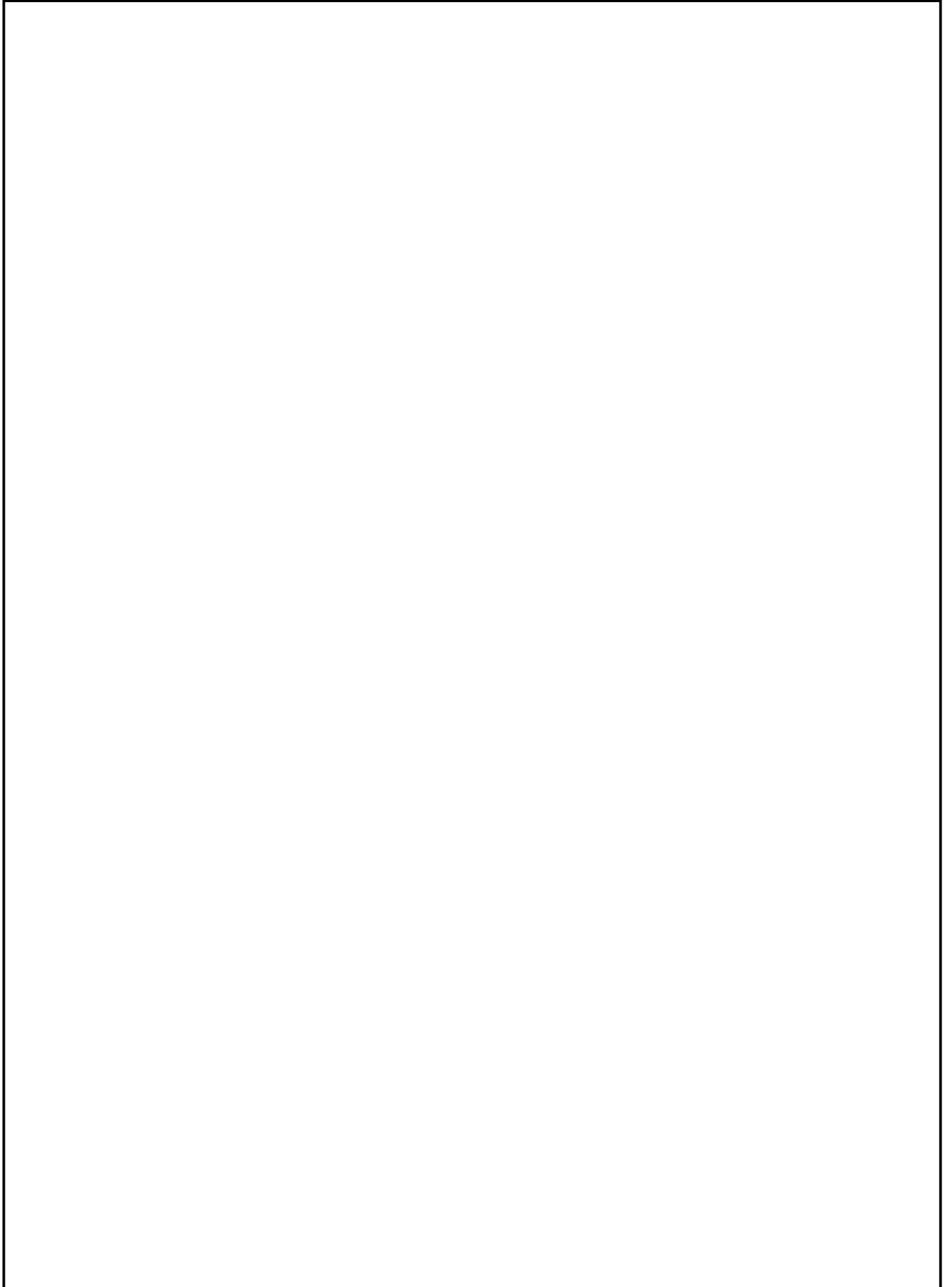


*26th  
Annual Report  
2010 - 2011*



**BIOFIL**  
*Health for All*

**BIOFIL CHEMICALS  
&  
PHARMACEUTICALS LIMITED**



**Board of Directors :**

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

**Bankers :**

State Bank of India,  
 Industrial estate Branch,  
 INDORE.

