



# **INDRAYANI BIOTECH LIMITED.**

Village Markal, Taluka Khed, Dist. Pune - 412 105

**16<sup>th</sup> Annual Report  
2007- 2008**



# • Indrayani Biotech Ltd. •

<b>DIRECTORS</b>	:	Mr. Vivek V. Malpani, Chairman Mrs. Munjula V. Malpani, Managing Director Dr. A. D. Karve Mr. Vishwanath D. Malpani Dr. Vasant K. Hinge
<b>COMPANY SECRETARY</b>	:	Mr. R. K. Suvarna
<b>BANKERS</b>	:	HDFC Bank UCO Bank
<b>AUDITORS</b>	:	M/s G. V. Madane and Company, Pune.
<b>REGISTERED OFFICE</b>	:	Village Markal, Near Alandi, Taluka Khed, Dist. Pune - 412105
<b>ADMINISTRATIVE OFFICE</b>	:	8, Peninsula, Near Baner Telephone Exchange, Baner, Pune - 411 045.
<b>SHARE TRANSFER AGENT</b>	:	Intime Spectrum Registry Pvt Ltd, Mumbai. (for demat shares)

## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of INDRAYANI BIOTECH LIMITED will be held at the Registered Office of the Company, Village Markal, Taluka Khed, Dist. Pune 412 105, on Friday the 26th September, 2008 at 9:00 A.M. to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Vivek Malpani who retire by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Vishwanath Malpani who retire by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and to authorize the Board to fix their remuneration.

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September, 2008 to Friday, 26th September, 2008 (both days inclusive).

### ANNEXURE TO THE NOTICE

Details of Directors seeking reappointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Vishwanath Malpani	Vivek Malpani
Date of Birth	25.01.1928	13.10.1958
Date of appointment	09.03.1992	06.06.1992
Expertise in specific functional areas	Management & Law	Technology & Management
Qualifications	Graduate	Msc, MBA
Directorships in other Indian Companies	Nil	Nil
Membership of committees in other Indian Public Companies	Nil	Nil
Equity Shareholding in Indrayani Biotech Limited	5700	224900

By order of the Board Of Directors,  
for Indrayani Biotech Limited

RK Suvarna  
Company Secretary.  
Place: Pune  
Date: 30th April, 2008.

## DIRECTORS' REPORT

Your Directors present herewith the Sixteenth Annual Report and the Audited Accounts for the year ended 31st March, 2008.

### FINANCIAL RESULTS

The income during the year from all sources amounted to Rs.40,95,761/- and the total expenditure including depreciation of Rs 719,558/- and extra ordinary item of Rs95,36,225/- amounted to Rs.140,93,608/-. The Company has incurred a net loss of Rs.100,00,570/- after making provision for Fringe benefit tax of Rs.2,723/- during the year as against loss of Rs.12,95,240/- in the previous year.

### OPERATIONS

The Company continued to progress in Tissue Culture. The production has again gone up compared to last year.

There is a continued demand for the Banana Tissue Culture plants from the niche regions catered to by your company. We expect further increase in demand for the next year.

The Company had submitted a Scheme of arrangement to Bombay Stock Exchange and a reply from Bombay Stock Exchange was received. The Company is in process of submitting a revised Scheme of arrangement to Bombay Stock Exchange as per Bombay Stock Exchange suggestions.

### DIRECTORS

In accordance with the provisions of the Companies Act 1956 and the Company's Article of Association, Mr. Vivek Malpani, Director and Mr. Vishwanath Malpani, Director retire by rotation and being eligible, offer themselves for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) That in the preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review and of the loss of the company for that period.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2008 on a "going concern" basis.

## DEPOSITS

The Company has not accepted any deposits from public or shareholders.

## PARTICULARS OF EMPLOYEES

None of the employee details is required to be furnished under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended.

## AUDITORS

M/s G V Madane and Company, Chartered Accountants, Pune auditors of the Company retire and are eligible for reappointment.

## RESEARCH AND DEVELOPMENT, ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION, AND FOREIGN EARNINGS AND OUTGO

Particulars with respect to conservation of energy etc. required as per Section 217(I) of the Companies Act, 1956 are annexed hereto and form a part of the report.

## CORPORATE GOVERNANCE

### Company's Philosophy on the Code of Governance:

The Company is committed to good Corporate Governance and has in all material respects complied with the Listing Agreement. The company's plant location is at Village Markal Taluka Khed Dist Pune and at Karve Nagar, Pune. The compliance certificate from the auditors is as per the report enclosed.

