

*26th
Annual Report
2010 - 2011*



BIOFIL
Health for All

**BIOFIL CHEMICALS
&
PHARMACEUTICALS LIMITED**

Board of Directors :

Shri Ramesh Shah, Chairman & Managing Director.
 Shri Ramesh Chimanlal Shah, Director
 Shri Romil Shah, Director
 Shri Navneet Bagree, Director
 Ms. Shaila Jain, Director

Bankers :

State Bank of India,
 Industrial estate Branch,
 INDORE.

IDBI Bank Ltd.,
 Ratlam Kothi Branch,
 INDORE

Auditors :

S.N. Gadiya & Co.,
 Chartered Accountants
 241, Apollo Towers
 2, M.G. Road, Indore M.P.

Registered Office :

11/12, Sector "E"
 Sanwer Road, Industrial Area,
 INDORE - 452 015 (M.P.)

Share Transfer Agent

Ankit Consultancy Private Limited
 Plot No. 60, Pardeshipura,
 Electronic Complex,
 Indore-452010 (M.P.)
 Phone: 0731-3198601-602
 Fax: 0731-4065798
 Email ID: ankit_4321@yahoo.com

Contents	Page
Notice	4
Director's Report	6
Auditors' Report	16
Balance Sheet	18
Profit & Loss A/c.	19
Notes on Accounts	24
Cash Flow Statement	28

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the members of BIOFIL CHEMICALS AND PHARMACEUTICALS LTD will be held on Thursday 29th September, 2011 At 2.00 P.M. at 11/12, Sector E, Sanwer Road, Industrial Area, Indore M.P.

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the profit & Loss Account for the year ended on same date and the Reports of Board of Directors & Auditors thereon.
2. To appoint Director in place of Smt. Shaila Jain, who retires by rotation and being eligible offer herself for reappointment.
3. To appoint Director in place of Shri Romil Shah, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

AS SPECIAL BUSINESS

5. TO, CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to carry on the business activities as covered under the Other Objects Clause No. (C) 30 of the Memorandum of Association of the Company and the Board of Directors of the Company be and is hereby authorized to take all such effective steps to implement the decision of the members of the Company as they may consider appropriate in the interest of the Company and to do all such acts, deeds and things from time to time for and on behalf of the Company."

Clause 30(c) of other object clause of Memorandum of Association of the company is given below:-

To carry on the business of manufacturing, producing, exporting, importing, purchasing and selling, dealing and indenting machineries, plants, accessories, and spare parts, hardware tools, casting of metals and alloys, bearings, abrasives electrical accessories, clocks, domestic appliances, machinery, surgical instruments, cutlery, hospital ware and surgical instruments, all metals, plastic, Bakelite, glass and articles made there from and allied products of the above.

By Order of the Board.
For Biofil Chemicals & Pharmaceuticals Ltd.
 Sd/-
 (Ramesh Shah)
 Managing Director

Place : Indore
 Date : 10/08/2011

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO VALID, THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- Register of the members and share transfer book of the company will remain closed from Saturday 24th September, 2011 to Thursday, 29th September, 2011 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
- Members are requested to send their queries, if any at least 7 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- The relative Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto
- Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore-452010 M.P.
- In all correspondence with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID number and their DP ID number.
- SEBI has notified for compulsory trading of shares of the Company in demat form so members, who have not dematerialized their shares are advised to contact Depository Participant in this regard.
- SEBI have made it mandatory for every participant in the securities/ capital market to furnish the detail of Income Tax Permanent Account Number (PAN). Accordingly, all shareholders holding shares in the physical form are requested to submit details of PAN along with a photocopy of both the sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agent.
- Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).

- Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the Directors and retiring directors, a statement detail of the concerned directors is attached hereto.
- The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filed form to our Registrar Ankit Consultancy Private Limited, 60 Electronic Complex, Pardeshipura, Indore -452001 M.P. for sending the document in electronic form. The form is enclosed with Annual Report.
- The Company has designated an exclusive email ID biofil@sancharnet.in which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.

ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.

Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the Directors and retiring directors, a statement detail of the concerned directors is attached hereto.

Statement Regarding the Directors Proposed for Appointment

Name & Designation of Appointee	Age	Qualification	Expertise/ Experience	Date of Appointment / Reappointment	Directorship in other Company	No. of Share Held
Smt. Shaila Jain	43	B. Sc	Technical	31/01/2003	Nil	Nil
Mr. Romil shah	26	B.E.	Marketing	30/07/2005	One	382550

By Order of the Board.

For Biofil Chemicals & Pharmaceuticals Ltd.

(Ramesh Shah)

Managing Director

Place : Indore

Date : 10/08/2011

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No 6

The members are aware that Company was incorporated on 4th day of January 1982 with a primary focus on formulation of drugs and pharmaceuticals. Board of Directors are considered from time to time proposals for diversification into areas which would be profitable for the company as part of diversification plans which considered to be convenient, advantageous and feasible for the company's business. After completion of one time settlement with bankers Board of the directors have decided to run the idle factory situated at pithampur.. Accordingly Board of the Directors have proposed to start the manufacturing and trading of plastic products and their by products. The present main clause of the Memorandum of Association of the Company is not covering the areas properly, which may be considered in future by the Company for diversification, etc.

After taking into account the financial resources of the Company and other relevant factors, the Board considered it possible and desirable to diversify the Company's activities by undertaking the above said business which could be carried on most economically and profitably with the main objects of the Company.

The Company is authorized to undertake the proposed business under sub-clause C of clause III of Memorandum of Association. The Board is satisfied that the proposed business can be combined conveniently and advantageously with the existing business of the Company under the existing circumstances.

According to section 149(2A) of the Companies Act, 1956, no Company can commence any new business unless the Company has approved the commencement of such new business by a special resolution passed in that behalf at a general meeting.

As the commencement of the proposed business in terms of sub-clause C of clause III of the Memorandum of Association of the Company may be considered to be the commencement of a new business within the meaning of section 149 (2A) of the Act, it is necessary to obtain the approval of the members by a special resolution to such commencement of new business pursuant to the said section. The resolution is intended for this purpose.

The Companies Memorandum of Association is open for inspection at the Company's registered office during usual business hours on any working day.

Your Directors commend the resolution for your approval.

None of the Directors of your Company is in any way concerned or interested in this resolution.

Place : Indore

Date : 10/08/2011

By Order of the Board.

For Biofil Chemicals & Pharmaceuticals Ltd.

(Ramesh Shah)

Managing Director

DIRECTOR'S REPORT

Dear Members,

Your Directors hereby present the 26th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

Rs. In Lacs

	Year ended 31/03/2011	Year ended 31/03/2010
Total Income	441.67	314.92
Total Expenditure	295.68	218.20
Operation Profit and loss before Depreciation	145.99	96.72
Depreciation	15.35	10.73
Written of Preliminary Expenses	31.50	31.50
Profit/Loss before tax	99.14	54.48
Provision for tax	-	-
Profit/Loss before tax	99.14	54.48

This year also turnover of the company has been increased by 40% and earned net profit of Rs. 99.14 Lacs in comparison to previous year's net profit of Rs. 54.48 lacs. Directors are hopeful that this fiscal year plastic division will give good turnover and profitability along with existing business activities.

REISSUE OF FORFEITED SHARES

During the financial year to pay of various liabilities of the company Board of the Directors of the company have reissued the 5712500 forfeited equity shares to promoters and other than promoters for Rs. 7 each. Listing of these shares are still pending with stock exchanges.

DIVIDEND

In order to set off previous year losses and inadequate profit, your directors not recommended any dividend for the year under review.

PUBLIC DEPOSIT

During the year the company did not invite public deposits within the meaning of section 58A of the companies Act, 1956 and rules made thereunder.

