

*25th  
Annual Report  
2009 - 2010*



**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 .....	4
Auditors' Report .....	13
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 **25th Annual General Meeting** of the members of **BIOFIL CHEMICALS AND PHARMACEUTICALS LTD.** will be held on **Tuesday 28th September, 2010** 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, 2010 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 Ramesh Chimanlal Shah, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

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

Place : Indore  
Date : 31/07/2010

**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. Register of the members and share transfer book of the company will remain closed from Friday 24th September, 2010 to Tuesday, 28th September, 2010 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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).

**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 Director Proposed for Re-appointment**

Name & Designation of Appointee	Age	Qualification	Expertise/ Experience	Date of Appointment / Reappointment	Directorship in other company
Mr. Ramesh Chimanlal Shah	74	Graduate	Technical	29/04/2006	Nil

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

Place : Indore  
Date : 31/07/2010

## DIRECTOR'S REPORT

Dear Members,

Your Directors hereby present the 25th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

### **FINANCIAL PERFORMANCE**

Rs. In Lacs

	<b>Year ended 31/03/2010</b>	<b>Year ended 31/03/2009</b>
Total Income	314.92	154.01
Total Expenditure	218.20	137.85
<b>Operation Profit and loss before Depreciation</b>	<b>96.72</b>	<b>16.16</b>
Depreciation	10.73	10.86
Written of Preliminary Expenses	31.50	31.50
<b>Profit/Loss before tax</b>	<b>54.48</b>	<b>(26.20)</b>
Provision for tax MAT	-	-
Provision for F.B.T	-	0.12
<b>Profit/Loss after tax</b>	<b>54.48</b>	<b>(26.32)</b>

The year under review your company performed better than previous year. Even during the sluggish market condition your company was able to achieve total income of Rs. 314.92 Lacs in comparison to previous year's total income of Rs. 154.01 Lacs and this time company earned net profit of Rs. 54.48 lacs in comparison to previous year's net loss of Rs. 26.30 lacs.

### **BUSINESS REVIEW**

In order to enhance shareholder value and to sustain profitable working, Board of Directors of the Company has entered into Tri party agreement with HLL Lifecare Limited (Formerly Hindustan Latex Ltd) an undertaking of Government of India and with Cyano Pharma Limited. As per the agreed terms Company has provided manufacturing facility to HLL Lifecare Limited for manufacturing of Iron and Folic Acid Tablets ( IFA) and other Pharmaceuticals products as required by HLL. IFA Tablets have huge demand in domestic market. Tie up with such a renowned business group will definitely benefit the Company. Being a Government of INDIA concern HLL gets priority in State and Central Government Pharmaceuticals Business.

Board of Directors have also decided to start the Plastic Division for Manufacturing of Sprinkler Jets required for Irrigation purposes, this tool basically saves water requirement. For the manufacturing of Sprinkler Jets Board of Director of your company have placed advance order of Machineries and Dies. Directors are hopeful that in forthcoming fiscal year there will be substantiality growth in the company's turnover and the company will be able to achieve its long term business objectives.

### **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 Shri Ramesh Chimanlal Shah, 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, 2010 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 2010.

##### **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.

#### **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.

#### **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, 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 : 31/05/2010

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 pharmaceuticals space in India has witnessed action, transaction and growth in the past few years. The industry has achieved a growth of over 25% in the last year; but it is yet to achieve its optimal. During the year pharmaceuticals grew 24.6% in aggregate terms to Rs. 20.0 billion against Rs 16.0 billion for FY 2008-09. The Indian pharmaceutical industry has grown from a humble Rs 1,500 crore turnover in 1980 to approximately Rs 1,00,611 crore in 2009-10, the Pre-Budget survey said. Indian Pharmaceutical market has become increasingly attractive for the large multinational pharmaceuticals companies as they aggressively pursue growth opportunities in the emerging markets. The pharmaceutical industry is still on its growth path, the key drivers being market expansion and development and innovation. Although to ensure the continual double digit growth, more government attention than what came forth in this Budget is warranted.

On the other hand if we talk about global pharmaceutical market than we will find that in global market pharmaceutical sales are expected to reach \$1.1 trillion in 2014 as growth in emerging markets helps offset the impact of generic competition for many of the world's top selling drugs, according to a forecast by IMS Health.