### BOARD OF DIRECTORS

The Board consists of 5 directors, of whom 4 are non-executive and one is Managing Director. Two out of 4 non-executive directors are independent. Mr. Vivek Malpani is non executive Chairman and one third of directors are independent. During this year, five Board meetings were held on 27<sup>th</sup> April 2007, 30<sup>th</sup> July 2007, 13<sup>th</sup> August 2007, 27<sup>th</sup> September 2007, 31<sup>st</sup> October 2007 and 25<sup>th</sup> January 2008. Other details are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board meetings	Last AGM attended
1.	Manjula Malpani	Managing Director	4	Yes
2.	Vivek Malpani	Director	4	Yes
3.	Dr. A. D. Karve	Director	3	No
4.	V. D. Malpani	Director	6	Yes
5.	Dr. Vasant Hinge	Director	3	No

- Company's directors are not holding directorships in other Indian Limited Companies.

### CODE OF CONDUCT

The Board has laid down a code of conduct for all Board Members. All the Board Members have affirmed compliance with the code for the year ended 31st March 2008. A declaration to this effect signed by the Managing Director is given elsewhere in this annual report.

### AUDIT COMMITTEE

The terms of reference of the Audit Committee are in consonance with the Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956. The secretary acts as a secretary to the audit committee.

Audit Committee comprises of the following Non Executive Directors:

1. Mr. Vishwanath D. Malpani. 2. Dr. A. D. Karve. 3. Dr. Vasant Hinge.

Four meetings of the Audit Committee were held on 27<sup>th</sup> April 2007, 30<sup>th</sup> July 2007, 31<sup>st</sup> October 2007 & 25<sup>th</sup> January 2008 as under:

Four meetings of the Audit Committee were held as under:

Name of the member	No. of meetings	Attended
Dr A D Karve	4	2
Mr. V D Malpani	4	4
Dr. Vasant Hinge	4	4

### Remuneration Paid To The Directors:

The Managing Director's remuneration is shown in the notes to accounts. Other directors are paid only the sitting fee which is Rs. 1000 per meeting.

### Share Transfer Committee And Shareholder's Grievance Committee:

The share transfer committee and investors grievance committee consists of two non executive directors.

It meets regularly. The company processes the physical share transfers internally and any defect is intimated to shareholders immediately by objection letter. The name of the compliance officer is Mr. R. K. Suvana and his designation is Company Secretary. The number of complaints received during the year is 38. The number of complaints not solved is 0 and there were no shares pending transfer for more than 30 days as on 31st March 2008.

### MEANS OF COMMUNICATION

The Unaudited quarterly results are taken on record by the directors and are communicated to the Stock Exchanges immediately thereafter.

### GENERAL BODY MEETINGS

Venue and time of the last three Annual General Meetings is as follows:

30th September, 2005, 20th September, 2006 and 27th September, 2007 all at 9 AM and all at the Registered Office of the company. No special resolution was carried out by postal ballot.

### DISCLOSURES

The company has complied with the statutory provisions rules and regulations of the capital market during the last three years and no restrictions have been currently imposed by the Mumbai or Pune stock exchanges or by SEBI. The materially significant related party transactions and M. D's remuneration are as per note 2 to the accounts.

### GENERAL SHAREHOLDER INFORMATION

The Sixteenth annual general meeting will be held on Friday, 26th September, 2008 at 9 AM at Village Markal Taluka Khed Dist Pune. There is no resolution requiring postal ballot.

### THE COMPANY'S EQUITY SHARES ARE TRADED ON THE FOLLOWING STOCK EXCHANGES:

The Stock Exchange, Mumbai in Demat form. Code : 526445.  
The Pune Stock Exchange, Pune in Demat form. Code : 526445.

### DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company's shares are traded in Demat form. As on 31st March 2008, 56.60% shares were dematerialized.

### MARKET PRICE DATA: YEAR 2007-08.

Month	Price	
	High	Low
April	4.19	3.15
May	3.66	3.17
June	3.84	3.14
July	4.03	3.03
August	6.62	3.85
September	10.80	6.95
October	10.38	7.00
November	9.38	6.36
December	10.89	7.50
January	12.76	6.21
February	7.15	5.61
March	7.45	4.14

**Share Distribution Pattern As On 31<sup>st</sup> March 2008.**

Share or Debenture Holding of nominal	Share / Debenture holders		Share / Debenture Amount	
Value of Rs.	No.	%of total	In Rs. (thousand)	%of total
1000 - 5000	18658	95.62	32113	54.72
5001 - 10000	441	2.26	4245	7.23
10001- 20000	191	0.98	3427	5.84
20001- 30000	78	0.40	2920	4.98
30001- 40000	25	0.13	921	1.57
40001- 50000	39	0.20	2127	3.62
50001- 100000	51	0.26	4445	7.57
100001 and above	29	0.15	8491	14.47
<b>Total</b>	<b>19512</b>	<b>100</b>	<b>58689</b>	<b>100.00</b>

**DECLARATION ON CODE OF CONDUCT**

As required by clause 49(1D) of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Board Members have affirmed compliance with the Code of Conduct of the Company.