IDBI Bank Ltd.,  
 Ratlam Kothi Branch,  
 INDORE

**Auditors :**

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

**Registered Office :**

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

**Share Transfer Agent**

Ankit Consultancy Private Limited  
 Plot No. 60, Pardeshipura,  
 Electronic Complex,  
 Indore-452010 (M.P.)  
 Phone: 0731-3198601-602  
 Fax: 0731-4065798  
 Email ID: ankit\_4321@yahoo.com

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### **NOTICE OF 26TH ANNUAL GENERAL MEETING**

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

#### **ORDINARY BUSINESSES:**

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

#### **AS SPECIAL BUSINESS**

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

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

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

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

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

Place : Indore  
Date : 10/08/2011

#### **NOTES :**

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

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

**ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.**

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

**Statement Regarding the Directors Proposed for Appointment**

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

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

Place : Indore  
Date : 10/08/2011

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

**Item No 6**

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

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

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

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

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

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

Your Directors commend the resolution for your approval.

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

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

Place : Indore  
Date : 10/08/2011

## DIRECTOR'S REPORT

Dear Members,

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

### **FINANCIAL PERFORMANCE**

Rs. In Lacs

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

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

### **REISSUE OF FORFEITED SHARES**

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

### **DIVIDEND**

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

### **PUBLIC DEPOSIT**

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

### **DIRECTORS**

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

### **DIRECTOR'S RESPONSIBILITIES STATEMENT.**

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

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

### **AUDITORS**

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

**AUDITOR'S REPORT**

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

**DISCLOSURE OF SPECIAL PARTICULARS**

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

**I. CONSERVATION OF ENERGY**

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

**II. TECHNOLOGY ABSORPTION**

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

**Foreign Exchange Earnings and Outgo:**

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

**III. PARTICULARS OF THE EMPLOYEE**

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

**CORPORATE GOVERNANCE**

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

**CODE OF CONDUCT**

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

**AUDIT COMMITTEE**

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

**DEPOSITORY SYSTEM**

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

**GREEN INITIATIVES IN THE CORPORATE GOVERNANCE**

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

**ACKNOWLEDGEMENTS**

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

Place : Indore  
Date : 30/05/2011

For and on behalf of the Board

Ramesh Shah  
Managing Director

Romil Shah  
Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY SCENARIO AND INDIAN PHARMACEUTICAL INDUSTRY**

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

**OUTLOOK AND BUSINESS STRATEGY.**

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

**RISK CONCERN**

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

**INTERNAL CONTROL AND ADEQUACY**

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

**DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS.**

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

**FINANCIAL OPERATION.**

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

**CAUTIONARY STATEMENT.**

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

**REPORT ON CORPORATE GOVERNANCE**

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

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

**2. BOARD OF DIRECTORS**

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

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

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

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

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



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

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

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

#### **B. BOARD PROCEDURE**

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

#### **C. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS.**

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

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

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

### **3. AUDIT COMMITTEE**

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

Four Audit Committee Meetings were held on during the Financial Year

31/05/2010	13/08/2010	13/11/2010	14/02/2011

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

### **4. REMUNERATION COMMITTEE**

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

**Attendances of the members are as follows:**

Name of the Director	Position	No. of meetings attended
Mr. Ramesh C. Shah	Chairman	1
Shri Navneet Bagree	Member	1
Smt. Shaila Jain	Member	1

#### 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 underreview one (1) complaint was received from shareholder and the same were resolved to the satisfaction of the shareholder 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.

#### MANAGEMENT

The Management discussion and analysis report

The Annual Report has a detailed chapter on Management Discussion and Analysis.

##### A. Disclosure by Management to the Board

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

#### DISCLOSURES

A. There were material transactions of the Company with its promoters, directors, and management or their relatives and those are not having any conflict with the interest of the Company at large.

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

C. There has been no non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.

D. During the year under review Company has not issued any type of securities .No GDR/ADR issued by the Company.

#### 6. SHAREHOLDER'S INFORMATION

##### A. Investor grievances

As mentioned earlier, the Company has duly constituted Shareholder/ investors Grievances Committee for redressing shareholders and investor complaints. The status of compliance is reported to the Board of Directors through the minutes of the Committee Meeting of the Shareholders / investors Grievances Committee. Shri Ramesh Shah is the complianc Officer of the company for the purpose of listing compliance.

##### B. Share transfer

Share transfer in physical form are registered by the Registrar and Returned to respective Transferee / person within a period ranging From two to three weeks provided the documents lodged with Registrar /Company are clear in all respects.