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

**OUTLOOK**

The Indian Pharmaceutical industry showing its presence globally and has become the third largest in world in terms of volume and ranks 14th in terms of value at over Rs one lakh crore, as per economic survey. The 5 per cent to 8 per cent compound annual growth rate for prescription drugs expected over the next five years translates into sales growth of nearly \$300 billion as IMS said, and that would considered good company prospects. Your company remains optimistic about the bright future lying ahead for the company.

Although, Pharmaceutical industry has still not reached the inflexion point where it can challenge big MNCs. Meanwhile, through greater interaction, MNCs have become aware of the strengths of the Indian pharma industry: low-cost manufacturing, large domestic market and quality personnel. Our huge and potential domestic market, and the global opportunity, provide a potent reason to strengthen our industry.

The industry needs support - to invest in R&D, in scale; to mitigate the risks of global business; as also contribute to better access of medicine in India.

**BUSINESS STRATEGY.**

In order to enhance shareholder value and to sustain profitable working, Board of Directors of the Company has entered into Tri party agreement with HLL Lifecare Limited (Formerly Hindustan Latex Ltd) an undertaking of Government of India and with Cyano Pharma Limited. As per the agreed terms Company has provided manufacturing facility to HLL Lifecare Limited for manufacturing of Iron and Folic Acid Tablets ( IFA) and other Pharmaceuticals products as required by HLL. IFA Tablets have huge demand in domestic market. Tie up with such a renowned business group will definitely benefit the Company. Being a Government of INDIA concern HLL gets priority in State and Central Government Pharmaceuticals Business. As per terms of agreement Biofil Shall get profit on turnover of HLL Indore Plant. Expected Turnover for 1st year shall be around Rs. 8 to 10 Crores.

Your Company has also decided to start the Plastic Division for Manufacturing of Sprinkler Jets required for Irrigation purposes, this tool basically saves water requirement. Revenue expected from this project shall be around Rs.1,5 Crore. For the manufacturing of Sprinkler Jets Board of Director of your company have placed advance order of Machineries and Dies.

**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.

A spate of acquisitions of Indian pharma companies by large multinationals over the last few years has again raised the fears that the local industry will be reduced to mere sub- agents of pharma majors That slightly alarmist view is only partly true. Unlike big Indian auto and IT companies, pharma industry has still not reached the inflexion point where it can challenge big MNCs.

**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 front during the year. Employee 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 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 2009-2010 the Board met 10 (Ten) times on the following dates, namely:

<b>30/04/2009</b>	<b>30/06/2009</b>	<b>31/07/2009</b>	<b>10/08/2009</b>	<b>25/08/2009</b>
<b>31/10/2009</b>	<b>30/11/2009</b>	<b>30/01/2010</b>	<b>20/03/2010</b>	<b>31/03/2010</b>

The last Annual General Meeting was held on 30th Sept. 2009.

Name of Directors	Category	No. Of Board Meeting Attended	Other Directorship		Othetr Committee Position	
			Chairman	Member	Chairman	Member
Shri Ramesh Shah	MD	10	---	2	---	---
Ms. Shaila Jain	ID	4	---	---	--	3
Shri Navneet Bagree	ID	4	---	1	---	3
Shri Romil Shah	NED	10	---	---	---	---
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, 2010.

**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 2010. The reconstituted 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

<b>30/06/2009</b>	<b>31/07/2009</b>	<b>31/10/2009</b>	<b>30/01/2010</b>
-------------------	-------------------	-------------------	-------------------

**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, 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 eight (8) 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 2006-2007	29.09.2007	3.00 P.M.	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.	Registered Office of Company at 11/12, Sector "E" Sanwer Road, Indore 452015(M.P.)
Annual General Meeting 2008-2009	30.09.2009	3.00 P.M.	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	28th September 2010 at 2.00 P.M. at 11/2, Sector "E" Sanwer Road, Indore 452015 (M.P.)
Financial reporting for 2010-11: 1st Quarter ending 30th June, 2010 2nd Quarter ending 30th September, 2010 3rd Quarter ending 31st December, 2010 4th Quarter ending 31st March, 2011	Before 15th August, 2010 Before 15th November, 2010 Before 15th February, 2011 End of May, 2011
Date of Book Closure	24th September to 28th September 2010 [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</b>
Share Transfer System	All the transfer received are processed by the Registrar and share transfer Agent
Share holding Pattern as on 31.03.2010	As per Annexure A
Dividend Payment for Financial year 2009-10	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 :- 1) Plot No. 8, Sector-4, Kheda Industrial Estate, Pithampur (M.P.) Dist. Dhar 2) 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 Mumbai. 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 2009-2010. 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 2010

	Category	No. of Share held	Percentage of Shareholding
<b>A</b>	<b>Promoters Holding</b>		
1.	Promoters		
	Indian Promoters :	4456200	42.19
	Foreign Promoters:	-	-
2.	Persons acting in concert	-	-
	<b>Sub Total</b>	<b>4456200</b>	<b>42.19</b>
<b>B.</b>	<b>Non-Promoters Holding</b>	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institutions, Insurance Co. [Central / State Govt. Institutions, Non - Government Institutions]	169263	1.60
4.	FIs	-	-
5.	Others	-	-
	Private Corporate Bodies	1679886	15.91
6.	Individuals		
	Holding up to Rs. 1.00 lacs	3085843	29.22
	Holding excess Rs. 1.00 lacs	946354	8.96
7.	NRIs / OCBs	-	-
8.	Any other [please specify]	223754	2.12
	<b>Sub-Total</b>	<b>6105100</b>	<b>57.81</b>
	<b>Grand Total</b>	<b>10561300</b>	<b>100.00</b>

**DISTRIBUTION OF HOLDING AS ON 31ST MARCH 2010**

Share or Debenture holding of nominal value	Shares / Debenture holders		Shares / Debenture Amount		
	Rs.	Number	% of Total	Rs.	% of Total Amount
Upto-5000		3970	72.73	9597090	9.09
5001-10000		739	13.54	6654330	6.30
10001-20000		343	6.28	5577910	5.28
20001-30000		119	2.18	3104580	2.94
30001-40000		58	1.06	2072600	1.96
40001-50000		72	1.32	3444160	3.26
50001-100000		71	1.30	5007680	4.74
100001 and above		87	1.59	70154650	66.43
<b>Total</b>		<b>5459</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, 2009	2.28	1.38
May, 2009	2.84	2.19
June, 2009	3.46	2.55
July, 2009	3.47	2.68
August, 2009	2.90	2.06
September, 2009	3.71	2.35
October, 2009	4.08	2.80
November, 2009	5.29	2.91
December, 2009	5.15	4.17
January, 2010	5.17	3.91
February, 2010	4.64	3.70
March, 2010	4.30	2.96

**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 2010

For **Biofil Chemicals & Pharmaceuticals Ltd.**

Place : Indore  
Date : 31/05/2010

Sd/-  
Ramesh Shah  
Managing Director

**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 31/03/2010 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 : 31/05/2010

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, 2010 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 extent 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 nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Indore  
Date : 31.05.2010

**For S.N.Gadiya & Co.**  
Chartered Accountants  
Registration No. (002052C)

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

## **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, 2010, 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 2010, 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 2010.
  - ii) In the case of Profit & Loss & Account, of the Loss for the year ended 31st March 2010.
  - 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  
Registration No. (002052C)

Sd/-

**(S.N.Gadiya)**

Proprietor  
M.No. 071229

Place : Indore  
Date : 31.05.2010

**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  
Registration No. (002052C)

Place : Indore  
Date : 31.05.2010

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

**BIOFIL CHEMICALS & PHARMACEUTICALS LTD.**  
**BALANCE SHEET AS ON 31st MARCH, 2010**

PARTICULARS	SCHEDULE	31/03/2010	31/03/2009
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders Fund :</b>			
Share Capital	01	105,613,000	105,613,000
Reserves & Surplus	02	337,122,353	337,284,214
<b>2. Loan Fund :</b>			
Unsecured Loan	03	42,340,320	51,429,232
<b>TOTAL</b>		<b>485,075,674</b>	<b>494,326,446</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>3. Fixed Assets</b>			
Gross Block	04	83,231,601	76,974,453
Less: Depreciation		6,666,422	5,431,435
		<b>76,565,179</b>	<b>71,543,018</b>
<b>5. Current Assets, Loans &amp; Advances</b>			
a) Inventories	05	13,157	1,117,739
b) Sundry Debtors	06	2,107,790	4,073,018
c) Cash & Bank Balances	07	12,931,695	547,480
d) Deposits	08	480,479	365,009
e) Loans & Advances	09	7,275,400	28,541
		<b>22,808,522</b>	<b>6,131,787</b>
<b>Less : Current Liabilities &amp; Provisions</b>	10	42,750,651	20,299,636
		158,567	258,109
		<b>(20,100,697)</b>	<b>(14,425,958)</b>
<b>6. Miscellaneous Expenses</b> (To the extent not written off)			
Profit & Loss A/c	11	425,461,136	430,909,277
Public Issue Expenses	11	3,150,055	6,300,109
<b>TOTAL</b>		<b>485,075,674</b>	<b>494,326,446</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

Registration No. (002052C)

Sd/-

**(S.N.Gadiya)**

Proprietor

M.No. 071229

Place : Indore  
Date : 31.05.2010



**PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31st MARCH, 2010**

PARTICULARS	SCHEDULE	31/03/10	31/03/09
<b>INCOME</b>			
Sales		17,568,193	13,530,141
Profit on Sales of Assets		-	1,341,000
Other Income	12	13,960,851	541,132
Increase (Decrease) in Stock	13	(36,750)	(11,050)
	<b>TOTAL</b>	<b>31,492,294</b>	<b>15,401,223</b>
<b>EXPENSES</b>			
Spoiled Goods		1,544,834	-
Materials	14	16,311,349	9,977,702
Manufacturing, Selling & Administrative Expenses	15	3,932,103	3,678,075
Financial Charges	16	32,686	129,873
"Preliminary & Issue Expnses "1/5 Written Off"	11	3,150,054	3,150,054
	<b>TOTAL</b>	<b>24,971,026</b>	<b>16,935,705</b>
PROFIT / (LOSS)		6,521,268	(1,534,482)
Depreciation		1,073,126	1,085,597
Profit / (Loss) Before Tax		<b>5,448,143</b>	<b>(2,620,079)</b>
Provision for Tax MAT		-	-
Provision for F.B.T		-	12,000
Profit / (Loss) After Tax		5,448,143	(2,632,079)
Balance carried from earlier year		(430,909,279)	(428,277,198)
Balance carried to Balance Sheet		<b>(425,461,136)</b>	<b>(430,909,277)</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

Registration No. (002052C)

Sd/-

**(S.N.Gadiya)**

Proprietor

M.No.071229

Place : Indore  
Date : 31.05.2010

**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, 2010**

PARTICULARS	AS ON 31/03/10	AS ON 31/03/09
<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	38,670,864	
Less : Depreciation	161,861	
	38,509,003	38,670,864
	<b>337,122,353</b>	<b>337,284,214</b>
<b>SCHEDULE 03</b>		
<b>UNSECURED LOAN</b>		
From Director	-	826,715
Other Loans	6,081,207	20,205,904
Trade Deposits	1,459,669	1,609,669
Intercorporate Deposit	34,799,444	28,786,944
	<b>42,340,320</b>	<b>51,429,232</b>
<b>SCHEDULE 04</b>		
<b>FIXED ASSETS</b>		

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BALANCE	ADDITION	DEDUCTION	TOTAL	OPENING BALANCE	FOR THE YEAR	DEP. ON REVAUATION	TOTAL	AS ON 31/03/10	AS ON 31/03/09
LAND	44,959,050	-	-	44,959,050	-	-	-	-	44,959,050	44,959,050
SITE DEVELOPMENT	650,000	-	-	650,000	-	-	-	-	650,000	650,000
BUILDING	24,542,751	2,100,100	-	26,642,851	3747365	670,467	161,861	4,579,693	22,063,158	20,795,386
PLANT & MACHINERY	3,814,381	3,890,045	-	7,704,426	891350	239,672	-	1,131,022	6,573,405	2,923,031
ELECT. INSTALLATION	279,999	251,704	-	531,703	66500	15,464	-	81,964	449,738	213,500
OFFICE EQUIP.	48,500	15,300	-	63,800	4086	2,364	-	6,450	57,350	44,415
FURNITURE & FIXTURE	74,999	-	-	74,999	23735	4,747	-	28,482	46,517	51,263
VEHICLES	347,758	-	-	347,758	165185	33,037	-	198,222	149,536	182,572
CYCLES	7,152	-	-	7,152	2047	506	-	2,553	4,600	5,104
OTHER ASSETS	2,249,861	-	-	2,249,861	531168	106,868	-	638,036	1,611,825	1,718,693
<b>TOTAL</b>	<b>76,974,452</b>	<b>6,257,149</b>	<b>-</b>	<b>83,231,601</b>	<b>5431436</b>	<b>1,073,126</b>	<b>161,861</b>	<b>6,666,422</b>	<b>76,565,179</b>	<b>71,543,015</b>
Previous Year	78,971,872	2,159,000	-	76,974,453	4,183,976	1,085,597	161,861	5,431,435	71,543,015	74,787,896

