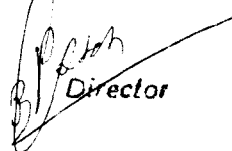


17th

Annual Report  
2003-2004

**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.

**BOARD OF DIRECTORS**

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

**AUDITORS**

M/s. Lukad & Jain  
Mumbai

**REGISTERED OFFICE**

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

**FACTORY SITES**

- 1 D-11/1/2, MIDC,  
Lote Parshuram Industrial Area,  
Taluka Khed, Dist. Ratnagiri 415 722
- 2 Plot No. 47/48, GIDC Phase I,  
Vapi 396 196, Dist. Valsad,  
Gujarat.

**BANKERS**

- 1 Union bank of India  
Mumbai Samachar Marg, Mumbai -- 400 023
- 2 The Vysya bank Ltd.  
Khar (West), Mumbai -- 400 052

**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

**NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of BACIL PHARMA LIMITED will be held at 10.00 A.M. on Thursday, 30th September 2004 at its office at 10, Vashani Chambers, 47, Vithaldas Thackersey Marg, New Marine Lines, Mumbai -400 020 to transact the following Businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2004 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramkishore R. Darak, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Prakash Shah, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. 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 2 years w.e.f. 10th June 2004.

RESOLVED FURTHER THAT Mr. Manmohan Ghildyal shall be 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. Ramkishore Darak, and Mr. Prakash Shah, 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, 2004

By Order of the Board of Directors

**REGISTERED OFFICE**

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

**SHIRISH SHETYE**  
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 2004 to Thursday, 30th September 2004 (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.
5. Members are requested, in case of non-payment, to pay the allotment money due on the shares held by them alongwith interest @ 15% p.a. payable w.e.f. 16.7.1994, failing which the concerned equity shares would be liable to be forfeited.

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

### Item No. 5

Mr. Manmohan Ghildayal was holding the office of Manager for a period up to 9th June, 2004.

Mr. Manmohan Ghildayal is a Science Graduate and accorded approval by F.D.A. in Fine Chemicals Bulk Drugs, aged 50 years, is eligible for 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 27 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. 9,000/- per month (all inclusive) with effect from 10th June, 2004.

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, up to 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, 2004

By Order of the Board of Directors

### REGISTERED OFFICE

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

SHIRISH SHETYE  
Director

**DIRECTORS' REPORT**

To

The Members, BACIL PHARMA LIMITED.

The Directors have pleasure in submitting the Annual Report alongwith the audited statement of accounts for the year ended March 31, 2004.

**PROJECT IMPLEMENTATION**

As the Company was facing certain difficulties in starting Commercial Production at its plant at MIDC Lote (Maharashtra), considering the present market scenario, the Company has taken effective steps to setup a separate manufacturing unit for production of Herbal/ Aurvedic Bulk & Technical extracts and had setup part manufacturing facilities at its factory premises at GIDC, Vapi (Gujarat) and the Survey/ Test Marketing of Herbal and Aurvedic Products for Indigenous as well as Foreign Market is in progress. The Company has also applied for few Trade Marks for registration for its proposed Aurvedic Products.

The delay in starting the Production is due to delay in financial arrangement and receipt of calls in arrears. The Company is taking necessary measures to arrange the required finance for the project implementation and working capital requirements for its facilities at GIDC, Vapi.

Considering changed scenario and thrust shown by the Indian government towards agriculture sector, the Board has decided to explore the opportunities to enter into agro processing and agro related activities.

Since there was no commercial operation during the year ended 31st March 2004 and corresponding previous year, no Profit and Loss Account is prepared.

**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. 9 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, 2004;
- 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. Ramkishore R. Darak and Mr. Prakash Shah, Directors retire by rotation and being eligible offer themselves for reappointment.

**LISTING AGREEMENT**

Pursuant to Clause 32 of the listing agreement with Mumbai Stock Exchange, the Company declares that its securities are listed on Mumbai Stock Exchange. Listing Fees have been duly paid to the Mumbai Stock Exchange for the year 2004-2005.

**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 under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is not applicable.

The Company has no foreign exchange earning and outgo during the year under review.

**AUDITORS**

M/s. Lukad & Jain, Chartered Accountants, Auditors of the Company, retires on conclusion of the ensuing Annual General Meeting. However they are eligible for reappointment and members are requested to appoint the Auditors for the year 2004-2005 and fix their remuneration.

**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.

Place : Mumbai

Dated : June 30, 2004

By Order of the Board of Directors  
R. R. DARAK SHIRISH SHETYE  
Director Director