

16th
Annual Report
2002-2003

CERTIFIED TRUE COPY

For **BACIL PHARMA LTD.**


Director

BACIL PHARMA LIMITED

10, Vashani Chambers, 47, Vitthal Das Thackersey Marg,
New Marine Lines, Mumbai-400 020.

BACIL PHARMA LIMITED

BOARD OF DIRECTORS

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

AUDITORS

M/s. Lukad & Jain
Mumbai

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.

REGISTRAR & SHARE TRANSFER AGENTS

R & D Consultants Ltd.
610, Dalamal Towers,
211, Nariman Point,
Mumbai 400 021.

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of BACIL PHARMA LIMITED will be held at 10.00 A.M. on Tuesday, 30th September 2003 at the registered office of the Company 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 2003 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. C. Sodhia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. L. L. Hingorani, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors other than retiring auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Mr. Shirish Shetye, be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Dr. N'tin Kochar, be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:
"RESOLVED THAT the consent of the shareholders of the Company pursuant to the provisions of section 61 of the Companies Act, 1956 be and is hereby accorded to delisting of securities of the company from Non-Regional Stock Exchanges, namely Delhi and Ahmedabad Stock Exchanges".
"FURTHER RESOLVED THAT the Board of Directors of the company be and is hereby authorised and empowered to do such acts, deeds and things as may be necessary to give effect to this resolution."

Mumbai : June 30, 2003

By Order of the Board of Directors

REGISTERED OFFICE

10, Vashani Chambers,
47, Vithaldas Thackersey Marg,
New Marine Lines, Mumbai 400 020.

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 Saturday, 27th September 2003 to Tuesday, 30th September 2003 (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 & 6

Pursuant to provisions of clause 49 of the Listing Agreement, the Corporate Governance Guidelines are applicable to the Company w.e.f. 31st March 2003. The Company is required to reconstitute the Board of Directors and to appoint independent directors. Accordingly the Board has appointed Mr. Shirish Shetye and Dr. Nitin Kochar as additional directors.

As an additional Director, Mr. Shirish Shetye holds office till the conclusion of the ensuing Annual General Meeting. Mr. Shirish Shetye's association with the Company will be of immense help to the Company. The Company has received notice Under Section 257 of the Companies Act, 1956 from a member alongwith a deposit of Rs. 500/- indicating his intention to propose Mr. Shirish Shetye to the office of Directors at the ensuing Annual General Meeting of the Company. The Board of Directors recommends passing of the proposed resolution.

Dr. Nitin Kochar also as an additional Director, holds office till the conclusion of the ensuing Annual General Meeting. Dr. Nitin Kochar's association with the Company will be of immense help to the Company. The Company has received notice Under Section 257 of the Companies Act, 1956 from a member alongwith a deposit of Rs. 500/- indicating his intention to propose Dr. Nitin Kochar to the office of Directors at the ensuing Annual General Meeting of the Company. The Board of Directors recommends passing of the proposed resolution.

None of the Directors other than Mr. Shirish Shetye and Dr. Nitin Kochar are interested in the respective resolutions.

Item No. 7

In view of infrequent/no trading of securities of Company's share and to control expenses on listing fees, your consent is sought for delisting of securities on all the stock exchanges other than the Regional Stock Exchanges.

None of the Directors is, in any way concerned or interested in the resolution.

Mumbai : June 30, 2003

By Order of the Board of Directors

REGISTERED OFFICE

10, Vashani Chambers,
47, Vithaldas Thackersey Marg,
New Marine Lines, Mumbai 400 020.

PRAKASH SHAH
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, 2003.

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 setup manufacturing facilities at its factory premises at GIDC, Vapi (Gujarat) and has started Survey/ Test Marketing of Herbal and Aurvedic Products for Indigenous as well as Foreign Market. 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 non- receipt of No objection Certificate from Gujarat Pollution Control Board and delay in financial arrangement and outstandings of calls in arrears.

Since there was no commercial operation during the year ended 31st March 2003 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. The Company is required to implement Corporate Governance before 31/03/2003 and such has stated to implement the Corporate Governance Procedure.

A separate report on implementation of 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, 2003;
- 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. K. C. Sodhia and Dr. L. L. Hingorani, Directors retire by rotation and being eligible offer themselves for reappointment.

Mr. Shirish Shetye and Dr. Nitin Kochar were appointed as Additional Directors of the Company and holds office till the conclusion of ensuing Annual General Meeting. The Board recommends their appointments.

Mrs. Suman Shah, Director, has resigned during the year. The Board places on record its appreciation of the services rendered and guidance given by her during her tenure as Director on the Board.

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 2003-2004. The Company's shares were also listed on Delhi and Ahmedabad Stock Exchanges. However, the company has not paid the listing fees of these stock exchanges for the year 1995-96 onwards. The members have already given their consent for delisting of shares from these stock exchanges and necessary steps are being taken for the same.

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.