PARTICULARS	AS ON 31/03/10	AS ON 31/03/09
<b>SCHEDULE 05</b>		
<b>INVENTORIES</b>		
(As taken at the cost or net realisable value whichever is lower, and certified by the Management)		
Raw Materials	5,525	902,657
Packing Materials, Other Stores & Spares	7,632	178,332
Material in process	-	15,500
Finished Goods	-	21,250
	<b>13,157</b>	<b>1,117,739</b>
<b>SCHEDULE 06</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and Considered Good)		
Debts outstanding for a Period Exceeding 6 Months	1,870,290	1,126,182
Others	2,37,500	2,946,836
	<b>2,107,790</b>	<b>4,073,018</b>
<b>SCHEDULE 07</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	151,099	183,978
With Scheduled Banks :-		
Refund Account	4,457	4,457
Dividend Account	34,433	34,433
Current Account	12,741,706	324,611
	<b>12,931,695</b>	<b>547,480</b>
<b>SCHEDULE 08</b>		
<b>DEPOSITS</b>		
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
T.D.S Deposit	52,420	52,420
F.D. with CMO (Sidhi)	5,000	5,000
Other Deposit	205,598	91,000
Vat Tax Deposit	872	-
	<b>480,479</b>	<b>365,009</b>
<b>SCHEDULE 09</b>		
<b>LOANS AND ADVANCES</b>		
<b>ADVANCES</b>		
(Recoverable in cash or in kind or for value to be received)		
Against Material & Expenses (Unsecured - Considered good)	7,246,859	-
Commercial tax deposit	28,541	28,541
	<b>7,275,400</b>	<b>28,541</b>

PARTICULARS	AS ON 31/03/10	AS ON 31/03/09
<b>SCHEDULE 10</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	42,364,580	19,913,565
Creditors for Services	347,000	347,000
Share Application Money Refundable	4,457	4,457
Unpaid/unclaim dividend	34,614	34,614
	<b>42,750,651</b>	<b>20,299,636</b>
<b>PROVISIONS</b>		
Expenses & Others	148,567	220,258
Audit Fees Payable	10,000	10,000
T.D.S. Payable	-	15,851
Provision for F.B.T	-	12,000
	<b>158,567</b>	<b>258,109</b>
<b>SCHEDULE 11</b>		
<b>PROFIT &amp; LOSS A/C</b>		
(As per Annexure)	425,461,136	430,909,277
	<b>425,461,136</b>	<b>430,909,277</b>
Public Issue Expenses	6,300,109	9,450,163
Less : 1/5 Preliminary Exp. Written Off	3,150,054	3,150,054
	<b>3,150,055</b>	<b>6,300,109</b>
<b>SCHEDULE 12</b>		
<b>OTHER INCOME</b>		
Sales Commision	-	508,935
Mis. Receipts (Insurance Claim Received)	1,297,985	32,197
Bed Creditor Written off	12,662,866	-
	<b>13,960,851</b>	<b>541,132</b>
<b>SCHEDULE 13</b>		
<b>INCREASE/DECREASE IN STOCK</b>		
Opening Stock :		
Material in process	15,500	28,300
Finished goods	21,250	19,500
	<b>36,750</b>	<b>47,800</b>
Closing Stock :		
Material in process	-	15,500
Finished goods	-	21,250
	<b>-</b>	<b>36,750</b>
Increase in Stock	<b>(36,750)</b>	<b>(11,050)</b>

