8.69
1001 - 2000	174	2.62	262600	4.46
2001 - 3000	32	0.48	82200	1.40
3001 - 4000	20	0.30	70900	1.20
4001 - 5000	15	0.22	73000	1.24
5001 - 10000	59	0.89	505600	8.58
Above - 10000	29	0.44	2737300	46.47
TOTAL	6645	100.00	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 2010-2011. As on 31/03/2010, 12,77,700 equity shares representing 21.69% capital of the company are in dematerialized form.

xii) Plant Location

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

xiii) Address for Communication

BIGSHARE SERVICES PVT. LTD.
E-2/3, Ansa Industrial Estate, Sakinhar Road, Sakinaka,
Andheri (East), Mumbai 400 072.
Phone: 28470652, 28470653, 28473747, 28473474,
Fax: 28475207
www.bigshareonline.com

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, 2009 to 31st March, 2010.

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 2010 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, 2010.

We state that in respect of investor grievances received during the year ended 31st March 2010, 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: May 31, 2010

For **A. W. KETKAR & CO.**
Chartered Accountants
Registration No. :105006W

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 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010; 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: May 31, 2010

For **A. W. KETKAR & CO.**
Chartered Accountants
Registration No. : 105006W

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, 2010.)

- 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. 6,74,376/- 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: May 31, 2010

For **A. W. KETKAR & CO.**
Chartered Accountants
Registration No.: 105006W

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 31.3.2010

Particulars	Schedule	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SOURCES OF FUNDS:			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	6,52,71,500	6,52,71,500
b. Reserves & Surplus	2	6,34,407	8,67,998
2. LOAN FUNDS			
Unsecured Loans	3	2,93,708	2,93,708
	Total	<u>6,61,99,615</u>	<u>6,64,33,206</u>
APPLICATION OF FUNDS :			
1. FIXED ASSETS	4		
a. Gross Block		5,20,520	5,20,520
Less : Depreciation		<u>4,88,137</u>	<u>4,80,409</u>
Net Block		32,383	40,111
b. Capital Work in Progress Including Advances		2,68,78,701	2,70,32,842
c. Project Preoperative Expenses Including Public Issue Expenses	5	<u>2,92,16,956</u>	<u>2,91,54,234</u>
		5,61,28,040	5,62,27,187
2. INVESTMENTS	6	69,07,015	69,07,015
3. CURRENT ASSETS, LOANS & ADVANCES	7		
a. Sundry Debtors		---	1,24,692
b. Cash and Bank Balances		5,93,234	9,16,071
c. Loans, Advances & Deposits		<u>31,40,720</u>	<u>34,81,350</u>
		37,33,954	45,22,113
Less : CURRENT LIABILITIES AND PROVISIONS	8	5,69,394	12,23,109
NET CURRENT ASSETS		31,64,560	32,99,004
	Total	<u>6,61,99,615</u>	<u>6,64,33,206</u>

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 : May 31, 2010

Shirish Shetye
Director

Prakash Shah
Director

BACIL PHARMA LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2010

Particulars	Schedule	2009-2010 Rs.	2008-2009 Rs.
INCOME:			
Sales/ Income from Operations	9	1,28,000	16,21,994
Other Income	10	1,34,358	1,20,000
	Total	<u>2,62,358</u>	<u>17,41,994</u>
EXPENDITURE:			
Purchase of goods traded		---	14,00,000
Other Expenses	11	3,04,409	5,52,797
Salaries		1,91,540	1,53,707
	Total	<u>4,95,949</u>	<u>21,06,504</u>
Profit before tax		- 2,33,591	- 3,64,510
Less: Provision for Taxation			
Fringe Benefit Tax		Nil	5,500
Provision for Taxation		<u>Nil</u>	<u>Nil</u>
		Nil	5,500
Profit after Tax		- 2,33,591	- 3,70,010
Add : Balance brought from last year		8,67,998	12,38,008
Balance Carried to Balance Sheet		<u>6,34,407</u>	<u>8,67,998</u>

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 : May 31, 2010

Shirish Shetye
Director

Prakash Shah
Director

BACIL PHARMA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.3.2010

	As at	As at
PARTICULARS	31.3.2010	31.3.2009
	Rs.	Rs.