**For and on behalf of the Board of Directors**

**Manjula V. Malpani**  
Managing Director

**Vishwanath D. Malpani**  
Director

Place : Pune

Date : 30th April, 2008

**ANNEXURE TO THE DIRECTORS' REPORT**

Information with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

A & B: Conservation of Energy and Technology Absorption  
The information as per provisions of Section 217(1)(e) of the companies Act, 1956 in respect of conservation of energy and technology is Nil.

C : Foreign Exchange earnings and outgo : NIL for the current year and previous year.

**For on behalf of the Board of Directors**

**Manjula V. Malpani**  
Managing Director

**Vishwanath D. Malpani**  
Director

Place: Pune

Date: 30th April, 2008

**CERTIFICATE.**

**To the members of the Indrayani Biotech Ltd.**

We have examined the compliance of the conditions of corporate governance by Indrayani Biotech Ltd for the year ended 31st March 2008, as stipulated in Clause 49 of the listing agreement of the company with the Stock Exchange. The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the company for ensuring the compliance of the corporate governance. It is neither an audit nor an 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, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we state that no investor grievance is pending against the company as per the records maintained by the company.

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

**For G. V. Madane and Company;**

**Chartered Accountants.**

**Mr. G. V. Madane.**

**Proprietor**

**Membership Number: 14022**

Place: Pune

Date: 30th April, 2008

**G.V.MADANE & CO.**  
**321, Patil Plaza, Parvati,**  
**Pune 411 009.**

**AUDITORS' REPORT**

TO,  
THE MEMBERS OF  
INDRAYANI BIOTECH LIMITED.  
PUNE.

1. We have audited the attached Balance Sheet of INDRAYANI BIOTECH LTD as at March 31, 2008, Profit & Loss Account and Cash Flow Statement for the period ended on that date and annexed thereto. 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.

2. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by The Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure referred a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that: -

- 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;
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- On the written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008; and

(b) In the case of the Profit and Loss Account, of the Loss for the period ended on that date.

(c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**For G V Madane and Company;**  
**Chartered Accountants.**

**Mr. G V Madane.**  
**Proprietor**

Place : Pune

Date : 30th April, 2008

**INDRAYANI BIOTECH LTD.**

Annexure to the Auditor's Report

Referred to in paragraph 3 of our report of even date.

- (a) The company has maintained memorandum of records showing full particulars, including quantitative details and situation of its fixed assets. However comprehensive Fixed Assets Register is being compiled.
- (b) The fixed assets were physically verified by the management during the year and revealed no discrepancies.
- (c) During the year the company has not disposed off substantial part of fixed assets.
- (a) The inventory has been physically verified by the management and ; frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (a) According to information and explanations given to us, the company has not granted any loan secured or unsecured to the Companies, firms or other

## • Indrayani Biotech Ltd. •

parties covered in the register maintained under section 301 of the Companies Act. Thus paragraph 4(iii) - (b), (c) & (d) of the CARO, 2003 are not applicable. (e) The company has taken loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 and/or from the companies under the same management as defined under section 370 (1B) of the companies Act, 1956. The maximum amount involved during the year was Rs. 26,25,947 ( Two Parties) and period-end balance of the loan taken from such parties was Rs. 5,75,947 ( Two parties).

(f) In our opinion the rate of interest, and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(g) The repayment schedule is not specified and therefore we cannot comment on whether the company is regular in repaying the principal amount as stipulated and no interest is either paid or provided in the books of accounts.

(iv) In our opinion & according to the information and explanations given to us, there exists an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and Fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) According to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. five lacs in respect of each party during the year.

(vi) In our opinion and according to the information and explanations given to us, as the company has not accepted any deposits from Public, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vii) As per the information and explanations given to us by the management, the company's internal control procedure together with the internal checks conducted by the management staff during the year can be considered as an internal audit system commensurate with the size and nature of its business.

