

**24th  
Annual Report  
2008 - 2009**



**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 Indore,  
 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 Pvt. Ltd.,  
 4-A, Geeta Bhawan Chouraha,  
 INDORE - 452 001 (M.P.)  
 E-mail : ankit4231@yahoo.com

<b>Contents</b>	<b>Page</b>
Notice .....	3
Director's Report .....	5
Auditors' Report .....	14
Balance Sheet .....	16
Profit & Loss A/c. ....	17
Notes on Accounts .....	22
Cash Flow Statement .....	25

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **24th Annual General Meeting** of the members of **BIOFIL CHEMICALS AND PHARMACEUTICALS LTD.** will be held on Wednesday, the 30th September, 2009 At 3.00 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, 2009 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 Shri Navneet Bagree, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

**AS SPECIAL BUSINESS :**

4. **To, consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-**

"**RESOLVED THAT** Consent of the Company be and is hereby accorded to the Board of Directors of the Company for appointment of Mr. Ketan Shah as an executive in the Company at a remuneration not exceeding the maximum permissible limits prescribed under the provisions of section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 with effect from 1st October, 2008.

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution. "

By Order of the Board.  
For Biofil Chemicals & Pharmaceuticals Ltd.  
Sd/-

(Ramesh Shah)  
Managing Director

Place : Indore  
Date : 25/08/2009

**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 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.
2. 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.
3. Register of the members and share transfer book of the company will remain closed from Friday 25th September, 2009 to Wednesday 30th September, 2009 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
4. Members are requested to send their queries, if any at least 10 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.
5. 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.
6. 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.
7. In all correspondence with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialized form, they must quote their client ID number and their DP ID number.
8. 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.
9. 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).

**Statement Regarding the Director Proposed for Re-appointment**

Name & Designation of Appointee	Age	Qualification	Expertise/ Experience	Date of Appointment / Reappointment	Directorship in other company
Mr. Navneet Bagree	32	B. Com	Sales Marketing	31/01/2003	One

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

Place : Indore  
Date : 25/08/2009

**Explanatory Statement**

Pursuant to section 173(2) of the Companies Act, 1956

**ITEM NO. 4**

The Board of Directors of the Company has appointed Mr. Ketan Shah as an executive in the Company, who shall be part of the management team of the Company. He would be paid a remuneration in accordance with provisions of Section 314 (1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 with effect from October, 1st, 2008."

Mr. Ketan Shah is a Graduate in B.SC and approved manufacturing chemist and having 25 years experience in pharmaceutical business particularly manufacturing activities. He contributes in the operational and production activities. He is associated with the company since incorporation and he is paying full time attention in production activities. Mr. Ketan Shah is son of Shri Ramesh Shah, Managing Director of the Company. In accordance with the provisions of the Companies Act, 1956 the consent of the Company is required to be accorded by a special resolution for holding any office or place of profit by relative of Director of the Company carrying a total monthly remuneration of not less than Rs. 10,000/- per month upto a maximum limit of Rs. 50,000/- per month.

The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying notice for the approval of the members.

Shri Ramesh Shah, Managing Director, and Shri Romil Shah, Director of the Company, are concerned or interested in this resolution.

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

By Order of the Board.  
For Biofil Chemicals & Pharmaceuticals Ltd.  
Sd/-

(Ramesh Shah)  
Managing Director

Place : Indore  
Date : 25/08/2009

## DIRECTOR'S REPORT

Dear Members,

Your Directors hereby present the 24th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

### **FINANCIAL PERFORMANCE & BUSINESS REVIEW :**

	Year ended <u>31/3/2009</u>	Rs. In Lacs Year ended <u>31/03/2008</u>
Total Income	154.01	87.84
Total Expenditure	137.85	112.64
Operational Profit and loss before Depreciation	16.16	(24.80)
Depreciation	10.86	10.19
Written of Preliminary Expenses	31.50	31.50
Profit/Loss before tax	(26.20)	(66.49)
Provision for MAT tax / Provision for F.B.T	-0.12	-0.25
Profit/Loss after tax	(26.32)	(66.74)

During the year under review your Company has achieved turnover of Rs. 135.30 Lacs and registered 54.13% growth in comparison to previous financial year RS 87.78 Lacs. Further during the year inspite of operational profit, Company has incurred net loss of Rs 26.20 Lacs in comparison to previous year's net loss of Rs 66.49 Lacs which was mainly due to written off preliminary expenses and Depreciation.

Further after due approval of the members, the company has sold its partial unit situated at Sanwer Road, Indore and out of this proceed Company has paid its liabilities and now assets of the Company is free from all encumbrances except outstanding lease rent of MPAKVN and unsecured loan.

Further, the Company is proposed to enter into agreement with Hindustan Life Care Limited (Formerly Hindustan Latex Ltd) for lease of plant situated at Sanwer Road, Indore. Directors are hopeful that after completion of this contract company would be able to increase its turnover and profitability.

### **DIVIDEND**

Due to non-availability of profit, your Directors have 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 Mr. Navneet Bagree, Director of the company retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself 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, 2009 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 loss 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 2009.

**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:**

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.

**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.

**LISTING OF THE SHARES**

Members are pleased to inform that after completion of all compliance Bombay Stock Exchange has revoked the suspension of trading in shares of the company, now equity shares of the company is freely tradable at Bombay stock Exchange, Mumbai.

**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 the facility of Dematerialization of the Company's shares on either of Depositories as aforesaid.

**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 the customers, Bank's, along with all the Shareholders of the Company for extending their sincere support and hope that the same support will be extended in future also.

Place : Indore  
Date : 30/06/2009

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 a Pharmaceuticals, Bulk Drug & Formulation industry. The global pharmaceutical market is forecasted to grow to US\$ 842 billion in 2010. The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. India is the world's fourth largest producer of pharmaceuticals by volume, accounting for around 8% of global production.

The exports constitute almost 40% of the total production of pharmaceuticals in India. India's pharmaceutical exports are to the tune of \$3.5bn currently, of which formulations contribute nearly 55% and the rest 45% comes from bulk drugs.

The pharmaceutical industry saw a decline in its overall growth in Financial year 2008-09 result of fewer new drug launches, generic competition and deepening global economic crises.

