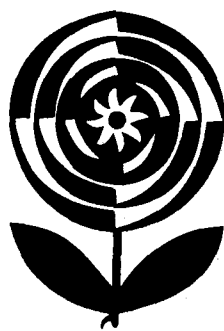


17th Annual Report

2008- 2009



INDRAYANI BIOTECH LIMITED.

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

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of INDRAYANI BIOTECH LIMITED will be held at the Registered Office of the Company, Village Markai, Taluka Khed, Dist. Pune 412 105, on Wednesday the 24th June, 2009 at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Anand Karve who retire by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution

"RESOLVED THAT Dr. Anand Chougule who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice, in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII to the Companies Act, 1956 and any other applicable provisions, if any, Mrs. Manjula Malpani be and is hereby re-appointed as Managing Director of the Company for the period of three years with effect from 1st October 2008 and that she shall not be entitled to and draw any remuneration till the date which may be decided by the Board.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to review and/or revise the terms, conditions, remuneration including minimum remuneration and other benefits being given or to be given to Mrs. Manjula Malpani in line/ conformity with any amendment to the relevant provisions in the Companies Act and /or the Rules and Regulations made thereunder and /or the guidelines as may be announced by the appropriate authorities from time to time and in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board of Directors and Mrs. Manjula Malpani

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

In pursuance of section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors co-opted Dr. Anand Chougule as an additional director with effect from 30th January 2009. As per provisions of section 260 of the Companies Act, 1956 he holds office only upto the date of this annual general meeting. The Company has received notice alongwith deposit from a member proposing to appoint Dr. Anand Chougule as director of the Company. The Directors therefore recommend the resolution for your approval. Dr. Anand Chougule be concerned or interested in the said resolution

ITEM NO. 5

At the Board Meeting held on 26th September 2008 Mrs. Manjula Malpani was re-appointed as the Managing Director of the Company for a period of three years subject to the approval of the Members at the forthcoming Annual General Meeting of the Company. Mrs. Manjula Malpani is 48 years old and has done technical diploma. The Resolutions set out in Item No. 5 and the Explanatory Statement thereof may be treated as a Memorandum of Understanding under Section 302 of the Companies Act, 1956. The Board recommends the resolution for your approval. Mrs. Manjula Malpani, Vivek Malpani and Vishwanath Malpani are concerned or interested in the said resolution.

NOTES:

1. 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.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd June, 2009 to Wednesday, 24th June, 2009 (both days inclusive).

3. The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business set out under item no. 4, 5 is annexed hereto.

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	Dr. Anand Karve	Manjula Malpani	Prof. Anand Chougule
Date of Birth	07.08.1936	03.10.1961	14.12.1961
Date of appointment	09.03.1992	01.10.2005	30.01.2009
Expertise in specific functional areas	Research & Plant Tissue Culture	Management	Irrigation & Control Climate & Agriculture
Qualifications	BSC & PHD	Technical Diploma	B. Tech (Agri Engg.)
Directorships in other Indian Companies	Nil	Nil	Nil
Membership of committees in other Indian Public Companies	Nil	Nil	Nil
Equity Shareholding in Indrayani Biotech Limited	2100	152100	-

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

R K Suvama
Company Secretary.
Place: Pune
Date: 30th April, 2009.

DIRECTORS' REPORT

Your Directors present herewith the Seventeenth Annual Report and the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The income during the year from all sources amounted to Rs.25,81,747/- and the total expenditure including depreciation of Rs 7,21,334/- amounted to Rs.38,41,529/-. The Company has incurred a net loss of Rs.12,67,021/- after making provision for Fringe benefit tax of Rs.7239/- during the year as against loss of Rs.1,00,00,570/- in the previous year.

OPERATIONS

The Company continued to progress in Tissue Culture. 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 Scheme of Arrangement was submitted to Hon'ble High Court and Hon'ble High Court has directed Company to conduct Extraordinary General Meeting and report the opinion of shareholders. The Scheme of Arrangement is attached separately to Annual Report.

DIRECTORS

In accordance with the provisions of the Companies Act 1956 and the Company's Article of Association, Dr. Anand Karve, Director retire by rotation and being eligible, offers himself for reappointment.