Schedule 1

SHARE CAPITAL

Authorised 10,00,000 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	6,34,407	8,67,998
	<u>6,34,407</u>	<u>8,67,998</u>

Schedule 3

**LOAN FUNDS
(Unsecured Loans)**

Inter corporate Loans	2,93,708	2,93,709
	<u>2,93,708</u>	<u>2,93,709</u>

Schedule 4

FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.3.09	Additions/ Deductions	As at 31.3.10	As at 31.3.09	For the Year	As at 31.3.10	As at 31.3.10	As at 31.3.09
Furniture and Fixtures	4,43,945	---	4,43,945	4,06,349	6,805	4,13,154	30,791	37,596
Vehicles	37,175	---	37,175	36,582	154	36,736	439	593
Data Processing Equipments	39,400	---	39,400	37,478	769	38,247	1,153	1,922
TOTAL Rs.	5,20,520		5,20,520	4,80,409	7,728	4,88,137	32,383	40,111
Previous Year Rs.	5,20,520	---	5,20,520	4,70,612	9,797	4,80,409	40,111	---

Schedule 5

PROJECT PREOPERATIVE AND PUBLIC ISSUE EXPENSES INCURRED UPTO 31/03/2010, PENDING ALLOCATION

Salaries, Wages & Staff Welfare	2,15,767	2,02,600
Electricity Charges	50,820	43,310
Telephone and Fax Charges	5,155	4,357
Water Bills	64,189	84,060
Depreciation	7,728	9,797
Factory Expenses	58,622	17,463
Security Charges	84,285	65,560
	<u>4,86,566</u>	<u>5,27,147</u>
Add : Balance brought forward from Previous year	2,91,54,234	2,87,32,087
	<u>2,96,40,800</u>	<u>2,92,59,234</u>
Less: Expenses earlier debited but not payable/ transferred	4,23,844	1,05,000
	<u>2,92,16,956</u>	<u>2,91,54,234</u>

Schedule 6

INVESTMENTS

UNQUOTED, AT COST

Fully paid Equity Shares of Rs. 10/- each 3,10,000 Ganga Cements Ltd.	<u>31,00,000</u>	<u>31,00,000</u>
	<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.	12,86,100	12,86,100
65,700 Mayur Flooring Ltd.	11,31,775	11,31,775
42,800 White Diamonds Ltd.	7,79,140	7,79,140
50,000 Hitesh Textiles Ltd.	<u>6,10,000</u>	<u>6,10,000</u>
	<u>38,07,015</u>	<u>38,07,015</u>
TOTAL	<u>69,07,015</u>	<u>69,07,015</u>

Market Value of Quoted Investments (as per BSE Quotation)	<u>6,90,073</u>	<u>6,03,843</u>
---	-----------------	-----------------

Schedule 7

CURRENT ASSETS, LOANS AND ADVANCES

Sundry Debtors (Unsecured, Considered Good)	---	---
Outstanding for more than six months	---	---
Other Debts	---	1,24,692
	<u>---</u>	<u>1,24,692</u>
Cash and Bank Balances		
Cash in hand	4,83,081	5,46,188
Balance with Scheduled Banks in Current Accounts	1,10,153	3,69,883
	<u>5,93,234</u>	<u>9,16,071</u>

Loans, Advances and Deposits (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	36,000	36,000
Other Amounts Receivable	8,24,100	11,64,730
Deposits	22,80,620	22,80,620
	<u>31,40,720</u>	<u>34,81,350</u>

Schedule 8

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES		
a) Sundry Creditors	---	2,00,000
b) Other Liabilities	5,69,394	10,23,109
	<u>5,69,394</u>	<u>12,23,109</u>

Schedule 9

SALES/ INCOME FROM OPERATIONS

Sundry Charges	1,28,000	---
Export of Agro Products	---	14,22,580
Sale of Export Licences	---	1,99,414
	<u>1,28,000</u>	<u>16,21,994</u>

Schedule 10

OTHER INCOME

Godown Rent	1,20,000	1,20,000
Interest	9,370	---
Miscellaneous Receipts	4,988	---
	<u>1,34,358</u>	<u>1,20,000</u>

