

21st
ANNUAL REPORT
2007-2008

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,

Loie 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-first Annual General Meeting of the members of BACIL PHARMA LIMITED will be held at 10.00 A.M. on Tuesday, 30th September 2008 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 2008 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Mumbai : June 30, 2008
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 Wednesday, 24th September 2008 to Tuesday, 30th September 2008 (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

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, 2008.

FINANCIAL HIGHLIGHTS

The Company has successfully started its business of Export of Agro Products and two consignments were exported during the year under review.

The company has achieved export turnover of Rs. 26,55,025/- as compared to Rs. NIL/- in the previous year. Due to mere profit, 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.

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, 2008;
- 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. Prakash Shah, 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 2008-2009. 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. 26,55,025/- 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, 2008

PRAKASH SHAH
Director

SHIRISH SHETYE
Director

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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 have successfully exported two consignments 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 started 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	3	No

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.

iv) Details of Board Meetings held for the period 1/04/2007 to 31/03/2008

Sr. No.	1	2	3	4	5	6
Date	30/04/07	07/07/07	31/07/07	31/10/07	31/01/08	28/03/08

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:

Dates of meetings

Sr. No.	Date
1	07/07/2007
2	31/07/2007
3	31/10/2007
4	31/01/2008

Attendance of Meetings

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 2007-2008.

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