Mr. Vasant Hinge ceased to be directors (death) of the company on 13th May 2008. Board expressed its sincere appreciation for the services rendered by him during his tenure as director of the company.

Prof. Anand Chougule was appointed as additional director with effect from 30th January 2009. He holds office till the ensuing Annual General Meeting and being eligible offers himself for appointment as a director.

The Board of Directors, subject to your approval, have also re-appointed Mrs. Manjula Malpani as Managing Director of the Company for a further period a three years with effect from 1st October 2008.

The details of directors who are being appointed or reappointed, their expertise in functional areas, the names of companies in which they hold office of director and / or Chairman and / or membership of committees of the Board is enclosed to the notice of ensuing annual general meeting.

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, 2009, 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, 2009 on a "going concern" basis.

DEPOSITS

The Company has not accepted any deposits from public.

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(1) of the Companies Act, 1956 are annexed hereto and form a part of the report.

For and on behalf of the Board of Directors

Manjula V. Malpani
Managing Director

Vishwanath D. Malpani
Director

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, six Board meetings were held on 30th April 2008, 2nd June 2008, 31st July 2008, 26th September 2008, 27th October 2008 and 30th January 2009. Other details are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board meetings attended	Whether Attended Last AGM
1.	Manjula Malpani	Managing Director	3	Yes
2.	Vivek Malpani	Director	1	Yes
3.	Dr. A. D. Karve	Director	4	No
4.	V. D. Malpani	Director	6	Yes
5.	Prof. Anand Chougule	Director	0	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 2009. 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. Dr. Anand Karve is chairman of the Audit Committee.

Audit Committee comprises of the following Non Executive Directors: 1.Mr. Vishwanath D. Malpani. 2. Dr. A. D. Karve. 3.Prof. Anand Chougule.

Four meetings of the Audit Committee were held as under:

Name of the member	No. of meetings	Attended	Dates of meeting
Dr A D Karve	4	4	30th April, 2008
Mr. V D Malpani	4	4	25th July, 2008
Dr. Anand Chougule	4	0	27th October, 2008
			30th January, 2009

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 INVESTOR'S GRIEVANCE COMMITTEE :

The share transfer committee and investors grievance committee consists of two non executive directors. Mr. V.D.Malpani is chairman of Share Transfer Committee. 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.Suvarna and his designation is Company Secretary. The number of complaints received during the year is 34. The number of complaints not solved is 0 and there were no shares pending transfer for more than 30 days as on 31st March 2009.

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: 20th September, 2006, 27th September, 2007 and 26th September, 2008 all at 9AM 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 Seventeenth annual general meeting will be held on Wednesday, 24th June, 2009 at 10 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.

DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company's shares are traded in Demat form. As on 31st March 2009, 57.21% shares were dematerialized.

MARKET PRICE DATA: YEAR 2008-09.

Month	Price	
	High	Low
April	6.18	5.01
May	5.85	4.53
June	6.20	4.28
July	4.66	3.51
August	5.40	4.10
September	4.69	3.33
October	3.50	2.76
November	3.25	2.35
December	2.35	2.00
January	2.36	2.03
February	2.10	1.72
March	1.64	1.43

Share Distribution Pattern As On 31st March 2009.

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	18578	95.43	32017	54.55
5001 - 10000	466	2.39	4356	7.42
10001- 20000	213	1.09	4596	7.83
20001- 30000	68	0.35	1737	2.96
30001- 40000	28	0.13	1016	1.73
40001- 50000	37	0.20	2126	3.63
50001- 100000	52	0.27	4479	7.63
100001 and above	26	0.14	8362	14.25
Total	19468	100	58689	100.00

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, 2009

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. Malapni
Director

Place: Pune
Date: 30th April, 2009

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 2009, 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

G.V.MADANE & CO.
321, Patil Plaza, Parvat, Pune 411009

NDRAYANI BIOTECH LTD.

31-3-2009

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, 2009, Profit & Loss Account and Cash Flow Statement for the year 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 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:-

(iii) 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;

(iv) 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;

(v) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;

(vi) 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;

(vii) On the written representations received from the directors, as on 31st March, 2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(viii) 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, 2009; 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, 2009

Annexure to the Auditor's Report
Referred to in paragraph 3 of our report of even date.

(i)(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.

(ii) (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.