PARTICULARS	AS ON 31/03/10	AS ON 31/03/09
<b>SCHEDULE 14</b>		
<b>MATERIALS</b>		
Opening Stock :		
a) Raw Material	902,657	434,950
b) Packing Material	178,332	220,500
	<b>1,080,989</b>	<b>655,450</b>
Add : Purchases :		
a) Raw Material/Finished Goods	16,288,380	9,594,142
b) Packing Material	499,971	795,942
Less : Spoiled Goods	<b>1,544,834</b>	-
	<b>15,243,517</b>	<b>10,390,084</b>
Closing Stock :		
a) Raw Material	5,525	897,132
b) Packing Material	7,632	170,700
	<b>13,157</b>	<b>1,067,832</b>
	<b>16,311,349</b>	<b>9,977,702</b>
<b>SCHEDULE 15</b>		
<b>MANUFACTURING EXPENSES, SELLING &amp; ADMINISTRATIVE</b>		
Salaries, Wages & Allowances	1,210,794	939,354
Workman & Staff Welfare	64,572	58,388
Power & Fuel Charges	380,808	377,596
Freight & Cartage	121,385	316,227
Insurance	70,632	19,549
Repairs & Maintenance		
Plant & Machinery	102,215	
Others (electric & vehicle)	69,360	
	<b>171,575</b>	<b>126,354</b>
Laboratory Expenses	113,269	70,152
Travelling & Conveyance Expenses	120,141	15,389
Legal & Professional	877,225	393,547
Advertisement	5,468	5,392
Misc. Expenses	536,221	348,776
Auditors Remuneration	10,000	10,000
Block & Design	-	2,500
Stationary & Printing	59,945	52,968
Postage & Telephone	90,799	95,185
Sales Promotion	-	4,500
Sales Commission	-	18,104
Listing Fees	99,270	824,095
	<b>3,932,103</b>	<b>3,678,075</b>
<b>SCHEDULE 16</b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	7,464	19,604
Bank Interest	0	-
Interest to Others	25,222	110,269
	<b>32,686</b>	<b>129,873</b>

**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 31/03/2010 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. The inventory of Rs. 13157.00 as on balance sheet date. During the year stock amounting to Rs. 1544834.00 have been spoiled due to heavy rains. Insurance claim of Rs. 1297985.00 have been taken against that material which has been valued on cost or not.

**6. Earning Per Shares :**

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
(Loss) after tax as per Profit and Loss A/c.	5448180	(2632080)
Nos. of Equity Shares	10561300	10561300
Earning Per Shares (In Rs. )	0.51	(0.25)

8. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current years presentation.
9. Figures have been rounded off nearest to the Rupees.
10. 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..
11. 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.**

Particulars	Licenced Capacity	Installed Capacity	
		31.03.2010	31.03.2009
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	
		31.03.2010	31.03.2009
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	
			2010	2009		2010	2009	
	(IN LACS)							
	2010 (NOS./KG.)	2009 (NOS./KG.)	QUANTITY (NOS./KG.)	VALUE (Rs.)	QUANTITY (NOS./KG.)	VALUE (RS.)	QUANTITY (NOS./KG.)	
INJECTION	1.22	1.60	0.26	2.13	1.60	4.57	-	0.38
CAPSULES	5.39	5.39	1.86	0.50	5.39	1.44	-	
EYE DROPS	4.15	4.15	3.03	2.27	4.15	20.88	-	
DRY SYRUPS		-	0.13	0.50	-	-	-	0.13
TABLETS		-	-	-	-	-	-	-
LIQUIDS & OTHER POW.	1.50	-	1.50	9.83	-	-	-	-
FERROUS SUL. POWDER / GRANULES	58870	471630	58870	32.04	471630	104.96	-	-
RAW MATERIAL & OTHER				128.41		3.46	-	
<b>TOTAL</b>				<b>175.68</b>		<b>135.30</b>		

**(iv) Material - Purchased / Consumed**
**FOR THE YEAR 31 MARCH 2010      FOR THE YEAR 31 MARCH 2009**

S.NO.	ITEM NAME	UNIT	2010		2009	
			QNTY.	VALUE (Rs. in Lacs)	QNTY.	VALUE (Rs. in Lacs)
1	Acetone	LTR.	80	0.05		
2	Aerosil	gms	200	0.01	504	0.05
3	Amikacin Sulphate	KGS	-	-	1.604	0.08
4	Ampicillin Sodium Sterile IP	kgs	-	-	1.624	0.80
5	Atropine Sulphate	KGS	1	0.21	1.45	0.31
6	Benzalkonium Chloride 50%	ml	64	0.13	247	0.50
7	Benzyl Alcohol	LTR.	1.3	0.003	10.226	0.03
8	Borex	Kgs	0.18	0.007	1.485	0.06
9	Boric Acid	gms	86	0.003	283	0.01
10	Calcium Pantothenate	kgs	631.80	3.00	1.412	0.35
11	Ceftazidime for inj.	KGS	-	-	2	0.33
12	Ceftriaxone sodium sterile	KGS	-	-	10	0.86
13	C.A.P.	Kgs.	8.00	0.50	-	-
14	Chlomcresol	kgs	1.625	1.00	1.3	0.80
15	chlorpheniramine Maleate	kgs	-	-	200	2.50
16	Ciprofloxacin Hcl	gms	-	-	414	0.02
17	Cloxacillin Sodium Sterile	KGS	-	-	1.568	0.30
18	Compher	gms	-	-	43	0.10
19	Copper Sulphate	gms	-	-	670	0.10
20	Dexamethasone Sodium Phosphate	gms	-	-	793.44	0.80
21	Dextrose Anhydrous	KGS.	3712.50	1.44	-	-
22	Di sodium EDTA	kg.	3.988	0.70	3.666	0.60
23	Dibasic Calcium Phosphate	KGS	126.40	0.06	93	0.05