DIRECTORS

During the year Smt. Shaila Jain and Shri Romil Shah Directors of the company retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

DIRECTOR'S RESPONSIBILITIES STATEMENT.

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) that the Directors have selected such accounting policies and applied them consistently and 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 at the end of financial year and of the profit of the Company for the year and review.
- iii) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis depends upon the restructuring of the project.

AUDITORS

The Auditors S.N. Gadiya & Company, Chartered Accountants, statutory Auditors of the company, retires and being eligible, offer themselves for re-appointment.

AUDITOR'S REPORT

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and do not require any explanation.

DISCLOSURE OF SPECIAL PARTICULARS

Information as per section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended 31st March 2011.

I. CONSERVATION OF ENERGY

The Company's operations do not involve substantial consumption of energy in comparison to cost of production, however possible energy conservation measures have been implemented with a view to conserve and optimize the use of energy.

II. TECHNOLOGY ABSORPTION

The Company has neither purchased within India nor imported any technology.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings and Outgo	:	Rs. Nil
Total foreign exchange earned	:	Rs. Nil
Total foreign exchange used	:	Rs. Nil

III. PARTICULARS OF THE EMPLOYEE

There was no employee during the year drawing remuneration attracting provisions of section 217 (2A) of the Companies Act, 1956 read with the companies (particulars of Employees) Rules 1975.

CORPORATE GOVERNANCE

A Report on the Corporate Governance code along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this report.

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct.

AUDIT COMMITTEE

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges an Audit Committee Comprises of Mr. Ramesh Chimanlal Shah, Mr. Navneet Bagree and Ms. Shaila Jain.

DEPOSITORY SYSTEM

Your Company's shares are tradable compulsory in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail of the facility of Dematerialization of the Company's shares on either of Depositories as aforesaid.

GREEN INITIATIVES IN THE CORPORATE GOVERNANCE

In order to reduce cost of posting and speedy delivery of documents, service of documents through electronic mode has been permitted under section 53 of the Companies Act, 1956 in place of service of document under certificate of posting. Similarly, to reduce the consumption of papers and speedy secure delivery, service of copies of Balance Sheets and Auditors Report etc., to the members of the company as required under section 219 of the Companies Act, 1956 has been allowed to be served through electronic mode by capturing their e-mail addresses available with the depositories or by obtaining directly from the shareholders.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the devoted services rendered by the staff members of the Company. Your Company & Directors wish to extend sincere thanks to specially HLL, customers, Bank's, and professionals. Last but not least, the Directors would like to thank valuable shareholders for their co-operation, support and contribution. We look forward to their continued support and co-operation in future.

Place : Indore
Date : 30/05/2011

For and on behalf of the Board

Ramesh Shah
Managing Director

Romil Shah
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY SCENARIO AND INDIAN PHARMACEUTICAL INDUSTRY

Your Company is carrying on its business activity as Pharmaceuticals, Bulk Drug & Formulation industry. The Indian pharmaceutical sector is currently the largest amongst the developing nations. The current momentum of growth of the pharmaceutical market in India indicates its rapid expansion in the near future. With an effective business model of the Indian pharmaceutical companies coupled with comparative cost advantages, the industry is poised to be at the centre stage of the global pharmaceutical market. The better growth of domestic companies in India, compared to multi-national companies, is a matter of encouragement for all pharmaceutical companies in India, to enter global markets and explore possibilities of mergers and acquisitions.

OUTLOOK AND BUSINESS STRATEGY.

In order to enhance shareholder value and to sustain profitable working, Board of Directors of the Company have decided to start the plastic products and their by-products along with its existing business. This financial year company would be able to increase the turnover and profitability of the company according to size of the business.

RISK CONCERN

Currently, financial conditions are in a negative zone through out the world. This has led to a threat of a broad recession. The pharmaceutical industry, like any other major industry is also at a risk of degenerating or growing at a very slow pace. Pricing and regulatory pressures, inflations, Government Policies etc. are major concerns in the Indian pharmaceutical market space. Your Company, as it has done in past, is confident of surviving these concerns and is capable of meeting changing market dynamics.