India is emerging as a competitive outsourcing hub and is playing a major role in the global pharmaceuticals industry in manufacturing Active Pharmaceuticals Ingredients and intermediates for drug makers. Generic drugs produced in India are increasingly being accepted worldwide.

### **OUTLOOK**

Your company remains optimistic about the bright future lying ahead for the company. It will endeavor to grow its leadership by building on its strengths for competitive advantage.

India's pharmaceutical industry is one of the fastest growing sectors in Indian economy. The Indian pharmaceutical industry is ready to become globally competitive.

Thus, in the coming days, Biofil is expected to play a significant role in Indian pharma industry and could contribute towards the enhancement of productivity as well as growth of the industry as Company is proposed to enter into agreement with Hindustan Life Care Limited (Formerly Hindustan Latex Ltd) for lease of plant situated at Sanwer Road, Indore.

### **BUSINESS STRATEGY.**

Your company had always endeavored to optimize shareholder value but due to various factors, the company could not able to sustain its profitable working. Now in the opinion of Directors that turnover and profitability would be increased subject to confirmation of proposed contract with Hindustan Life Care Limited (Formerly Hindustan Latex Ltd).

### **RISK CONCERN**

Company has identified various business risks and has laid down the procedure for mitigation of the same. The risk management and mitigation system are reviewed by the directors of the company time to time.

Dual policies of government to promote the SEZ and exemption of excise duty, Pressure on margins, high raw material prices, availability rise of substitutes, indiscriminate imports, foreign exchange fluctuations, higher overheads are some factors which could impact adversely.

### **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.**

The Industrial relations of the company continues to remain harmonious in spite of grave financial position.

### **FINANCIAL OPERATION.**

The review of financial performance is mentioned 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.

#### **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 is in confirms by 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 2008-09 the Board met 8 (eight) times on the following dates, namely:

30/05/2008	30/06/2008	31/07/2008	25/08/2008
04/10/2008	31/10/2008	31/01/2009	31/03/2009

The last Annual General meeting was held on 30th Sept. 2008

Name of Directors	Category	No. Of Board Meeting Attended	Other Directorship		Other Committee Position	
			Chairman	Member	Chairman	Member
Shri Ramesh Shah	MD	8	---	2	---	---
Ms. Shaila Jain	ID	4	---	---	---	3
Shri Navneet Bagree	ID	4	---	1	---	3
Shri Romil Shah	NED	8	---	---	---	---
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, 2009.

#### 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 due to losses.

### 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 2009. 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 2008-2009.

30/06/2008	31/07/2008	31/10/2008	31/01/2009
------------	------------	------------	------------

#### 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:

- i) Review with the Management the annual/half -yearly/ quarterly financial statements.
- ii) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.
- iii) Perform other activities consistent with Company's Memorandum and Articles of Association, the Companies Act, 1956 and other Governing Laws.

#### 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.

#### 5. SHAREHOLDER'S/ INVESTOR'S GRIEVANCE COMMITTEE

The Committee comprises of Shri Ramesh Chimanlal Shah, Shri Navneet Bagree and Ms. Shaila Jain. This committee is vested with the requisite powers and authorities to specifically look into shareholder and investor grievances. During the year under review five complaints were received from shareholders and the same were resolved to the satisfaction of the shareholders and there were no complaints pending unresolved as at the end of the year. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of



investor services.  
The Share transfer & Investor Grievance Committee meet regularly.

**6. GENERAL SHAREHOLDER INFORMATION**

General Body Meeting :

Financial Year.	Date	Time	Venue
Annual General Meeting 2005-2006	30.09.2006	2.00 P.M.	Registered Office of Company at 11/12, Sector "E", Sanwer Road, Indore - 452015 (M.P.)
Annual General Meeting 2006-2007	29.09.2007	3.00 P.M.	At Registered Office of Company at 11/12, Sector "E" Sanwer Road, Indore 452015(M.P.)
Annual General Meeting 2007-2008	30.09.2008	2.00 P.M.	At Registered Office of Company at 11/12, Sector "E" Sanwer Road, Indore 452015 (M.P.)

**No resolutions were passed by postal ballot in the year under review.**

AGM : Date, Time and Venue	30th September 2009 at 3.00 P.M. at 2, Sector "E" Sanwer Road, Indore 452015 (M.P.)
Financial reporting for 2009-10: 1st Quarter ending 30th June, 2009 2nd Quarter ending 30th September, 2009 3rd Quarter ending 31st December, 2009 4th Quarter ending 31st March, 2010	End of July, 2009 End of October, 2009 End of January, 2010 End of June, 2010
Date of Book Closure	25th September to 30th September 2009 [Both days inclusive]
Listing on Stock Exchanges	1. The Bombay Stock Exchange, Mumbai 2. The National Stock Exchange, Mumbai 3. M.P. Stock Exchange Ltd (The listing of Shares has been Suspended on National Stock Exchange & delisting application pending with M.P. Stock Exchange Ltd.)
Stock Code -Physical	Bombay Stock Exchange 524396 National Stock Exchange: BIOFILCHEM
ISIN Number of NSDL & CDSL	<b>INE829A01014</b>
Market Price Date: High, Low, during each month in last financial year	Not Available due to suspension of trading by National Stock Exchange. <b>Market Data at BSE in Annexure B available From October 2008</b>
Dematerialization of Shares	The Shares of the Company are compulsorily traded in dematerialized form under depository system of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) Company's Electronic Connectivity Registrar is :- Ankit Consultancy Private Ltd., 4-A, Geeta Bhavan Chouraha, Indore. Ph: 0731-2491298.
Dematerialization of shares and liquidity	42.91% of the paid-up capital has been dematerialized as on 31.03.2009. Further Trading in the Company's shares is compulsory in dematerialized form
Registrar and Transfer Agents	Ankit Consultancy Private Ltd. 4A Geeta Bhavan Chouraha, Indore M.P. PH- 0731-3042298, 2491298. E- mail : Ankit_4231@yahoo.com

Share Transfer System	All the transfer received are processed by the Registrar and share transfer Agent
Share holding Pattern as on 31.03.2009	As per Annexure A
Dividend Payment for Financial year 2008-09	Nil
Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
Address for correspondence	Shareholders correspondence should be addressed to: Biofil Chemicals & Pharmaceuticals Ltd. 11/2, Sector "E", Sanwer Road, Indore - 452015 (M.P.)
Plant Locations	The company's plants are located at :- Plot No. 8, Sector-4, Kheda Industrial Estate, Pithampur (M.P.) Dist. Dhar 11/12 Sector "E", Sanwer Road, Indore - 452015 (M.P.)

**LISTING OF SHARES**

The equity shares of the Company are listed at Bombay Stock Exchange Limited, National Stock Exchange of India Limited, and M.P. Stock Exchange Indore. Shares of the Company are freely tradable at Bombay stock Exchange Indore. However due to certain Non Compliance, trading of the equity shares were suspended by the National stock Exchange. Further delisting application pending with M.P. Stock Exchange, Indore.

**AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2008-2009. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

**ANNEXURE "A"**
**CATAGORIES OF SHAREHOLDING AS ON 31ST MARCH 2009**

	Category	No. of Share held	Percentage of Shareholding
<b>A</b>	<b>Promoters Holding</b>		
1.	Promoters		
	Indian Promoters :	4251000	40.25
	Foreign Promoters:	-	-
2.	Persons acting in concert	-	-
	<b>Sub Total</b>	<b>4251000</b>	<b>40.25</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	221498	2.10
3.	Banks, Financial Institutions, Insurance Co. [Central / State Govt. Institutions, Non - Government Institutions]	-	-
4.	FIs	-	-
5.	Others		
	Private Corporate Bodies	1707653	16.17
6.	Individuals		
	Holding up to Rs. 1.00 lacs	3199308	30.29
	Holding excess Rs. 1.00 lacs	949182	8.99
7.	NRIs / OCBs	-	-
8.	Any other [please specify]	232659	2.20
	Sub-Total	6088802	57.65
	<b>Grand Total</b>	<b>10561300</b>	<b>100.00</b>

**DISTRIBUTION OF HOLDING AS ON 31ST MARCH 2009**

Share or Debenture holding of nominal value	Shares / Debenture holders		Shares / Debenture Amount		
	Rs.	Number	% of Total	Rs.	% of Total Amount
Upto-5000		4048	72.68	9883100	9.35
5001-10000		752	13.50	6776980	6.42
10001-20000		352	6.32	5776400	5.47
20001-30000		132	2.37	3435020	3.25
30001-40000		64	1.15	2298520	2.18
40001-50000		72	1.29	3460030	3.28
50001-100000		67	1.20	4851680	4.59
100001 and above		83	1.49	69131270	65.46
<b>Total</b>		<b>5570</b>	<b>100.00</b>	<b>105613000</b>	<b>100.00</b>

**MARKET PRICE DATA AVAILABLE AT BSE : HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR  
ANNEXURE "A"**

MONTH	MONTHLY HIGH (In Rs.)	MONTHLY LOW (In Rs.)
April, 2008	-	-
May, 2008	-	-
June, 2008	-	-
July, 2008	-	-
August, 2008	-	-
September, 2008	-	-
October, 2008	11.00	3.50
November, 2008	3.67	1.60
December, 2008	1.93	1.31
January, 2009	3.45	2.02
February, 2009	3.11	1.80
March, 2009	1.80	1.39

**DECLARATION**

I Ramesh Shah, Managing Director of the Biofil Chemicals & Pharmaceuticals Ltd. declared that all the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct for the financial year ended on 31st March 2009

For Biofil Chemicals & Pharmaceuticals Ltd.

Sd/-

Ramesh Shah  
Managing Director

Place : Indore  
Date : 30/06/2009

**CEO CERTIFICATE**

I hereby certify to the Board of Directors of **M/s BIOFIL CHEMICALS & PHARMACEUTICALS LTD.** THAT

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2009 and that to the best of my knowledge and belief.
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Indore

Date : 30/06/2009

For **Biofil Chemicals & Pharmaceuticals Ltd.**

Sd/-  
Ramesh Shah  
Managing Director

### CERTIFICATE

To,  
The Members of  
**BIOFIL CHEMICALS & PHARMACEUTICALS LTD.**

We have examined the Compliance of conditions of Corporate Governance by **M/s Biofil Chemicals & Pharmaceuticals Ltd.** for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance to the extend as detailed in their report, as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.N.Gadiya & Co.**  
Chartered Accountants

Sd/-

**(S.N.Gadiya)**

Proprietor

M.No. 071229

Place : Indore

Date : 30.06.2009

## AUDITOR'S REPORT

### TO THE SHARE HOLDERS OF BIOFIL CHEMICALS & PHARMACEUTICALS LTD.

We have audited the attached Balance Sheet of M/s. BIOFIL CHEMICALS & PHARMACEUTICALS LTD., as at 31st March, 2009, and the annexed Profit & Loss Account for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examination on test basis, evidence supporting and amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 issued by the company law board in terms of section 227 (4A) of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comment in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by the law have been kept by the management so far as appears from our examination of those.
- c) The Company's Balance Sheet and Profit and Loss Accounts dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956 so far as applicable.
- e) On the basis of written representation received from the directors of the Company as at 31st March 2009, and taken on record by the Board of Directors of the Company, no Director is disqualified from being appointed as Director of the Company, under section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India:
  - i) In the case of Balance Sheet of Company, of the state of affairs of the Company as at 31st March 2009.
  - ii) In the case of Profit & Loss & Account, of the Loss for the year ended 31st March 2009.
  - iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For S.N.Gadiya & Co.  
Chartered Accountants

Sd/-  
(S.N.Gadiya)  
Proprietor  
M.No. 071229

Place : Indore  
Date : 30.06.2009

### ANNEXURES TO THE AUDITOR'S REPORT

(Referred to of our report of even date)

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
  - (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off the substantial part of fixed assets during the year.
- (2) (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - (b) The procedure of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company.
  - (c) The company has maintained proper records of inventory. We are informed that discrepancies noticed on such verification as compared to the book record were not material and have been properly dealt with in the books of accounts.
- (3) According to the information and explanation given to us, The company has granted/ taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.

- (4) In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase and sales of materials and fixed assets and for the sale of shares.
- (5) In our opinion and according to the explanation given to us, the transaction of purchase of goods and materials and services made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000/- or more in respect of each party have been made at prices which in our opinion are reasonable having regard to prevailing market prices for such goods, materials and services.
- (6) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public according to the provisions of sections 58A and 58AA of the Act and the rules framed there under.
- (7) The company has an internal audit system commensurate with its size and nature of its business.
- (8) The maintenance of cost record has not been prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Companies Act.
- (9) According to the information and explanation given to us, the company is regular in depositing sales tax, entry tax, provident fund and employees state insurance, and other statutory with appropriate authorities during the year.
- (10) The Company has accumulated losses which exceeds its net worth at the year end of financial year and it has incurred cash/ losses in the financial year under report and the immediately preceding financial year.
- (11) A according to information and explanation given to us, the Company has not issued any Debenture during the year.
- (12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The Company is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (14) The Company is not dealing or trading in shares, securities debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (15) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (16) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loan taken by the Company have been utilized for the purposes for which they are obtained.
- (17) According to the information and explanation given to us, on an overall basis, the Company has not raised the funds on short-term basis, which have been used for long term investment and vice versa.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (19) According to the information and explanation given to us, the Company has not created securities for the debentures issued.
- (20) During the year, the Company has not raised money by public issue hence the question of disclosure and verification of end use of such monies does not arise.
- (21) To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For S.N.Gadiya & Co.**  
Chartered Accountants

Sd/-  
**(S.N.Gadiya)**  
Proprietor  
M.No. 071229

Place : Indore  
Date : 30.06.2009

**BIOFIL CHEMICALS & PHARMACEUTICALS LTD.**  
**BALANCE SHEET AS ON 31st MARCH, 2009**

PARTICULARS	SCHEDULE	31/03/2009	31/03/2008
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders Fund :</b>			
Share Capital	01	105,613,000	105,613,000
Reserves & Surplus	02	337,284,214	337,446,075
<b>2. Loan Fund :</b>			
Unsecured Loan	03	51,429,232	56,008,230
<b>TOTAL</b>		<b>494,326,446</b>	<b>499,067,305</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>3. Fixed Assets</b>			
Gross Block	04	76,974,452	78,971,872
Less: Depreciation		5,431,435	4,183,975
		<b>71,543,018</b>	<b>74,787,897</b>
<b>5. Current Assets, Loans &amp; Advances</b>			
a) Inventories	05	1,117,739	716,407
b) Sundry Debtors	06	4,073,018	7,724,946
c) Cash & Bank Balances	07	547,480	703,368
d) Deposits	08	365,009	322,265
e) Loans & Advances	09	28,541	86,223
		<b>6,131,787</b>	<b>9,553,209</b>
<b>Less : Current Liabilities &amp; Provisions</b>	10	20,299,636	22,726,519
		258,109	274,643
		<b>(14,425,958)</b>	<b>(13,447,953)</b>
<b>6. Miscellaneous Expenses</b> (To the extent not written off)			
Profit & Loss A/c	11	430,909,277	428,277,198
Public Issue Expenses	11	6,300,109	9,450,163
<b>TOTAL</b>		<b>494,326,446</b>	<b>499,067,305</b>
Notes on Accounts	17		

For & on behalf of board

Sd/-

**Ramesh Shah**

Chairman Cum Managing Director

Sd/-

**Romil Shah**

Director

As per our report of even date  
For S.N.Gadiya & Co.  
Chartered Accountants

Sd/-

**(S.N.Gadiya)**

Proprietor

M.No. 071229

Place : Indore

Date : 30.06.2009



**PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31st MARCH, 2009**

PARTICULARS	SCHEDULE	31/03/09	31/03/08
<b>INCOME</b>			
Sales		13,530,141	8,778,945
Profit on Sales of Assets		1,341,000	-
Other Income	12	541,132	15,396
Increase (Decrease) in Stock	13	(11,050)	(10,200)
	<b>TOTAL</b>	<b>15,401,223</b>	<b>8,784,141</b>
<b>EXPENSES</b>			
Materials	14	9,977,702	5,909,306
Manufacturing, Selling & Administrative Expenses	15	3,678,075	2,534,506
Financial Charges	16	129,873	2,820,044
Preliminary & Issue Expnses 1/5 Written Off"	11	3,150,054	3,150,054
	<b>TOTAL</b>	<b>16,935,705</b>	<b>14,413,910</b>
PROFIT / (LOSS)		(1,534,482)	(5,629,769)
Depreciation		1,085,598	1,019,860
Profit / (Loss) Before Tax		(2,620,080)	(6,649,629)
Provision for Tax MAT			
Provision for F.B.T		12,000	25,000
Profit / (Loss) After Tax		(2,632,080)	(6,674,629)
Balance carried from earlier year		(428,277,198)	(421,602,569)
Balance carried to Balance Sheet		<b>(430,909,277)</b>	<b>(428,277,198)</b>

For & on behalf of board

Sd/-  
**Ramesh Shah**  
Chairman Cum Managing Director

Sd/-  
**Romil Shah**  
Director

As per our report of even date  
For S.N.Gadiya & Co.  
Chartered Accountants

Sd/-  
**(S.N.Gadiya)**  
Proprietor  
M.No. 071229

Place : Indore  
Date : 30.06.2009

**BIOFIL CHEMICALS & PHARMACEUTICALS LTD.**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

PARTICULARS	AS ON 31/03/09	AS ON 31/03/08
<b>SCHEDULE 01</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1,05,61,300 Equity Shares of Rs. 10/- each	105,613,000	105,613,000
	<b>105,613,000</b>	<b>105,613,000</b>
<b>SCHEDULE 02</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserves	197,500,000	197,500,000
Share Premium Account	66,048,750	66,048,750
Premium on forfeited Share	17,282,300	17,282,300
Reserve on forfeited shares	17,282,300	17,282,300
State Capital Subsidy	500,000	500,000
Reserve for Valuation on Assets	38,832,725	
Less : Depreciation	161,861	
	<b>38,670,864</b>	<b>38,832,725</b>
	<b>337,284,214</b>	<b>337,446,075</b>
<b>SCHEDULE 03</b>		
<b>UNSECURED LOAN</b>		
From Director	826,715	826,715
Other Loans	20,205,904	20,774,902
Trade Deposits	1,609,669	1,619,669
Intercorporate Deposit	28,786,944	32,786,944
	<b>51,429,232</b>	<b>56,008,230</b>

**SCHEDULE 04**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BALANCE	ADDITION	DEDUCTION	TOTAL	OPENING BALANCE	FOR THE YEAR	DEP. ON REAVAUTION	TOTAL	AS ON 31/03/09	AS ON 31/03/08
LAND	46,312,050	-	(1,353,000)	44,959,050	-	-	-	-	44,959,050	46,312,050
SITE DEVELOPMENT	650,000	-	-	650,000	-	-	-	-	650,000	650,000
BUILDING	25,286,750	62,000	(806,000)	24,542,750	2838775	746,728	161,861	3,747,364	20,795,386	22,447,975
PLANT & MACHINERY	3,748,302	66,079	-	3,814,382	712172	179,179	-	891,351	2,923,031	3,036,130
ELECT. INSTALLATION	279,999	-	-	279,999	53200	13,299	-	66,499	213,499	226,800
OFFICE EQUIP.	15,000	33,500	-	48,500	2853	1,233	-	4,086	44,414	12,148
FURNITURE & FIXTURE	74,999	-	-	74,999	18988	4,747	-	23,735	51,264	56,011
VEHICLES	347,758	-	-	347,758	132148	33,037	-	165,185	182,574	215,610
CYCLES	7,152	-	-	7,152	1542	506	-	2,047	5,105	5,610
OTHER ASSETS	2,249,861	-	-	2,249,861	424300	106,868	-	531,168	1,718,693	1,825,562
<b>TOTAL</b>	<b>78,971,873</b>	<b>161,579</b>	<b>(2,159,000)</b>	<b>76,974,452</b>	<b>4183976</b>	<b>1,085,598</b>	<b>161,861</b>	<b>5,431,435</b>	<b>71,543,018</b>	<b>74,787,896</b>
Previous Year	40,023,311	7,928	-	78,971,872	3,056,205	1,019,860	107,907	4,183,975	74,787,896	36,967,107

**SCHEDULE 05  
INVENTORIES**

(As taken at the cost or net realisable value whichever is lower, and certified by the Management)

Raw Materials	902,657	440,475
Packing Materials, Other Stores & Spares	178,332	228,132
Material in process	15,500	28,300
Finished Goods	21,250	19,500
	<hr/>	<hr/>
	<b>1,117,739</b>	<b>716,407</b>

**SCHEDULE 06  
SUNDRY DEBTORS**

(Unsecured and Considered Good)

Debts outstanding for a Period Exceeding 6 Months	1,126,182	6,042,615
Others	2,946,836	1,682,331
	<hr/>	<hr/>
	<b>4,073,018</b>	<b>7,724,946</b>

**SCHEDULE 07  
CASH & BANK BALANCES**

Cash in hand	183,978	53,729
With Scheduled Banks :-		
Refund Account	4,457	4,457
Dividend Account	34,433	34,433
Current Account	324,611	610,749
	<hr/>	<hr/>
	<b>547,480</b>	<b>703,368</b>

**SCHEDULE 08  
DEPOSITS**

Telephone Department	28,850	28,850
Security Deposit with M.P.S.E.	11,089	11,089
Central Excise Deptt.	15,000	15,000
M.P. Electricity Board	119,650	119,650
Earnest Money	31,000	31,000
E.S.I.C Deptt.	2,000	2,000
Deposit with Hindustan Petroleum	4,000	4,000
F.D. With Commercial Tax	5,000	5,000
Tender deposit	-	100,000
T.D.S Deposit	52,420	676
F.D. with CMO (Sidhi)	5,000	5,000
Other Deposit	91,000	0
	<hr/>	<hr/>
	<b>365,009</b>	<b>322,265</b>

**SCHEDULE 09  
LOANS AND ADVANCES  
ADVANCES**

(Recoverable in cash or in kind or for value to be received)

Against Material & Expenses (Unsecured - Considered good)	-	57,682
Commercial tax deposit	28,541	28,541
LOANS	-	-
Advance Fringe Benefit Tax	-	-
	<hr/>	<hr/>
	<b>28,541</b>	<b>86,223</b>

**SCHEDULE 10**

**CURRENT LIABILITIES**

Sundry Creditors	19,913,565	22,340,448
Creditors for Services	347,000	347,000
Share Application Money Refundable	4,457	4,457
Unpaid/unclaim dividend	34,614	34,614

<b>20,299,636</b>	<b>22,726,519</b>
-------------------	-------------------

**PROVISIONS**

Expenses & Others	220,258	170,146
Audit Fees Payable	10,000	10,000
T.D.S. Payable	15,851	69,497
Provision for F.B.T	12,000	25,000

<b>258,109</b>	<b>274,643</b>
----------------	----------------

**SCHEDULE 11**

**PROFIT & LOSS A/C**  
(As per Annexure)

430,909,277	428,277,198
-------------	-------------

<b>430,909,277</b>	<b>428,277,198</b>
--------------------	--------------------

Public Issue Expenses	9,450,163	12,600,217
Less : 1/5 Preliminary Exp. Written Off	3,150,054	3,150,054

<b>6,300,109</b>	<b>9,450,163</b>
------------------	------------------

**SCHEDULE 12**

**OTHER INCOME**

Sales Commission	508,935	15,396
Mis. Receipts	32,197	-

<b>541,132</b>	<b>15,396</b>
----------------	---------------

**SCHEDULE 13**

**INCREASE/DECREASE IN STOCK**

Opening Stock :		
Material in process	28,300	25,500
Finished goods	19,500	32,500

<b>47,800</b>	<b>58,000</b>
---------------	---------------

Closing Stock :		
Material in process	15,500	28,300
Finished goods	21,250	19,500

<b>36,750</b>	<b>47,800</b>
---------------	---------------

Increase in Stock	<b>(11,050)</b>	<b>(10,200)</b>
-------------------	-----------------	-----------------

**SCHEDULE 14**

**MATERIALS**

Opening Stock :		
a) Raw Material	440,475	1,237,075
b) Packing Material	228,132	693,032

<b>668,607</b>	<b>1,930,107</b>
----------------	------------------

Add : Purchases :		
a) Raw Material/Finished Goods	9,594,142	3,778,519
b) Packing Material	795,942	869,287

<b>10,390,084</b>	<b>4,647,806</b>
-------------------	------------------

Closing Stock :		
a) Raw Material	902,657	440,475
b) Packing Material	178,332	228,132
	<hr/>	<hr/>
	<b>1,080,989</b>	<b>668,607</b>
	<hr/>	<hr/>
	<b>9,977,702</b>	<b>5,909,306</b>
	<hr/>	<hr/>

**SCHEDULE 15**  
**MANUFACTURING EXPENSES, SELLING & ADMINISTRATIVE**

Salaries, Wages & Allowances	939,354	974,186
Workman & Staff Welfare	58,388	7,747
Power & Fuel Charges	377,596	251,750
Freight & Cartage	316,227	120,466
Insurance	19,549	32,726
Repairs & Maintenance		
Plant & Machinery	53,898	
Others (electric & vehicle)	72,456	
	<hr/>	
	126,354	52,625
Laboratory Expenses	70,152	73,206
Travelling & Conveyance Expenses	15,389	27,037
Legal & Professional	393,547	312,779
Advertisement	5,392	21,071
Misc. Expenses	348,776	62,899
Auditors Remuneration	10,000	10,000
Block & Design	2,500	1,525
Stationary & Printing	52,968	89,815
Postage & Telephone	95,185	211,361
Sales Promotion	4,500	14,187
Sales Commission	18,104	147,906
Listing Fees	824,095	123,220
	<hr/>	<hr/>
	<b>3,678,075</b>	<b>2,534,506</b>
	<hr/>	<hr/>

**SCHEDULE 16**  
**FINANCIAL CHARGES**

Bank Charges	19,604	4,286
Bank Interest		4,995
Interest to Others	110,269	2,810,763
	<hr/>	<hr/>
	<b>129,873</b>	<b>2,820,045</b>
	<hr/>	<hr/>

**SCHEDULE 17**

**A) SIGNIFICANT ACCOUNTING POLICY**

- a) The Financial Statement have been prepared under historical cost convention & on accrual basis of accounting unless otherwise stated and comply with the Accounting Standards.
- b) Depreciation on Fixed Assets has been charged on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- c) Inventories is valued on cost or net realizable value and certified by the management.
- d) No provision for gratuity has been made as no employee has put in the qualifying period for entitlement of this benefit.

**B) NOTES ON ACCOUNTS**

1. Contingent Liabilities : NIL
2. The confirmation of balance has not been received in respect of balance outstanding of Sundry Debtors, Sundry Creditors, Deposit, Loans and Advances
3. None of the employees paid / payable salary exceeding Rs 24,00,000/- p.a.
4. **Auditors Remuneration :**  
Audit Fees Rs. 10000/-  
-----
5. The company has huge unabsorbed losses and depreciation as at 31/03/2009 and they are eligible for set off against Income of future year under income tax act and uncertainty of having taxable income under normal provision of the income tax act, 1961. No deferred tax assets in recognized in the books. The position will be reviewed every financial year and deferred tax assets when considered realizable will be recognized in the books.

**6. Earning Per Shares :**

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
(Loss) after tax as per Profit and Loss A/c.	(2632080)	(6674628)
Nos. of Equity Shares	10561300	10561300
Earning Per Shares (In Rs. )	(0.25)	(0.63)

7. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current years presentation.
8. Figures have been rounded off nearest to the Rupees.
9. There are no Micro, small and Medium enterprises , as defined in the Micro , small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors..

10. Additional Information in pursuant to the provision of para 3 & 4 of part 11 of schedule VI of the Companies Act, 1956.

(1) Capacity and Production

- a) Licenced & Installed Capacity Indore.

(1) **Capacity and Production**

a) **Licenced & Installed Capacity Indore.**

Particulars	Licenced Capacity	Installed Capacity 31.03.2009	Installed capacity 31.03.2008
Injections	Not App.	80 Lacs.	80 Lacs.
Capsules	Not App.	20 Lacs	20 Lacs
Eyedrops	Not App.	32 Lacs.	32 Lacs.
Dry syrups/Powder	Not App.	300 Lacs.	300 Lacs

b) **Licenced & Installed Capacity Pithampur.**

Particulars	Licenced Capacity	Installed Capacity 31.03.2009	Installed capacity 31.03.2008
Tablets	300 Lacs	300 Lacs.	300 Lacs.

Capsules	300 Lacs	300 Lacs	300 Lacs
Liquids	30 Lacs Ltr.	30 Lacs Ltr.	30 Lacs-Ltr.
Dry syrups	10 Mt. Tons	10 Mt. Tons	10 Mt. Tons
Bulk drugs-chemicals	30 Mt. Tons	30 Mt. Tons	30 Mt. Tons

**(2) QUANTITATIVE INFORMATION OF OPENING STOCK, SALES & CLOSING STOCK**

PARTICULARS	PRODUCTION/ PURCHASE QUANTITY		SALES				CLOSING STOCK	
			2009	2008		2009	2008	
	(IN LACS)							
	2009 (NOS./KG.)	2008 (NOS./KG.)	QUANTITY (NOS./KG.)	VALUE (Rs.)	QUANTITY (NOS./KG.)	VALUE (RS.)	QUANTITY (NOS./KG.)	
INJECTION	1.60	3.32	1.60	4.57	3.32	18.96	0.38	1.32
CAPSULES	5.39	2.87	5.39	1.44	2.87	0.71		1.88
EYE DROPS	4.15	0.91	4.15	20.88	0.91	6.50		0.98
DRY SYRUPS	-	-	-	-	-	-	0.13	0.13
TABLETS	-	-	-	-	-	-	-	-
LIQUIDS & OTHER POWD.	-	5.64	-	-	5.64	16.36	-	-
FERROUS SUL. POWDER	471630	118014	471630	104.96	118014	33.55	-	-
GRANULES	-	-	-	-	-	-	-	-
BULK CHEMICALS	-	-	-	-	-	-	-	-
RAW MATERIAL & OTHER	-	-	-	3.46	-	11.71	-	-
<b>TOTAL</b>				<b>135.30</b>		<b>87.79</b>		

**(iv) Material - Purchased / Consumed**
**FOR THE YEAR 31 MARCH 2009      FOR THE YEAR 31 MARCH 2008**

S.NO.	ITEM NAME	UNIT	FOR THE YEAR 31 MARCH 2009		FOR THE YEAR 31 MARCH 2008	
			QNTY.	VALUE (Rs. in Lacs)	QNTY.	VALUE (Rs. in Lacs)
1	Aerosil	gms	504	0.05	-	-
2	Amikacin Sulphate	KGS	1.604	0.08	4.95	0.25
3	Ampicillin Sodium Sterile IP	kgs	1.624	0.80	-	-
4	Atropine Sulphate	KGS	1.45	0.31	0.231	0.05
5	Benzalkonium Chloride 50%	ml	247	0.50	-	-
6	Benzyl Alcohol	LTR.	10.226	0.03	7.2	0.02
7	Borex	Kgs	1.485	0.06	-	-
8	Boric Acid	gms	283	0.01	-	-
9	Calcium Pantothenate	kgs	1.412	0.35	-	-
10	Cefotaxime sodium sterile USP	KGS	-	-	10.95	0.88
11	Ceftazidime for inj.	KGS	2	0.33	2.189	0.36
12	Ceftriaxone sodium sterile	KGS	10	0.86	44.85	3.87
13	Chiomcresol	kgs	1.3	0.80	-	-
14	Chloramphenicol	KGS	-	-	0.21	0.01
15	chlorpheniramine Maleate	kgs	200	2.50	-	-
16	Ciprofloxacin Hcl	gms	414	0.02	-	-
17	Cloxacillin Sodium Sterile	KGS	1.568	0.30	2.61	0.06
18	Compher	gms	43	0.10	-	-
19	Copper Sulphate	gms	670	0.10	-	-
20	Dexamethasone Sodium Phosphate	gms	793.44	0.80	0.5	0.25
21	Dextrose Anhydrous	KGS.	-	-	7853.3	2.74
22	Di sodium EDTA	kg	3.666	0.60	-	-
23	Dibasic Calcium Phosphate	KGS	93	0.05	35.66	0.02

24	Diclofenac Sodium	kg	2.7	0.60	-	-
25	D-panthanol	KGS	10.58	0.10	11.31	0.11
26	E.H.G. Capsules	NOS	555800	0.38	235800	0.16
27	Ferrous Fumerate	KGS	112.758	0.10	58.212	0.05
28	Ferrous Sulphate	KGS	764963	26.78	231343	8.1
29	Flyconazole	gms	88	0.50	-	-
30	Folic Acid	gms	714	0.60	-	-
31	Glycerin	kg.	12.6	0.20	-	-
32	Hydrochloric Acid	ml.	312	0.50	-	-
33	Iron	kg.	30728	42.18	-	-
34	Ketamine Hcl	KGS	-	-	2.35	0.21
35	L-Lysine Monohydrachloride	KGS	44.7	0.08	23.1	0.04
36	Magnese Sulphate	gms	7.87	0.01	-	-
37	Magnesium Sulphate	kgs.	9.7	0.02	-	-
38	Maize Starch	kg	2.78	0.03	-	-
39	Manitol	KGS	0.43	0.20	0.11	0.05
40	Methyl Paraben	gm	35	0.01	-	-
41	Naphazoline Hcl	gm.	109	0.02	-	-
42	Neomycine Sulphate	kg.	2.3	0.01	-	-
43	Niacinamide	kg.	20.77	0.20	-	-
44	Ofloxacin	gm	980	0.80	-	-
45	P.E.G 400	LTR.	40.6	0.34	27.27	0.23
46	Phenylepherine Hcl	gm	260.8	0.01	-	-
47	Polyvinyl Alcohol	kg	1.53	0.02	-	-
48	Potassium Iodide	gm.	76	0.01	-	-
49	Potassium Sulphate	kg.	1.21	0.03	-	-
50	Povidone	gm	684	0.05	-	-
51	Propyl Paraben	gm	3.6	0.06	-	-
52	Propylene Glycol	LTR.	75.6	0.75	61.7	0.61
53	Sodium Chloride	KGS.	2.45	0.01	1515	0.12
54	Sodium Citrate	KGS.	11.9	0.01	1695.52	1.15
55	Sodium Hydroxide	kg	1.41	0.02	-	-
56	Sodium Metabisulphate	kg	6.71	0.05	-	-
57	Sodium Perbarate	gm	27	0.01	-	-
58	Sodium Sulphate Anhydrous	gm	312	0.02	-	-
59	Sulphacetamide Sodium	kg.	260	0.02	-	-
60	Sulphuric Acid	kg.	53965	2.30	-	-
61	Talcum	kg.	4.25	0.10	-	-
62	Timolol Maleate	KGS.	-	-	0.435	0.3
63	Tobramicin Sulphate	KGS.	-	-	0.452	0.2
64	Tween - 80	ltrs	1.18	0.50	-	-
65	Vitamin A Acetate	kgs.	1.82	0.20	-	-
66	Vitamin B1	kg.	14.46	0.20	-	-
67	Vitamin B1 (HCL)	KGS.	-	-	19.76	0.57
68	Vitamin B12	GMS.	211.1	0.55	231.09	0.6
69	Vitamin B2	gm	908	0.02	-	-
70	Vitamin B6	KGS.	16.26	0.33	17.93	0.36
71	Vitamin -C Coated	kg	13.71	0.60	-	-
72	Vitamin D3	gm	2.52	0.22	-	-
73	Vitamin E Acetate	KGS	7.06	0.04	2.21	0.01
74	Zinc Sulphate	KGS.	23.93	0.03	10.13	0.01
75	Other Miscellaneous Materials FG/PM			11.31		37.7
<b>TOTAL</b>				<b>99.77</b>		<b>59.09</b>
(3)	Value of Import	-		Nil		
(4)	Expenditure in foreign currenty	-		Nil		
(5)	Earning of foreign exchange	-		Nil		