24	Diclofenac Sodium	kg	-	-	2.7	0.60
25	D-panthanol	KGS	2.275	0.02	10.58	0.10
26	E.H.G. Capsules	NOS	-	-	555800	0.38
27	Ferrous Fumerate	KGS	37.80	0.03	112.758	0.10
28	Ferrous Sulphate	KGS	32292.00	16.14	764963	26.78
29	Flyconazole	gms	-	-	88	0.50
30	Folic Acid	gms	400.25	0.34	714	0.60
31	Glycerin	kg.	-	-	12.6	0.20
32	Hydrochloric Acid	ml.	-	-	312	0.50
33	Iron	kg.	-	-	30728	42.18
34	L-Lysine Monohydrachloride	KGS	15.00	0.03	44.7	0.08
35	Magnese Sulphate	gms	-	-	7.87	0.01
36	Magnesium Sulphate	kgs.	-	-	9.7	0.02
37	Maize Starch	kg	947.70	0.30	2.78	0.03
38	Manitol	KGS	-	-	0.43	0.20
39	Methyl Paraben	gm	-	-	35	0.00
40	Naphazoline Hcl	gm.	90.00	0.02	109	0.02
41	Neomycine Sulphate	kg.	-	-	2.3	0.01
42	Niacinamide	kg.	5.615	0.06	20.77	0.20
43	Ofloxacin	gm	374.40	0.31	980	0.80
44	P.E.G 400	LTR.	-	-	40.6	0.34
45	Phenylepherine Hcl	gm	215	0.008	260.8	0.01
46	Polyvinyl Alcohol	kg	1.385	0.02	1.53	0.02
47	Potassium Chloride	Kg.	412.50	0.06	-	-
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
53	Soda Ash	Kg.	50.00	0.05	-	-
54	Sodium Chloride	KGS.	716.23	2.92	2.45	0.01
55	Sodium Citrate	KGS.	797.72	0.67	11.9	0.01
56	Sodium Hydroxide	kg	-	-	1.41	0.02
57	Sodium Metabisulphate	kg	6.00	0.45	6.71	0.05
58	Sodium Perbarate	gm	-	-	27	0.01
59	Sodium Sulphate Anhydrous	gm	-	-	312	0.02
60	Sulphacetamide Sodium	kg.	300.00	0.02	260	0.02
61	Sulphuric Acid	kg.	-	-	53965	2.30
62	Talcum	kg.	-	-	4.25	0.10
63	Tween - 80	ltrs	-	-	1.18	0.50
64	Vitamin A Acetate	kgs.	0.700	0.08	1.82	0.20
65	Vitamin B1	kg.	4.16	0.06	14.46	0.20
66	Vitamin B12	GMS.	48.10	0.13	211.1	0.55
67	Vitamin B2	gm	500	0.01	908	0.02
68	Vitamin B6	KGS.	3.00	0.06	16.26	0.33
69	Vitamin -C Coated	kg	5.604	0.25	13.71	0.60
70	Vitamin D3	gm	1.00	0.09	2.52	0.22
71	Vitamin E Acetate	KGS	2.800	0.02	7.06	0.04
72	Zinc Sulphate	KGS.	8.70	0.01	23.93	0.03
73	Other Miscellaneous Materials FG/PM			134.29		11.31
<b>TOTAL</b>				<b>163.11</b>		<b>99.77</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, 2010**

(Rs. in Lacs)