(viii) The maintenance of the cost records has not been prescribed by the central Government under section 209(1)(d) of the companies Act, 1956.

(ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues. As represented to us, investor education protection fund, employees state insurance, sales Tax, Wealth Tax, service tax, excise duty & cess are not applicable to the company. The Company has not paid any Provident Fund as it is not due in the opinion of the management. The company is regular in depositing income-tax and other material statutory dues applicable to it.

(b) According to the information & explanation given to us, no undisputed amounts payable except FBT of Rs.2723/ in respect of income tax, wealth Tax, Sales Tax, service tax, customs duty, excise duty & cess were in arrears except as mentioned in Notes to Accounts as at March 31, 2008 for a period of more than six months from the date they became payable.

(x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and has not incurred cash losses in the immediately preceding financial year.

(xi) In our opinion & according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted Loans & advances on the basis of security, by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

(xv) The company has not given Guarantees for loans taken by others from Banks or Financial institutions. Consequently provisions of clause (xv) of paragraph 4 of CARO 2003 are not applicable to the company.

(xvi) Based on our examination of the records and information and explanations given to us, during the year no term loan has been obtained. Consequently provisions of clause (xvi) of paragraph 4 of CARO 2003 are not applicable to the company.

(xvii) According to the information & explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.

(xviii) According to the information & explanations given to us the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(xviii) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

(xix) According to the information & explanations given to us the during the

period covered by our audit Report the company has not issued debentures therefore the provisions of clause 4(xix) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

(xx) According to the information & explanations given to us the during the period covered by our audit Report the company has not raised money by public issue therefore the provisions of clause 4(xx) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

(xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For G.V.Madane & Company  
Chartered Accountants**

**G.V.Madane  
Proprietor**

Place : Pune  
Date : 30th April, 2008

**INDRAYANI BIOTECH LTD.**  
VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

**BALANCE SHEET AS AT 31ST MARCH 2008**

<b>SOURCES OF FUNDS</b>	<b>Sch. No.</b>	<b>2007-2008 Rupees</b>	<b>2006-2007 Rupees</b>
1 Shareholders Funds			
a) Capital	1	58689000	58689000
b) Reserves & Surplus		-	-
		<u>58689000</u>	<u>58689000</u>
2 Loan Funds			
a) Secured Loans		-	-
b) Unsecured Loans - from Directors		575947	635947
- Intercorporate Deposits		2050000	-
		<u>2050000</u>	<u>-</u>
<b>Total</b>		<u><u>61314947</u></u>	<u><u>59324947</u></u>
<b>II APPLICATION OF FUNDS</b>			
1 Fixed Assets	2		
a) Gross Block		18067911	18038111
b) Less: Depreciation		-	-
c) Net Block		<u>8435176</u>	<u>7715618</u>
		<u>9632735</u>	<u>10322493</u>
2 Current Assets, Loans & Advances			
a) Inventories	3	367286	305830
b) Sundry Debtors	4	197532	30370
c) Cash & Bank Balance	5	1098081	399903
d) Other Current Assets	6	13073	-
e) Loans & Advances	7	<u>476060</u>	<u>476365</u>
		<u>2152032</u>	<u>1212468</u>
Less:			
Current Liabilities & Provisions			
Current Liabilities	8	<u>10448226</u>	<u>2281655</u>
a) Advance received against orders		463200	555200
b) Other Liabilities		9985026	1726455
Provisions			
Provision for Taxation - Normal		2723	6667
- FBT		<u>97750</u>	<u>-</u>
		<u>10548699</u>	<u>2288322</u>
Net Current Assets		<u>-8396667</u>	<u>-1075855</u>
3 a) Profit and Loss Account		60078879	50078309
		<u>60078879</u>	<u>50078309</u>
<b>Total</b>		<u><u>61314947</u></u>	<u><u>59324947</u></u>