Schedule 11

OTHER EXPENSES

Office and General Expenses	28,689	1,07,195
Electricity Charges	12,716	15,064
Telephone and Fax Charges	2,038	21,166
Postage, Telegram and Courier	1,707	38,346
Printing & Stationery	26,657	35,424
Books and Periodicals	3,654	5,557
Traveling Expenses	59,209	56,904
Conveyance and Vehicles Expenses	7,649	29,691
Clearing and forwarding Expenses	---	63,647
Repairs and Maintenance	50,275	24,000
Bank Charges	3,466	6,409
Insurance Expenses	468	473
Listing Fees	56,436	46,236
Audit Fees	10,000	10,000
Legal & Professional Fees	7,965	6,525
Preliminary Expenses written off	---	49,250
Share Transfer Charges	33,480	36,910
	<u>3,04,409</u>	<u>5,52,797</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	31.3.2010		31.3.2009	
	Nos.	Rs.	Nos.	Rs.
<u>Purchases</u> Guar Gum Powder (M.T.)	N.A.	NIL	20	14,00,000
<u>Sales</u> Guar Gum Powder (M.T.)	N.A.	NIL	20	14,22,580

- 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

b) Related Party Transactions

Details	Related Parties	Opening Balance	Debit for the Year	Credit for the Year	Closing Balance
Loan	Director	---	1,13,226	1,13,226	---
Office Deposit	Associates	22,20,000	---	---	22,20,000
Outstanding Expenses	Associates	---	18,720	18,720	---
Sundry Creditors	Relative of Director	2,00,000	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 : 31.03.2010

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 : 66,200
Total Assets : 66,200

Sources of Funds

Paid up Capital : 65,272
Reserves and Surplus : 634
Secured Loans : Nil
Unsecured Loans : 294

Application of Funds

Net Fixed Assets : 56,128
Investments : 6,907
Net Current Assets : 3,165
Miscellaneous Expenditure : Nil
Accumulated Losses : Nil

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

Turnover : 262
Total Expenditure : 496
Profit/(Loss) before Tax : (234)
Profit/(Loss) after Tax : (234)
Earning per Share (in Rs.) : ---
Dividend Rate (in %) : Nil

V) Generic Names of Three Principal Products/
Services of Company : Bulk Drugs and Fine Chemicals

As per our Report of even date

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

Chartered Accountants

A. W. KETKAR

Proprietor

Place : Mumbai

Dated : May 31, 2010

Shirish Shetye

Director

Prakash Shah

Director

BACIL PHARMA LIMITED

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

	<u>2009-2010</u>	<u>2008-2009</u>
A) Cash flow from Operating Activities		
Operating Profit/(Loss) before Tax	- 2.34	- 3.64
Adjustment for		
Taxation	0.00	- 0.06
Trade & Other Receivables	4.65	3.69
Payables	- 6.54	- 25.14
Preliminary Expenses	0.00	0.49
Net Cash from Operating Activities	- 4.22	- 24.66
B) Cash flow from Investing Activities		
Purchase/Sale of Fixed Assets (including Capital Work in Progress)	0.99	38.14
Purchase/Sale of Investments	0.00	0.08
Net Cash from Investing Activities	0.99	38.22
C) Cash flow from Financing Activities		
Proceeds from Borrowings	0.00	- 5.80
Net Cash from Financing Activities	0.00	- 5.80
Net Increase/(decrease) in Cash & Cash Equivalent (A + B + C)	- 3.23	7.76
Cash & Cash Equivalent at the Commencement of the year	9.16	1.40
Cash & Cash Equivalent at the end of the year	5.93	9.16
Net Increase/(decrease) as disclosed above	- 3.23	7.76

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 : May 31, 2010

Shirish Shetye

Director

Prakash Shah

Director

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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

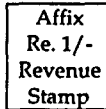
_____ of _____ in the district of

_____ as my/our proxy to vote for me/us on my/our

behalf at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held
on Thursday, September 30, 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature _____



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

23rd 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-THIRD ANNUAL GENERAL MEETING of
the Company to be held on Thursday, September 30, 2010 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