#### GENERAL SHAREHOLDER INFORMATION

General Body Meeting:

Financial Year.	Date	Time	Venue
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.)
Annual General Meeting 2009-2010	28.09.2010	2.00 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	29th September 2011 at 2.00 P.M. at 11/2, Sector "E" Sanwer Road, Indore 452015 (M.P.)
Financial reporting for 2011-12: 1st Quarter ending 30th June, 2011 2nd Quarter ending 30th September, 2011 3rd Quarter ending 31st December, 2011 4th Quarter ending 31st March, 2012	Before 15th August, 2011 Before 15th November, 2011 Before 15th February , 2012 End of May, 2012
Date of Book Closure	24th September to 29th September 2011 [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</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.Plot No. 60, Pardeshipura, Electronic Complex, Indore-452010 (M.P.)Phone: 0731-3198601-602Fax: 0731-4065798Email ID: ankit_4321@yahoo.com
Dematerialization of shares and liquidity	49.35% of the paid-up capital has been dematerialized as on 31.03.2011. Further Trading in the Company's shares is compulsory in dematerialized form
Registrar and Share Transfer Agent	Ankit Consultancy Private Limited,60 Pardeshipura, Electronic Complex, Indore -452001 M.P. ,PH 0731-3198601-602 Fax : 0731-4065798 Email: ankit_4321@yahoo.com
Share Transfer System	All the transfer received are processed by the Registrar and share transfer Agent
Share holding Pattern as on 31.03.2011	As per Annexure A
Dividend Payment for Financial year 2010-11	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 plant are located at :-Plot No. 8 Sector 4 Kheda Industrial Estate Pithampur Dist. Dhar11/2 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.

**SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL.**

As stipulated by SEBI a qualified practicing Company Secretary carries out secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form. (Held with NSDL/CDSL) and total number of shares in physical form.

**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 2010-2011. 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 2011**

	Category	No. of Share held	Percentage of Shareholding
A	<b>Promoters Holding</b>	-	-
1.	Promoters		
	Indian Promoters :	7618700	46.82
	Foreign Promoters:	-	-
2.	Persons acting in concert	-	-
	<b>Sub Total</b>	7618700	46.82
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]	113900	0.70
4.	FIs	-	-
5.	Others	-	-
	Private Corporate Bodies	4274209	26.26
6.	Individuals	-	-
	Holding up to Rs. 1.00 lacs	2992077	18.38
	Holding excess Rs. 1.00 lacs	1063814	6.54
7.	NRIs / OCBs	-	-
8.	Any other [please specify]	211100	1.30
	<b>Sub-Total</b>	<b>8655100</b>	<b>53.18</b>
	<b>Grand Total</b>	<b>16273800</b>	<b>100.00</b>

**DISTRIBUTION OF HOLDING AS ON 31ST MARCH 2011**

Share or Debenture holding of nominal value	Shares / Debenture holders		Shares / Debenture Amount		
	Rs.	Number	% of Total	Rs.	% of Total Amount
Upto-5000		3925	73.21	9355770	5.75
5001-10000		711	13.26	6383950	3.92
10001-20000		310	5.78	5001470	3.07
20001-30000		124	2.30	3228360	1.98
30001-40000		66	1.23	2382390	1.46
40001-50000		68	1.27	3257800	2.01
50001-100000		67	1.25	4890170	3.01
100001 and above		92	1.70	128238090	78.80
<b>Total</b>		<b>5363</b>	<b>100.00</b>	<b>162738000</b>	<b>100</b>

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

MONTH	MONTHLY HIGH (In Rs.)	MONTHLY LOW (In Rs.)
April, 2010	4.33	2.82
May, 2010	4.69	2.75
June, 2010	4.15	3.21
July, 2010	4.24	2.99
August, 2010	4.63	3.5
September, 2010	5.05	3.66
October, 2010	9.12	3.76
November, 2010	8.74	5.63
December, 2010	6.54	4.9
January, 2011	5.83	3.6
February, 2011	4.46	3.24
March, 2011	4.3	3.34

**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 2011

For **Biofil Chemicals & Pharmaceuticals Ltd.**

Place : Indore  
Date : 30/05/2011

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 31/03/2011 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 : 30/05/2011

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, 2011 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.