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009**

	(Rs. in Lacs)	
	2008-2009	2007-2008
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items</b>	(26.32)	(66.75)
1. Depreciation	10.86	10.20
2. Foreign Exchange/Depreciation in investments	-	-
3. Investments Extraordinary items (Net investment Loss)	-	-
4. Interest Paid	1.10	28.16
5. Interest/ Divident Received	-	-
6. Preliminary & Preoperative Exp. Wrttier Off	31.50	31.50
7. Loss of sales of Assets	-	-
<b>Operating Profit before working capital changes</b>	<b>17.14</b>	<b>3.11</b>
<b>Adjustments for :</b>		
1. Trade and other receivable	36.67	61.65
2. Inventory	(4.01)	12.72
3. Trade payables Net of Lease Terminal Adju. A/c	(70.22)	(13.02)
<b>Cash Generated from operation</b>	<b>(20.43)</b>	<b>64.46</b>
1. Interest paid	(1.10)	(28.16)
2. Direct Taxes paid	-	-
Cash flow before extraordinary items	(21.53)	36.30
Extraordinary items	-	0.00
	<b>(21.53)</b>	<b>36.30</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets & increase in capital	(1.62)	(0.08)
Work in progress	-	-
Sales of Fixed Assets	21.59	-
Purchae of investments & inestment in Share application money	-	-
Sale of investments & refunt of Interest received	-	-
Divident Received	-	-
<b>Net Cash used in investing activities</b>	<b>19.97</b>	<b>(0.08)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	31.18
Proceeds from long and short term borrowing	-	-
Net Cash used in financiing activities	0.00	31.18
Net Increase in Cash and Cash equivalentents	(1.56)	5.04
Cash and cash equivalentents as at (Opening Balance)	7.03	1.99
Cash and cash equivalentents as at (Closing Balance)	5.47	7.03

For and on behalf of the Board

Sd/-

Sd/-

R.S. Shah

Romil Shah

(Chairman Cum Managing Director) (Director)

Place : Indore

Date : 30.06.2009

**AUDITOR'S CERTIFICATE**

The Board of Directors,

Biofil Chemicals & Pharmaceuticals Ltd.

We have verified the attached Cash Flow statement of Biofil Chemicals & Pharmaceuticals Ltd., for the year ended 31st March 2009 from the books and records maintained by the Company in the ordinary course of the business and have, subject to comparative figures for the previous year ended 31st March 2008, found in accordance herewith.

For S. N. Gadiya & Co.  
Chartered Accountants

Sd/-

(S. N. Gadiya)

Proprietor

Place : Indore

Date : 30/06/2009

**ANNEXURE I REFERRED TO IN NOTES ON ACCOUNTS  
 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details</b>			
Registration No.	: 2709/1985	State Code	: 10
Balance Sheet Date	: 31.03.2009		
<b>II. Capital Raised during the year (Amount in Rs. Thousands) :</b>			
Public Issue	: Nil	Right Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil
<b>III. Position of Mobilisation and Deployment of Funds :</b>			
(Amount in Rs. Thousands) :			
Total Liabilities	: 494326.446	Total Assets	: 494326.446
<b>Sources of Funds</b>			
Paid up Capital	: 105613.000	Reserves & Surplus	: 337284.214
Secured loans	: Nil	Unsecured Loans	: 51429.232
<b>Application of Funds</b>			
Net Fixed Assets	: 71543.018	Investments	: 0
Net Current Assets	: (14425.959)	Misc. Expenditure	: 6300.109
Accumulated Losses	: 430909.277		
<b>IV. Performance of Company (Amount in Rs. Thousand) :</b>			
Turnover (Gross Revenue)	: 15401.223	Total Expenditure	: 18021.303
Profit/(Loss) before tax	: (2620.080)	Profit / (Loss) after tax	: (2632.080)
Profit after extra-ordinary items	(2632.080)		
Earning Per Share in Rs.	: (0.025)	Dividend Rate (%)	: Nil
before extra-ordinary items	: Negligible		
<b>V. Generic Names of Three Principal Services of the Company :</b>			
(As per monetary terms)			
Service Description	: Pharmaceuticals Products		
Item Code No.	: 3004.000		

**For and on behalf of Board**

Sd/-  
**Ramesh Shah**  
 (Chairman Cum Managing Director)

Sd/-  
**Romil Shah**  
 (Director)

Place : Indore  
 Dated : 30.06.2009

**ATTENDANCE SLIP**

**BIOFIL CHEMICALS & PHARMACEUTICALS LIMITED**

Regd. Office : 11/12, Sector 'E', Sanwer Road, Industrial Area, Indore - 15 (M.P.)

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HANDOVER  
IT AT THE ENTRANCE OF THE MEETING HALL)

NAME AND ADDRESS OF THE SHARE HOLDER	Regd. Folio No.
	No. of Shares held

I hereby record my presence at the 24th Annual General Meeting of the Company at 11/12, Sector E, Sanwer Road, Industrial Area, Indore-M.P., on Wednesday, 30th day of September, 2009 at 3.00 P.M.

SIGNATURE OF THE SHARE HOLDER OR PROXY

*Strike out whichever is not applicable.*



**PROXY FORM**

**BIOFIL CHEMICALS & PHARMACEUTICALS LIMITED**

Regd. Office : 11/12, Sector 'E', Sanwer Road, Industrial Area, Indore - 15 (M.P.)

REGD. FOLIO No. ....

I/We.....

of..... being a members of **Biofil Chemicals & Pharmaceuticals Limited**.

hereby appoint ..... of ..... or

failing him/her ..... of.....

as my/our proxy to vote for me/us.....

On my / our behalf at the Annual General Meeting of the Company, to be held on Wednesday, 30th day of September, 2009 at 3.00 P.M and at any adjournment thereof.

Signed ..... day of.....2009 the said.....



*NOTE : The proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the afore-said meeting. The proxy need not be a member of the Company*

Affix a  
Rs. 1.00  
Revenue  
Stamp

Printed by : NICE GRAPHICS

Book - Post  
PRINTED MATTER

To,

if undelivered please return to :

**BIOFIL**

**CHEMICALS & PHARMACEUTICALS LTD.**

Regd. Off. : 11/12, Sector - E, Sanwer Road,  
Industrial Area, Indore. 452 003 INDIA