**NOTES TO THE ACCOUNTS - SCHEDULE NO. 12**

As per our report of even date

**For G V Madane & Company**  
**Chartered Accountants**

**G V Madane**  
**Proprietor**

**R. K. Suvarna**  
**Company Secretary**

For and on behalf of the  
Board of Directors

**M. V. Malpani**  
**Managing Director**

**V. D. Malpani**  
**Director**

**DR A. D. Karve**  
**Director**

Place : Pune  
Date : 30th April, 2008

• **Indrayani Biotech Ltd.** •

**INDRAYANI BIOTECH LTD.**  
VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

<b>PARTICULARS</b>	<b>Sch. No.</b>	<b>2007-2008 Rupees</b>	<b>2006-2007 Rupees</b>
<b>INCOME</b>			
Sales and Other Income	9	4,095,761	1,696,798
<b>Total</b>		<b>4,095,761</b>	<b>1,696,798</b>
<b>EXPENSES</b>			
(Increase) / Decrease in Stocks	10	(61,456)	(136,228)
Expenses	11	3,899,281	2,356,451
Preliminary Expenses w/o		-	50,625
Depreciation		719,558	714,523
Extraordinary Items		9,536,225	-
		<b>14,093,608</b>	<b>2,985,371</b>
Profit for the year before taxation		(9,997,847)	(1,288,573)
<u>Previous year's adjustments</u>			
Earlier Year's adjustments		-	-
Provision for Taxation - Normal - FBT		2,723	6,667
Profit after Taxation & Previous Year adjustment		(10,000,570)	(1,295,240)
Balance brought forward from previous year		(50,078,309)	(48,783,069)
Balance Carried to Balance Sheet		(60,078,879)	(50,078,309)
Earning per share ( Basic & Diluted)		(1.70)	(0.22)
<b>NOTES TO THE ACCOUNTS -</b>	<b>12</b>		

As per our report of even date

For and on behalf of the  
Board of Directors

**For G V Madane & Company**  
**Chartered Accountants**

M. V. Malpani  
Managing Director

**G V Madane**  
**Proprietor**

R. K. Suvarna  
Company Secretary

V.D. Malpani  
Director

DR A D Karve  
Director

Place : Pune  
Date : 30th April , 2008

**INDRAYANI BIOTECH LTD.**

VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH 2008**

	2007-2008 Rupees	2006-2007 Rupees
<b>SCHEDULE 1: SHARE CAPITAL</b>		
Authorised		
110,00,000 Equity Shares of Rs.10/- each)	110000000	110000000
Issued, Subscribed and paid-up		
5880000 Equity Shares of	58800000	58800000
Rs. 10/- each fully paid up		
(Previous year 5880000 Equity		
Shares Of Rs.10/- Each)	111000	111000
Less: Allotment money in arrears		
Total	58689000	58689000

	2007-2008	2006-2007
<b>SCHEDULE 3: INVENTORIES</b>		
Stock-in-trade :		
Trade Investments - listed -schedule3A	27830	27830
Stock of Banana Plants at cost	339456	278000
Total	367286	305830

**SCHEDULE 3A: TRADE INVESTMENTS - LISTED SECURITIES**

(In the companies under the same management  
nil, Previous year nil)

	2007-2008	2006-2007
a) Quoted - Market Value		
i) 2700 Equity shares (previous year 2700	7290	7290
equity shares of Rs.10/- each		
in IOTA Ltd.		
ii) 32000 Equity Shares Rs.1 each	10240	10240
(previous year 32000		
equity shares of Rs.1/- each		
in Datapro Ltd.		
iii) 1500 Equity Shares (previous year 1500	2250	2250
equity shares of Rs.10/- each in		
Kabsons Ind. Ltd.		
iv) 5000 Equity Shares (previous year 5000	4800	4800
equity shares of Rs.10/- each		
in Silcal Metal Ltd.		
v) 325 Equity Shares (previous year 3400	3250	3250
equity shares of Rs.10/- each in		
Vijaya Laxmi Works Ltd.		
Total	27830	27830

**INDRAYANI BIOTECH LTD.**

VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH 2008**

	2007-2008	2006-2007
<b>SCHEDULE 4: SUNDRY DEBTORS</b>		
(Unsecured & Considered good)		
Debts outstanding for period		
exceeding six months	197532	30370
Other Debts		
Total	197532	30370

	2007-2008	2006-2007
<b>SCHEDULE 5: CASH AND BANK BALANCE</b>		
Cash on hand	430	1614
Bank Balances with Scheduled Banks		
i) In Current Accounts	42177	256163
ii) In Deposit Accounts	1055474	142126
Total	1098081	399903

	2007-2008	2006-2007
<b>SCHEDULE 6: OTHER CURRENT ASSETS</b>		
Other Receivable	13073	0
Total	13073	0

	2007-2008	2006-2007
<b>SCHEDULE 7: LOANS AND ADVANCES</b>		
(Unsecured & Considered Good)		
Intercompany Deposits	157155	157155
Other Deposits	288210	288210
Other Advances recoverable in cash		
or in kind or for value to be received	30695	31000
Total	476060	476365