(iii)(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 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 not 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. Thus paragraph 4(iii) - (f) & (g) of the CARO, 2003 are not applicable.

(iv) In our opinion and 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 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 in respect of income tax, wealth Tax, Sales Tax, service tax, customs duty, excise duty & cess were in arrears as at March 31, 2009 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 in the immediately preceding financial year.

(xi) In our opinion and 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, 2009

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

BALANCE SHEET AS AT 31ST MARCH 2009

SOURCES OF FUNDS	Sch. No.	2008-2009 Rupees	2007-2008 Rupees
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
- Intercompany Deposits		2625947	2050000
Total		<u><u>61314947</u></u>	<u><u>61314947</u></u>
II APPLICATION OF FUNDS			
1 Fixed Assets	2		
a)Gross Block		18101574	18067911
b)Less: Deprecation		9156510	8435176
c)Less: Capital Subsidy		<u>(3000000)</u>	-
d) Net Block		5945064	9632735
2 Current Assets, Loans & Advances			
a) Inventories	3	465878	367286
b) Sundry Debtors	4	354482	197532
c) Cash & Bank Balance	5	2857154	1098081
d) Other Current Assets	6	35354	13073
e) Loans & Advances	7	536156	476060
		<u>4249024</u>	<u>2152032</u>
Less:			
<u>Current Liabilities & Provisions</u>			
Current Liabilities	8	<u>10080802</u>	<u>10448226</u>
a) Advance received against orders		-	463200
b) Other Liabilities		10080802	9985026
<u>Provisions</u>			
Provision for Taxation - FBT		7239	2723
Other Provisions		<u>137000</u>	<u>97750</u>
		<u>10225041</u>	<u>10548699</u>
Net Current Assets		-5976017	-8396667
3 b) Profit and Loss Account		61345900	60078879
Total		<u><u>61314947</u></u>	<u><u>61314947</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. Suvana
Company Secretary

For and on behalf of the
Board of Directors

M. V. Malpani
Managing Director

V. D. Malpani
Director

DRA. D. Karve
Director

Place : Pune
Date : 30th April,2009

• **Indrayani Biotech Ltd.** •

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	Sch. No.	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Sales and Other Income	9	2,581,747	4,095,761
Total		2,581,747	4,095,761
EXPENSES			
(Increase) / Decrease in Stocks	10	(98,592)	(61,456)
Expenses	11	3,218,787	3,899,281
Depreciation		721,334	719,558
Extraordinary Items		-	9,536,225
		3,841,529	14,093,608
Profit for the year before taxation		(1,259,782)	(9,997,847)
<u>Previous year's adjustments</u>			
Earlier Year's adjustments		-	-
Provision for Taxation - Normal - FBT		7,239	2,723
Profit after Taxation & Previous Year adjustment		(1,267,021)	(10,000,570)
Balance brought forward from previous year		(60,078,879)	(50,078,309)
Balance Carried to Balance Sheet		(61,345,900)	(60,078,879)
Earning per share (Basic & Diluted)		(0.22)	(1.70)
NOTES TO THE ACCOUNTS -	12		

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

DRAD Karve
Director

Place : Pune
Date : 30th April, 2009

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 2009**

	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 1: SHARE CAPITAL		
<u>Authorised</u>		
110,00,000 Equity Shares of Rs.10/- each)	110000000	110000000
Issued, Subscribed and paid-up		
5880000 Equity Shares of		
Rs. 10/- each fully paid up	58800000	58800000
(Previous year 5880000 Equity		
Shares Of Rs.10/- Each)		
Less: Allotment money in arrears	111000	111000
Total	58689000	58689000

	2008-2009	2007-2008
SCHEDULE 3: INVENTORIES		
<u>Stock-in-trade :</u>		
Trade Investments - listed -schedule3A	27830	27830
Stock of Banana Plants at cost	438048	339456
Total	465878	367286

	2008-2009	2007-2008
SCHEDULE 3A: TRADE INVESTMENTS - LISTED SECURITIES (In the companies under the same management nil, Previous year nil)		
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 2009**

	2008-2009	2007-2008
SCHEDULE 4: SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts outstanding for period		
exceeding six months		
Other Debts	354482	197532
Total	354482	197532