**2009-2010**      **2008-2009**

**(A) CASH FLOW FROM OPERATING ACTIVITIES**

**Net Profit before tax and extraordinary items**

1 . Depreciation	54.48	(26.32)
2 . Foreign Exchange/Depreciation in investments	10.73	10.86
3 . Investments Extraordinary items (Net investment Loss)	-	-
4 Interest Paid	0.25	1.10
5 Interest/ Divident Received	-	-
6. Preliminary & Preoperative Exp. Wrttier Off	31.50	31.50
7. Loss of sales of Assets	-	-

**Operating Profit before working capital changes**

**96.97**      **17.14**

**Adjustments for :**

1. Trade and other receivable	(53.97)	36.67
2. Inventory	11.05	(4.01)
3. Trade payables Net of Lease Terminal Adju. A/c	223.51	(70.22)

**Cash Generated from operation**

**277.55**      **(20.43)**

1. Interest paid	(0.25)	(1.10)
2. Direct Taxes paid	-	-
Cash flow before extraordinary items	277.30	(21.53)
Extraordinary items	-	-
	<b>277.30</b>	<b>(21.53)</b>

**(B) CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of fixed assets & increase in capital	62.57	(1.62)
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>62.57</b>	<b>19.97</b>

**(C) CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issue of share capital	-	-
Proceeds from long and short term borrowing	90.89	0.00
Net Cash used in financiing activities	90.89	0.00
Net Increase in Cash and Cash equivalents	<b>123.84</b>	<b>(1.56)</b>
Cash and cash equivalents as at (Opening Balance)	<b>5.47</b>	<b>7.03</b>
Cash and cash equivalents as at (Closing Balance)	<b>129.31</b>	<b>5.47</b>

Place : Indore  
Date : 31.05.2010

For and on behalf of the Board  
Sd/- R.S. Shah      Sd/- Romil Shah  
**(Chairman Cum Managing Director)**      **(Director)**

**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 2010 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 2009, found in accordance herewith.

**For S. N. Gadiya & Co.**  
**Chartered Accountants**  
**(Registration No. 002052C)**

Sd/-  
**(S. N. Gadiya)**  
**Proprietor**

Place : Indore  
Date : 31/05/2010

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

**I. Registration Details**

Registration No.	:	2709/1985	State Code	:	10
Balance Sheet Date	:	31.03.2010			

**II. Capital Raised during the year (Amount in Rs. Thousands) :**

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

**III. Position of Mobilisation and Deployment of Funds :**

(Amount in Rs. Thousands) :

Total Liabilities	:	485075.674	Total Assets	:	485075.674
<b>Sources of Funds</b>					
Paid up Capital	:	105613.000	Reserves & Surplus	:	337122.353
Secured loans	:	Nil	Unsecured Loans	:	42340.320
<b>Application of Funds</b>					
Net Fixed Assets	:	76565.179	Investments	:	0.000
Net Current Assets	:	(20100.697)	Misc. Expenditure	:	3150.055
Accumulated Losses	:	425461.136			

**IV. Performance of Company (Amount in Rs. Thousand) :**

Turnover (Gross Revenue)	:	31492.294	Total Expenditure	:	26044.151
Profit/(Loss) before tax	:	5448.143	Profit / (Loss) after tax	:	5448.143
Profit after extra-ordinary items		5448.143			
Earning Per Share in Rs. before extra-ordinary items	:	(0.052) Negligible	Dividend Rate (%)	:	Nil

**V. Generic Names of Three Principal Services of the Company :**

(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 : 31.05.2010

# BIOFIL CHEMICALS & PHARMACEUTICALS LIMITED

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

## ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 25th Annual General Meeting of the Company at 11/12, Sector E, Sanwer Road, Industrial Area, Indore-M.P., on Tuesday, 28th day of September, 2010 at 2.00 P.M.

.....  
Full name of the Shareholder / Proxy  
(in Capitals)

.....  
Signature

Folio No.....

.....  
Full name of the Shareholder / Proxy  
(in capitals)

.....  
Signature

## 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 Tuesday, 28th day of September, 2010 at 2.00 P.M and at any adjournment thereof.

Signed this ..... day of.....2010.

Affix a  
Rs. 1.00  
Revenue  
Stamp

*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 aforesaid meeting. The proxy need not be a member of the Company*

Printed by : **CONVEY PRINT MEDIA**

Book - Post  
**PRINTED MATTER**

To,

if undelivered please return to :

**BIOFTL**

**CHEMICALS & PHARMACEUTICALS LTD.**

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