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

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

Place : Indore  
Date : 30.05.2011

## **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, 2011, 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 2011, 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 2011.
- ii) In the case of Profit & Loss & Account, of the Loss for the year ended 31st March 2011.
- 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 : 30.05.2011



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

Place : Indore  
Date : 30.05.2011

**BIOFIL CHEMICALS & PHARMACEUTICALS LTD.**  
**BALANCE SHEET AS ON 31st MARCH, 2011**

PARTICULARS	SCHEDULE	31/03/2011	31/03/2010
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders Fund :</b>			
Share Capital	01	162,738,000	105,613,000
Reserves & Surplus	02	319,822,992	337,122,353
<b>2. Loan Fund :</b>			
Unsecured Loan	03	12,979,496	42,340,320
<b>TOTAL</b>		<b>495,540,488</b>	<b>485,075,674</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>3. Fixed Assets</b>			
Gross Block	04	93,242,595	83,231,602
Less:Depreciation		8,362,707	6,666,423
		<b>84,879,888</b>	<b>76,565,179</b>
<b>5. Current Assets, Loans &amp; Advances</b>			
a) Inventories	05	630,467	13,157
b) Sundry Debtors	06	15,012,254	2,107,790
c) Cash & Bank Balances	07	899,676	12,931,695
d) Deposits	08	1,070,843	480,479
e) Loans & Advances	09	1,317,691	7,275,400
		<b>18,930,931</b>	<b>22,808,521</b>
<b>Less : Current Liabilities &amp; Provisions</b>	10	23,467,766	42,750,651
		344,531	158,567
		<b>(4,881,365)</b>	<b>(20,100,697)</b>
<b>6. Miscellaneous Expenses</b> (To the extent not written off)			
Profit & Loss A/c	11	415,541,965	425,461,136
Public Issue Expenses	11	-	3,150,055
<b>TOTAL</b>		<b>495,540,488</b>	<b>485,075,674</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 : 30.05.2011

**PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31st MARCH, 2011**

PARTICULARS	SCHEDULE	31/03/11	31/03/10
<b>INCOME</b>			
Sales		21,521,802	17,568,193
Profit on Sales of Assets		-	-
Other Income	12	22,645,357	13,960,851
Increase (Decrease) in Stock	13	-	(36,750)
	<b>TOTAL</b>	<b>44,167,159</b>	<b>31,492,294</b>
<b>EXPENSES</b>			
Spoiled Goods		-	1,544,834
Materials	14	19,649,483	16,311,349
Manufacturing, Selling & Administrative Expenses	15	9,827,231	3,932,103
Financial Charges	16	91,211	32,686
"Preliminary & Issue Expnses "1/5 Written Off"	11	3,150,054	3,150,054
	<b>TOTAL</b>	<b>32,717,979</b>	<b>24,971,026</b>
PROFIT / (LOSS)		11,449,180	6,521,268
Depreciation		1,534,428	1,073,125
Profit / (Loss) Before Tax		<b>9,914,752</b>	<b>5,448,143</b>
Provision for Tax		-	-
Profit / (Loss) After Tax		<b>9,914,752</b>	<b>5,448,143</b>
Add/Less : Items relating to earlier Year -Tax Provision (FBT)		4,421	
Balance carried from earlier year		(425,461,137)	(430,909,279)
Balance carried to Balance Sheet		<b>(415,541,965)</b>	<b>(425,461,136)</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 : 30.05.2011

**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, 2011**

PARTICULARS	AS ON 31/03/11	AS ON 31/03/10
<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>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED SHARE CAPITAL</b>		
1,62,73,800 Equity Shares of Rs. 10/- each	162,738,000	162,738,000
	<b>162,738,000</b>	<b>162,738,000</b>
<b>SUBSCRIBED &amp; PAID UP CAPITAL</b>		
1,05,61,300 Equity Shares of Rs. 10/- each Fully paid	105,613,000	105,613,000
Add : Reissue of 57,12500 Forfieted equity Shares @ Rs. 7/- each	57,125,000	-
: and Balance amount transferred from forfeited reserve account	<b>162,738,000</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 forfited Share	17,282,300	17,282,300
Reserve on forfited shares	144,800	17,282,300
State Capital Subsidy	500,000	500,000
Reserve for Valuation on Assets	38,509,003	
Less : Depreciation	161,861	
	<b>38,347,142</b>	<b>38,509,003</b>
	<b>319,822,992</b>	<b>337,122,353</b>
<b>SCHEDULE 03</b>		
<b>UNSECURED LOAN</b>		
From Director	-	-
Other Loans	809,496	6,081,207
Trade Deposits	-	1,459,669
Intercorporate Deposit	12,170,000	34,799,444
	<b>12,979,496</b>	<b>42,340,320</b>

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BALANCE	ADDITION	DEDUCTION	TOTAL	OPENING BALANCE	FOR THE YEAR	DEP. ON REVAUTION	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	26,642,851	2,737,591	-	29,380,442	4,579,692	787,605	161,861	5,529,157	23,851,285	22,063,159
PLANT & MACHINERY	7,704,426	6,168,024	-	13,872,450	1,131,020	545,475	-	1,676,495	12,195,955	6,573,406
ELECT. INSTALLATION	531,703	917,070	-	1,448,773	81,965	44,527	-	126,492	1,322,281	449,739
OFFICE EQUIP.	63,800	17,500	-	81,300	6,449	3,100	-	9,549	71,751	57,352
FURNITURE & FIXTURE	74,999	117,228	-	192,227	28,482	10,792	-	39,274	152,953	46,516
VEHICLES	347,758	0	-	347,758	198,222	33,037	-	231,259	116,499	149,535
CYCLES	7,152	3,000	-	10,152	2,553	665	-	3,218	6,935	4,598
OTHER ASSETS	2,249,861	50,580	-	2,300,441	638,035	109,227	-	747,262	1,553,179	1,611,826
<b>TOTAL</b>	<b>83,231,602</b>	<b>10,010,993</b>	<b>-</b>	<b>93,242,595</b>	<b>6,666,418</b>	<b>1,534,428</b>	<b>161,861</b>	<b>8,362,707</b>	<b>84,879,888</b>	<b>76,565,183</b>
Previous Year	76,974,452	6,257,149	-	83,231,602	5,431,436	1,073,125	161,861	6,666,423	76,565,183	71,543,015

PARTICULARS	AS ON 31/03/11	AS ON 31/03/10
<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	608,840	5,525
Packing Materials, Other Stores & Spares	21,627	7,632
Material in process	-	-
Finished Goods	-	-
	<b>630,467</b>	<b>13,157</b>
<b>SCHEDULE 06</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and Considered Good)		
Debts outstanding for a Period Exceeding 6 Months	1,559,228	1,870,290
Others	13,453,026	2,37,500
	<b>15,012,254</b>	<b>2,107,790</b>
<b>SCHEDULE 07</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	568,383	151,099
With Scheduled Banks :-		
Refund Account	4,457	4,457
Dividend Account	34,433	34,433
Current Account	292,403	12,741,706
	<b>899,676</b>	<b>12,931,695</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
T.D.S (10-11)	108,302	
F.D. with CMO (Sidhi)	5,000	5,000
Other Deposit	112,736	205,598
Vat Tax Deposit	312,177	872
Service Tax Deposit	263,619	
	<b>1,070,843</b>	<b>480,479</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)	1,289,150	7,246,859
Commercial tax deposit	28,541	28,541
	<b>1,317,691</b>	<b>7,275,400</b>

PARTICULARS	AS ON 31/03/11	AS ON 31/03/10
<b>SCHEDULE 10</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	23,081,695	42,364,580
Creditors for Services	347,000	347,000
Share Application Money Refundable	4,457	4,457
Unpaid/unclaim dividend	34,614	34,614
	<b>23,467,766</b>	<b>42,750,651</b>
<b>PROVISIONS</b>		
Bonus Payable	60,000	61,650
Electricity Payable	119,394	18,072
ESIC Payable	2,222	1,758
P.F. Payable	13,450	12,425
Professional Tax payable	5,000	-
Salary & Wages	113,959	46,925
Telephone Payable	5,770	7,737
Audit Fees Payable	10,000	10,000
T.D.S. Payable	13,637	-
Entry Tax payable	1,099	-
	<b>344,531</b>	<b>158,567</b>
<b>SCHEDULE 11</b>		
PROFIT & LOSS A/C (As per Annexure)	415,541,965	425,461,136
	<b>415,541,965</b>	<b>425,461,136</b>
Public Issue Expenses	3,150,054	6,300,109
Less : 1/5 Preliminary Exp. Written Off	3,150,054	3,150,054
	-	<b>3,150,055</b>
<b>SCHEDULE 12</b>		
<b>OTHER INCOME</b>		
Mis. Receipts (Insurance Claim Received)	-	1,297,985
Creditor Written off	16,565,000	12,662,866
Labour charged received	5,660,357	-
Lease Rent Received	420,000	-
	<b>22,645,357</b>	<b>13,960,851</b>
<b>SCHEDULE 13</b>		
<b>INCREASE/DECREASE IN STOCK</b>		
Opening Stock :		
Material in process	-	15,500
Finished goods	-	21,250
	-	<b>36,750</b>
Closing Stock :		
Material in process	-	-
Finished goods	-	-
	-	-
Increase in Stock	-	<b>(36,750)</b>