INTERNAL CONTROL AND ADEQUACY

The company has evolved suitable system of internal controls to ensure that assets are safeguarded; transactions are authorized, recorded and correctly reported. The internal Control system is supported by management reviews. Planned periodic reviews are carried out for identifications of control deficiencies, bridging gaps with best practices and formulation of time bound action plans to minimize risk.

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS.

There has been no material adverse development on the human resources/industrial relation. During the year employees relation at all level continues to remain cordial.

FINANCIAL OPERATION.

The review of financial performance is mentioned in Director's report the same are not repeated again in this Chapter.

CAUTIONARY STATEMENT.

Estimates and expectation stated in this management discussion and analysis may be "forward looking" statement with in the meaning of applicable securities laws and regulations, actual results could differ materially from the expressed or implied important factors that could make a difference to your company operation include economic conditions affecting demand / supply and price conditions in the Domestic and International Markets, change in the Government, regulations, tax laws, other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

In Compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practices as followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Biofil Chemicals & Pharmaceuticals Limited (BCPL) is committed to high standards of corporate governance in all its activities. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. BOARD OF DIRECTORS

A. The Board has an optimum combination of Executive and Non-executive Directors, and confirms with clause 49 of the listing agreement entered in to with the Stock Exchange in which the Company's shares are listed.

The Board of Directors together with their details are as under. During the year 2010-2011 the Board met 10 (Ten) times on the following dates, namely:

31/05/2010	30/06/2010	31/07/2010	13/08/2010	01/09/2010
13/11/2010	14/02/2011	21/02/2011	30/03/2011	31/03/2011

The last Annual General Meeting was held on 28th Sept. 2010.

One Extra-ordinary General Meeting was held on 23rd March, 2011 for reissue of forfeited shares

Name of Directors	Category	No. Of Board Meeting Attended	Other Directorship		Othetr Committee Position	
			Chairman	Member	Chairman	Member
Shri Ramesh Shah	MD	10	---	1	---	---
Ms. Shaila Jain	ID	4	---	---	--	3
Shri Navneet Bagree	ID	4	---	4	---	3
Shri Romil Shah	NED	10	---	1	---	---
Shri Ramesh C. Shah	ID	4	---	---	3	3

MD = Managing Director, ID = Independent Director, NED = Non executive Director

None of the Director on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees. All the Directors have made the requisite disclosure regarding committee's position held by them in other Companies.

B. BOARD PROCEDURE

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively, the chairman briefs the Board at every meeting on the overall company performance.

C. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS.

There have been no materially significant related party transactions, pecuniary transactions or relationship between Biofil Chemicals and Pharmaceuticals Ltd and its directors, which is detrimental to the interest of the company for year ended 31st March, 2011.

D. REMUNERATION OF DIRECTORS: SITING FEES, SALARY, PERQUISITES AND COMMISSION.

Remuneration Committee was constituted and no remuneration was paid to any Director of the Company during the financial year only.

3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of directors consists of three Independent Directors namely, Mr. Ramesh Chimanlal Shah, Shri Navneet Bagree and Ms. Shaila Jain as on financial year ending on 31st March 2011. The reconstitution of Audit Committee also meets with the requirement of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

Four Audit Committee Meetings were held on during the Financial Year

31/05/2010	13/08/2010	13/11/2010	14/02/2011
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TERMS OF REFERENCE:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 1956. Brief description of terms of reference:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services;
- Reviewing with management, the annual financial statement before submission to the Board;
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors, any significant findings and follow up on such issues;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr Ramesh C Shah, Shri Navneet Bagree and Ms. Shaila Jain all independent directors and only one meeting was held during the financial year. Further no remuneration was paid to any Director during the financial year.

Attendances of the members are as follows: