

**22nd  
ANNUAL REPORT  
2008-2009**

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**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 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.