PARTICULARS	AS ON 31/03/11	AS ON 31/03/10
<b>SCHEDULE 14</b>		
<b>MATERIALS</b>		
Opening Stock :		
a) Raw Material	5,525	897,132
b) Packing Material	7,632	170,700
	<u>13,157</u>	<u>1,067,832</u>
Add : Purchases :		
a) Raw Material/Finished Goods	20,175,742	16,288,380
b) Packing Material /	91,051	499,971
	<u>-</u>	<u>1,544,834</u>
Less : Spoiled Goods	<u>20,266,793</u>	<u>15,243,517</u>
Closing Stock :		
a) Raw Material	608,840	0
b) Packing Material	21,627	0
	<u>630,467</u>	<u>0</u>
	<u>19,649,483</u>	<u>16,311,349</u>
<b>SCHEDULE 15</b>		
<b>MANUFACTURING EXPENSES, SELLING &amp; ADMINISTRATIVE</b>		
Salaries, Wages & Allowances	1,690,082	1,210,794
Workman & Staff Welfare	108,152	64,572
Power & Fuel Charges	813,845	380,808
Freight & Cartage	168,439	121,385
Insurance	66,070	70,632
Repairs & Maintenance		
Plant & Machinery	335,567	
Others (electric & vehicle)	217,574	
	<u>553,141</u>	171,575
Laboratory Expenses	175,409	113,269
Travelling & Conveyance Expenses	19,997	120,141
Legal & Professional	685,311	877,225
Lease Rent and Maintenance Charge	458,421	-
Prior Period Lease Rent and Maintenance Charge	3,842,195	-
Advertisement	25,389	5,468
Misc. Expenses	872,984	536,221
Auditors Remuneration	10,000	10,000
Stationary & Printing	202,452	59,945
Postage & Telephone	91,534	90,799
Sales Promotion	10,720	-
Listing Fees	33,090	99,270
	<u>9,827,231</u>	<u>3,932,103</u>
<b>SCHEDULE 16</b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	27,344	7,464
Interest to Others	63,867	25,222
	<u>91,211</u>	<u>32,686</u>

**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 31/03/2011 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.	9914752	5448180
Nos. of Equity Shares	16273800	10561300
Earning Per Shares (In Rs.)	0.60	(0.51)

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.**

Particulars	Licenced Capacity	Installed Capacity 31.03.2011	Installed capacity 31.03.2010
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 31.03.2011	Installed capacity 31.03.2010
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	
			2011	2010	2011	2010	2011	2010
	(IN LACS)							
	2011 (NOS./KG.)	2010 (NOS./KG.)	QUANTITY (NOS./KG.)	VALUE (Rs.)	QUANTITY (NOS./KG.)	VALUE (RS.)	QUANTITY (NOS./KG.)	
INJECTION	-	1.22	-	-	0.26	2.13	-	0.38
CAPSULES	-	5.39	-	-	1.86	0.50	-	-
EYE DROPS	-	4.15	-	-	3.03	2.27	-	-
DRY SYRUPS	-	-	-	-	0.13	0.50	-	0.13
TABLETS	-	-	-	-	-	-	-	-
LIQUIDS & OTHER POW. FERROUS SUL. POWDER / GRANULES	78930	1.50	78930	21.32	1.50	9.83	-	-
RAW MATERIAL & OTHER	3037057	58870	3037057	42.80	58870	32.04	-	-
	375635	-	375635	151.09	-	128.41	-	-
<b>TOTAL</b>				<b>215.21</b>		<b>175.67</b>		