	2007-2008	2006-2007
<b>SCHEDULE 8: CURRENT LIABILITIES</b>		
Advance received against orders	463200	555200
Sundry Creditors	213479	139599
a) Total outstanding dues To Micro		
enterprises and		
(b) total outstanding dues to creditors		
other than Micro enterprises and		
small enterprises	213479	139599
Other Liabilities	9771547	1586856
Total	10448226	2281655



# • Indrayani Biotech Ltd. •

## INDRAYANI BIOTECH LTD.

VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

### SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

## INDRAYANI BIOTECH LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

AMOUNT RS. 2007-2008	AMOUNT RS. 2006-2007
-------------------------	-------------------------

#### SCHEDULE 9:

#### SALES AND OTHER INCOME

	2007-2008 Rupees	2006-2007 Rupees
Sales	3872170	1363106
Sale of Shares	-	118030
<b>Total</b>	<b>3872170</b>	<b>1481136</b>
Discount Received	400	243
Dividend	650	650
Misc. Income	126180	31950
Sale of Scrap	95981	1000
Liability no longer required	380	181819
<b>Total</b>	<b>223591</b>	<b>215662</b>
<b>Total</b>	<b>4095761</b>	<b>1696798</b>

#### SCHEDULE 10:

#### INCREASE/-DECREASE IN STOCKS

Finished goods		
Opening Stock	305830	169602
Closing Stock	367286	305830
<b>Decrease</b>	<b>61456</b>	<b>136228</b>

#### SCHEDULE 11: EXPENSES

Production Expenses	1765835	539062
Electricity, Power & Fuel	10654	43500
Repairs - Plant & Machinery	-	3885
Repairs - others	45115	57022
Salary, Wages, PF and Bonus	919999	613695
Vehicle Expenses	1350	4070
Audit Fees	20000	20000
Rent	262000	237386
Packing & Freight & forwarding	20711	29227
Professional Fees	35500	33306
Directors' Sitting Fees	30913	11250
Advertisement & Sales promotion	3750	31693
Fees & Subscription	26125	23910
Finance Charges	7259	1879
Traveling & Conveyance	38355	18387
Other Expenses	613965	688180
Gratuity Expenses	97750	-
<b>Total</b>	<b>3899281</b>	<b>2356451</b>

#### A. CASH FLOW FROM OPERATING ACTIVITIES:

Loss before tax and extraordinary items	(461,622)	(1,288,573)
Adjustments for :		
Depreciation	719,558	714,523
Misc Expenses Written off	-	50,625
Interest Expenses	-	-
Interest & Dividend earned	(650)	(650)
Profit/(-) Loss on sale of Fixed Assets	-	-
<b>Operating Loss before working capital changes</b>	<b>257,286</b>	<b>(524,075)</b>
Adjustments for :		
Trade and other receivables	(179,930)	1,929,473
Inventories	(61,456)	(136,228)
Other Current Liabilities & Provisions	8,257,654	467,340
Trade Payables	-	-
<b>Cash generated from operation</b>	<b>8,273,553</b>	<b>1,736,510</b>
Interest Expenses	-	-
<b>Cash flow before extraordinary items</b>	<b>8,273,553</b>	<b>1,736,510</b>
Extraordinary items & earlier year adjustments	(9,536,225)	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,262,672)</b>	<b>1,736,510</b>

#### B. CASH FLOW FROM INVESTING ACTIVITIES :

Sale of Fixed Assets	-	-
Purchase of fixed assets	(29,800)	(17,100)
Interest Income	-	-
Dividend received	650	650
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(29,150)</b>	<b>(16,450)</b>

#### C. CASH FLOW FROM FINANCING ACTIVITIES :

Long term borrowings	-	-
Unsecured Loan	1,990,000	(1,478,729)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,990,000</b>	<b>(1,478,729)</b>
<b>Net Increase/(-)Decrease in cash and cash equivalents</b>	<b>698,178</b>	<b>241,331</b>
<b>Cash and cash equivalents as at 1-4-2007</b>	<b>399,903</b>	<b>158,572</b>
<b>Cash and cash equivalents as at 31-3-2008</b>	<b>1,098,081</b>	<b>399,903</b>

#### For and on behalf of the Board of Directors

**Manjula V. Malpani**  
Managing Director

**Vishwanath D. Malpani**  
Director

Place : Pune  
Date : 30th April, 2008

#### AUDITOR'S REPORT

To,

The Board of Directors  
**INDRAYANI BIOTECH LIMITED**  
Pune.