**(iv) Material - Purchased / Consumed**
**FOR THE YEAR 31 MARCH 2011      FOR THE YEAR 31 MARCH 2010**

S.NO.	ITEM NAME	UNIT	FOR THE YEAR 31 MARCH 2011		FOR THE YEAR 31 MARCH 2010	
			QNTY.	VALUE (Rs. in Lacs)	QNTY.	VALUE (Rs. in Lacs)
1	Acetone	Ltr.	350	0.25	80	0.05
2	Aerosil	Kgs	93	0.29	200	0.01
3	Amikacin Sulphate	kgs	-	-	-	-
4	Ampicillin Sodium Sterile IP	Kgs	-	-	-	-
5	Atropine Sulphate	Kgs	-	-	1	0.21
6	Benzalkonium Chloride 50%	ml	-	-	64	0.13
7	Benzyl Alcohol	Ltr.	-	-	1.3	0.003
8	Borex	Kgs	-	-	0.18	0.007
9	Boric Acid	gms	-	-	86	0.003
10	Calcium Pantothenate	kgs	-	-	631.80	3.00
11	Ceftazidime for inj.	Kgs	-	-	-	-
12	Ceftriaxone sodium sterile	Kgs	-	-	-	-
13	C.A.P.	Kgs.	14	0.10	8.00	0.50
14	Chlomcresol	Kgs	-	-	1.625	1.00
15	chlorpheniramine Maleate	Kgs	-	-	-	-
16	Ciprofloxacin Hcl	Kgs	475	6.86	-	-
17	Cloxacillin Sodium Sterile	Kgs	-	-	-	-
18	Compher	Gms	-	-	-	-
19	Copper Sulphate	Gms	-	-	-	-
20	Dexamethasone Sodium Phosphate	Gms	-	-	-	-
21	Dextrose Anhydrous	Kgs	51600	23.45	3712.50	1.44
22	Di sodium EDTA	Kgs	-	-	3.988	0.70
23	Dibasic Calcium Phosphate	Kgs	625	0.33	126.40	0.06

24	Diclofenac Sodium	Kgs	50	0.21	-	-
25	D-panthanol	Kgs	-	-	2.275	0.02
26	E.H.G. Capsules	Nos	-	-	-	-
27	Ferrous Fumerate	Kgs	-	-	37.80	0.03
28	Ferrous Sulphate	Kgs	3037057	36.42	32292.00	16.14
29	Flyconazole	Gms	-	-	-	-
30	Folic Acid	Gms	68	.88	400.25	0.34
31	Glycerin	Kgs	-	-	-	-
32	Hydrochloric Acid	ml.	-	-	-	-
33	Iron	Kgs	-	-	-	-
34	L-Lysine Monohydrachloride	Kgs	-	-	15.00	0.03
35	Magnese Sulphate	Gms	-	-	-	-
36	Magnesium Sulphate	Kgs .	-	-	-	-
37	Maize Starch	Kgs	115	0.29	947.70	0.30
38	Manitol	Kgs	-	-	-	-
39	Methyl Paraben	Gm	18	.05	-	-
40	Naphazoline Hcl	gm.	-	-	90.00	0.02
41	Neomycine Sulphate	Kgs	-	-	-	-
42	Niacinamide	Kgs	-	-	5.615	0.06
43	Ofloxacin	gm	-	-	374.40	0.31
44	P.E.G 400	Ltr.	-	-	-	-
45	Phenylepherine Hcl	Gm	-	-	215	0.008
46	Polyvinyl Alcohol	Kg	-	-	1.385	0.02
47	Potassium Chloride	Kg.	12250	1.50	412.50	0.06
48	Potassium Iodide	Gm.	-	-	-	-
49	Potassium Sulphate	Kg.	-	-	-	-
50	Povidone	Gm	-	-	-	-
51	Propyl Paraben	Gm	08	.05	-	-
52	Propylene Glycol	Ltr.	-	-	-	-
53	Soda Ash	Kg.	-	-	50.00	0.05
54	Sodium Chloride	Kgs	7350	0.73	716.23	2.92
55	Sodium Citrate	Kgs	11700	6.52	797.72	0.67
56	Sodium Hydroxide	Kg	-	-	-	-
57	Sodium Metabisulphate	Kg	1	.002	6.00	0.45
58	Sodium Perbarate	Gm	-	-	-	-
59	Sodium Sulphate Anhydrous	Gm	-	-	-	-
60	Sulphacetamide Sodium	kg.	-	-	300.00	0.02
61	Sulphuric Acid	kg.	-	-	-	-
62	Talcum	kg.	4300	.35	-	-
63	Tween - 80	Ltrs	-	-	-	-
64	Vitamin A Acetate	Kgs.	-	-	0.700	0.08
65	Vitamin B1	Kgs	-	-	4.16	0.06
66	Vitamin B12	Gms.	-	-	48.10	0.13
67	Vitamin B2	Gms	-	-	500	0.01
68	Vitamin B6	Kgs	-	-	3.00	0.06
69	Vitamin -C Coated	Kg	-	-	5.604	0.25
70	Vitamin D3	Gm	-	-	1.00	0.09
71	Vitamin E Acetate	Kgs	-	-	2.800	0.02
72	Zinc Sulphate	Kgs	1087.2	1.05	8.70	0.01
73	Benzene	Kgs	350	0.25	-	-
74	Calcium carbonate	Kgs	4150	0.54	-	-
75	Cetirizine	Kgs	5	0.09	-	-
76	Colour Coate	Kgs	35	0.25	-	-
77	Cross caramlose sod.	Kgs	110	0.27	-	-
78	Gelatin	Kgs	325	0.55	-	-
79	Ibuprofen	Kgs	200	0.83	-	-
80	I.P.A	Kgs	784	0.60	-	-