We have examined the above cash flow statement of Indrayani Biotech Limited for the year ended 31st March 2008. The statement has been prepared by the Company and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For G. V. Madane & Co.**  
Chartered Accountants

**G. V. Madane**

Proprietor

Place : Pune

Date : 30th April, 2008

**INDRAYANI BIOTECH LTD.**  
VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH 2008**

**SCHEDULE 2: FIXED ASSETS**

(FIGURES IN RUPEES)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 1/4/2007	ADDITIONS/ DELETIONS (-) DURING THE YEAR	AS ON 31.3.2008	UPTO 31.3.2007	FOR THE YEAR	UPTO 31.3.2008	AS ON 31.3.2008	AS ON 31.3.2007
LAND, LAND DEVELOPMENT & CIVIL CONSTRUCTION	7310315	-	7310315	829015	72858	901873	6408442	6481300
FURNITURE & FIXTURES	416845	-	416845	323005	24365	347370	69475	93840
PLANT & MACHINERY	1896083	-	1896083	1164700	85020	1249720	646363	731383
GREEN HOUSES	7323797	-	7323797	4596660	507383	5104043	2219754	2727137
OFFICE EQUIPMENTS	1013079	29,800	1042879	724246	29932	754178	288701	288833
VEHICLES	77992	-	77992	77992	-	77992	-	-
<b>TOTAL</b>	<b>18038111</b>	<b>29,800</b>	<b>18067911</b>	<b>7715618</b>	<b>719558</b>	<b>8435176</b>	<b>9632735</b>	<b>10322493</b>
<b>PREVIOUS YEAR</b>	<b>18021011</b>	<b>17100</b>	<b>18038111</b>	<b>7001095</b>	<b>714523</b>	<b>7715618</b>	<b>10322493</b>	<b>11019915</b>

**SCHEDULE 12:**

**NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**SCHEDULE 13:**

**NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**1. Accounting Policies**

**A) General**

Unless otherwise stated hereunder the financial accounts have been drawn up on historical cost convention on mercantile basis.

**B) Fixed Assets and Depreciation**

a) Fixed Assets: Fixed assets are valued at cost.

b) Depreciation: Depreciation of the fixed assets is provided on straight line method at the rates specified under amended Schedule XIV of the Companies Act, 1956.

c) Inventories: Inventories are valued at cost or net realizable value whichever is lower.

C) As per companies Policy leave encashment is not permitted. Gratuity is accounted on payment basis.

**2. Details of Related party transactions in accordance with the Accounting Standard AS18 'Related party disclosures':**

Related Enterprises :

Girnar Constructions Pvt. Ltd. (Where Mr.V.V.Malpani & Mr.V.D.Malpani are directors)

Key Management personnel :

Mrs. Manjula V Malpani, Vivek V Malpani, Vishwanath D Malpani

Details of Transactions during the year: 2007-08(Rs) 2006-07(Rs)

Related enterprises

Key Management personnel:

Unsecured Loan received by the company

Outstanding Balance	5,75,947	6,35,947
MD's Remuneration	1,20,000	1,20,000

3. As per AS 22 Deferred Tax Assets are recognized if there is reasonable certainty of future profits. In view of this deferred tax assets are not recognized.

**4. Segment Reporting:**

The company had a policy of disclosing Tissue Culture and Green House Growing as Business Segments. Segments are identified taking into account the nature of the products, the differing risks and returns, the organizational structure and internal reporting system. During the period the company's operations related to Tissue-culture activity only.

The company caters mainly to the need of domestic market. There was no export turnover. As such, there are no reportable geographical segments.

Since company operates only in one Reportable Segment; information about Segment & Inter Segment transactions is not given.

5) Contingent liabilities not provided in respect of:

1. Bank Guarantee on behalf of company for Sales Tax : Rs.5,000 (Previous yr Rs. 5,000)

2. Consumer Court cases : Six farmers have filed cases against the Company in the Consumer Court. Four cases are in final stages of hearing. The company has gone in appeal in other two cases. Total liability can be to the extent of Rs.46 lakhs.

6) In the past years, the Company had received a notice from the Collector of Customs & Office of The Director General of Foreign Trade for non-performance of export obligation. The Company has paid customs duty of Rs.13,38,225.

7) Quantitative information regarding licensed capacity, production & Sale:

Particulars	Current Year		Previous Year	
	Qty. Numbers/Kgs	(Rs.)	Qty. Numbers/Kgs	(Rs.)
Production of Tissue Culture Plants Nos. Free/ Mortality plants Nos. Net Production	679619 (213041) 466578	—	333963	—
Production of Vegetables Kgs	NIL	NIL	NIL	NIL
Sale of Tissue culture plants Nos.	416510	3872170	211525	1363106
Installed capacity of Plants Nos.	1000000	N.A.	1000000	N.A.
Licensed Capacity	N.A.	N.A.	N.A.	N.A.