81	Mag. Stearte	Kgs	350	0.26	-	-
82	M.D.C.	Kgs	575	0.25	-	-
83	Micro cellulose powder	Kgs	4535	3.54	-	-
84	Paracetamol	Kgs	1655	3.12	-	-
85	P.V.P.k	Kgs	35	0.12	-	-
86	Shellac	Kgs	250	0.62	-	-
87	Pre-gelatin starch	Kgs	437.9	0.29	-	-
88	Roll bandage	Kgs	78930	28.81	-	-
89	Sod. Starch Glycolate	Kgs	800	0.59	-	-
90	Soya Protein	Kgs	6500	1.70	-	-
91	Sucrose	Kgs	5000	1.55	-	-
92	T- Coat Reddy Mix	Kgs	97	0.76	-	-
93	Tinidazole	Kgs	120	0.54	-	-
94	Other Miscellaneous Materials FG/ RM	Kgs	139612.9	49.828		134.29
95	Other Miscellaneous Materials PM	Kgs	59612	21.80		
<b>TOTAL</b>				<b>196.49</b>		<b>163.11</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, 2011**

(Rs. in Lacs)

2010-2011      2009-2010

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

**Net Profit before tax and extraordinary items**

1 . Depreciation	99.15	54.48
2 . Foreign Exchange/Depreciation in investments	16.96	10.73
3 . Investments Extraordinary items	-	-
(Net investment Loss)	-	-
4 Interest Paid	0.64	0.25
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**

**148.25      96.97**

**Adjustments for :**

1. Trade and other receivable	(75.37)	(53.97)
2. Inventory	(6.17)	11.05
3. Trade payables Net of Lease Terminal Adju. A/c	(190.97)	223.51

**Cash Generated from operation**

**(124.26)      277.56**

1. Interest paid	(0.64)	(0.25)
2. Direct Taxes paid	-	-
Cash flow before extraordinary items	(124.90)	277.30
Extraordinary items	0.04	-
	<b>(124.86)</b>	<b>277.30</b>

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

Purchase of fixed assets & increase in capital	100.11	62.57
Work in progress	-	-
Sales of Fixed Assets	-	-
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>100.11</b>	<b>62.57</b>

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

Proceeds from issue of share capital	(398.26)	-
Proceeds from long and short term borrowing	293.61	90.89
	-	-
Net Cash used in financiing activities	(104.65)	90.89
Net Increase in Cash and Cash equivalents	<b>(120.32)</b>	<b>123.84</b>
Cash and cash equivalents as at (Opening Balance)	129.31	5.47
Cash and cash equivalents as at (Closing Balance)	<b>8.99</b>	<b>129.31</b>

Place : Indore  
Date : 30.05.2011

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 2011 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 2010, found in accordance herewith.

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

Sd/-  
(S. N. Gadiya)  
Proprietor

Place : Indore  
Date : 30/05/2011

**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	:	31.03.2011			

**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	:	495540.488	Total Assets	:	495540.488
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**Sources of Funds**

Paid up Capital	:	162738.000	Reserves & Surplus	:	319822.992
Secured loans	:	-	Unsecured Loans	:	12979.496

**Application of Funds**

Net Fixed Assets	:	84879.888	Investments	:	0.000
Net Current Assets	:	(4881.365)	Miscellaneous Expenditure	:	0.000
Accumulated Losses	:	415541.965			

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

Turnover (Gross Revenue)	:	44167.159	Total Expenditure	:	34252.407
Profit/(Loss) before tax	:	9914.752	Profit / (Loss) after tax	:	9914.752

Profit after extra-ordinary items                      9914.752

Earning Per Share in Rs.	:	0.061			
before extra-ordinary items	:	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 : 30.05.2011

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# 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 26th Annual General Meeting of the Company at 11/12, Sector E, Sanwer Road, Industrial Area, Indore-M.P., on Tuesday, 29th day of September, 2011 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, 29th day of September, 2011 at 2.00 P.M and at any adjournment thereof.

Signed this ..... day of.....2011.

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.*

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