**8) Details of Purchases & Sales (Items traded in)**

Particulars	Current Year		Previous Year	
	Qty. Numbers	Value (Rs.)	Qty. Numbers	Value (Rs.)
Shares Sale	NIL	NIL	110	118030

**Details of Closing Stock**

Particulars	Current Year		Previous Year	
	Qty. Numbers	Value (Rs.)	Qty. Numbers	Value (Rs.)
Banana Plants	169728	339456	119660	278000
Shares (after effect of Bonus & split in Shares)	42925	27830	42925	27830

**9) Remuneration to The Managing Director**

	Current Year		Previous Year	
	(Rs)		(Rs)	
Salary Allowances	1,20,000	Nil	1,20,000	Nil

10) CIF Value of Imports : There were no imports made by the Company.

11) Earning & Expenditure in foreign Currency (CIF) : There was no sales / expenditure in foreign currency.

12) The Company has continued the activity of Tissue Culture - High Tech agriculture.

13) Extraordinary items consist of provision for EPCG penalty Rs.81,98,000 & Customs Duty paid Rs.13,38,225.

14) A) The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. However no impairment loss is recognized since the carrying amount of assets does not exceed it's recoverable amount.

B) As per the company rules, leave can't be en-cashed. Provision for gratuity is made on actual basis.

**ADDITIONAL INFORMATION PURSUANT TO PART IV OF THE COMPANIES ACT, 1956.**

**15) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

- Registration Details  
Registration No. : 65801 State Code : 11  
Balance Sheet Date : 31.03.2008
- Capital raised during the year  
Public Issue (Euro Issue): Nil Right Issue : Nil  
Bonus Issue : Nil Private Placements: Nil
- Position of Mobilisation and Deployment of Funds('000)  
Total Liabilities : 61315 Total Assets : 61315  
Sources of Funds(Rs.in '000)  
Paid up Capital : 58689 Reserves and Surplus: Nil  
Secured Loans : Nil Unsecured Loans : 2626  
Application of Funds (Rs.in '000)  
Net Fixed Assets : 9632 Investments : Nil  
Net Current Assets : -8396 Misc. Expenditure: Nil  
Accumulated Loss : 60079
- Performance of Company (Rs.in '000)  
Turnover : 4096 Total Expenditure: 14094  
Profit/Loss before Tax : -9998 Profit/Loss after Tax:-10001  
(+ for Profit, - for Loss)  
Earning Per Share : Rs.-1.70 Dividend Rate %: Nil
- Generic Names of Three Principal Products/Services of Company (as per monetary terms)  
Item code No.(ITC Code): 06021000  
Product Description : TISSUE CULTURE

16) No Provision for tax is made as appeals are pending under the Income Tax Act 1961.

17) Previous year's figures have been recast and regrouped wherever necessary.

18) Information required as per Schedule VI of the Companies Act 1956 has been given only to the extent applicable.

As per our Report of even date

FOR G. V. MADANE & CO.

CHARTERED ACCOUNTANTS

For and on behalf of the Board

M. V. Malpani  
(Managing Director)

MR. G.V.MADANE  
PROPRIETOR

R K Suvama  
Company Secretary

V. D. Malpani  
(Director)

Dr. A. D. Karve  
(Director)

Place : Pune

Date : 30th April, 2008

**INDRAYANI BIOTECH LIMITED**  
Registered Office : Village Markal,  
Tal-Khed, Dist-Pune, Pin-412 105.

**PROXY FORM FOR ANNUAL GENERAL MEETING**

I/We.....of.....in the district of.....being member /  
members of the above named Company, hereby appoint.....of .....  
in the district of ..... or failing him ..... of ..... as  
my/our proxy to attend and vote for me / us on my / our behalf at the Sixteenth Annual General  
Meeting of the Company to be held on Friday,  
the 26th September, 2008.

Signed this.....day of.....2008.

Folio No.: .

Signature .....

Address.....

.....  
Note : The proxy form duly signed across the revenue stamp should reach the Company's  
Registered Office at least 48 hours before the time of meeting.

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**Book Post**

**INDRAYANI BIOTECH LIMITED**  
Registered Office : Village Markal,  
Tal-Khed, Dist-Pune, Pin-412 105.