	2008-2009	2007-2008
SCHEDULE 5: CASH AND BANK BALANCE		
Cash on hand	14598	430
Bank Balances with Scheduled Banks		
i) In Current Accounts	176176	42177
ii) In Deposit Accounts	2666381	1055474
Total	2857154	1098081

	2008-2009	2007-2008
SCHEDULE 6: OTHER CURRENT ASSETS		
Other Receivable	35354	13073
Total	35354	13073

	2008-2009	2007-2008
SCHEDULE 7: LOANS AND ADVANCES		
(Unsecured & Considered Good)		
Intercompany Deposits	157155	157155
Other Deposits	285230	288210
Other Advances recoverable in cash		
or in kind or for value to be received	93771	30695
Total	536156	476060

	2008-2009	2007-2008
SCHEDULE 8: CURRENT LIABILITIES		
Advance received against orders	-	463200
Sundry Creditors	120178	213479
a) Total outstanding dues To Micro		
enterprises and		
(b) total outstanding dues to creditors		
other than Micro enterprises and		
Small Enterprises	120178	213479
Other Liabilities	9960624	9771547
Total	10080802	10448226

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 2009**

SCHEDULE 9:

SALES AND OTHER INCOME

	2008-2009 Rupees	2007-2008 Rupees
Sales	2354097	3872170
Sale of Shares	-	-
Total	2354097	3872170
Discount Received	-	400
Dividend	325	650
Misc. Income	153015	126180
Sale of Scrap	74310	95981
Liability no longer required	-	380
Total	227650	223591
Total	2581747	4095761

SCHEDULE 10:

INCREASE/-DECREASE IN STOCKS

Finished goods		
Opening Stock	367286	305830
Closing Stock	465878	367286
Increase	98592	61456

SCHEDULE 11: EXPENSES

Production Expenses	388876	1765835
Electricity, Power & Fuel	75804	10654
Repairs - others	204988	45115
Salary, Wages, PF and Bonus	958816	1017749
Vehicle Expenses	3515	1350
Audit Fees	20000	20000
Rent	341775	262000
Packing & Freight & forwarding	202934	20711
Professional Fees	140966	35500
Directors' Sitting Fees	4250	3750
Advertisement & Sales promotion	24000	30913
Fees & Subscription	16775	26125
Finance Charges	318313	13045
Traveling & Conveyance	56560	38355
Other Expenses	463215	608179
Total	3218787	3899281

INDRAYANI BIOTECH LTD.

**CASH FLOW STATEMENT FOR
THE YEAR ENDED 31.03.2009**

AMOUNT RS. 2008-2009	AMOUNT RS. 2007-2008
---------------------------------	---------------------------------

A. CASH FLOW FROM OPERATING ACTIVITIES:

Loss before tax and extraordinary items :	(1,259,782)	(461,622)
Adjustments for :		
Depreciation	721,334	719,558
Misc Expenses Written off	-	-
Interest Expenses	315,114	5,786
Interest & Dividend earned	(325)	(650)
Profit/(-) Loss on sale of Fixed Assets	-	-

Operating Loss before working capital changes	(223,659)	263,072
Adjustments for :		
Trade and other receivables	(239,327)	(179,930)

Inventories	(98,592)	(61,456)
Other Current Liabilities & Provisions	(330,898)	8,257,654
Trade Payables	-	-

Cash generated from operation	(892,476)	8,279,339
Interest Expenses	(315,114)	(5,786)

Cash flow before extraordinary items	(1,207,590)	8,273,553
--------------------------------------	-------------	-----------

Extraordinary items & earlier year adjustments	-	(9,536,225)
--	---	-------------

NET CASH FLOW FROM OPERATING ACTIVITIES	(1,207,590)	(1,262,672)
--	--------------------	--------------------

B. CASH FLOW FROM INVESTING ACTIVITIES :

Sale of Fixed Assets	-	-
Purchase of fixed assets	(33,663)	(29,800)
Interest Income	-	-
Dividend received	325	650
Subsidy received	3,000,000	-

NET CASH USED IN INVESTING ACTIVITIES	2,966,662	(29,150)
--	------------------	-----------------

C. CASH FLOW FROM FINANCING ACTIVITIES :

Long term borrowings	-	-
Unsecured Loan	-	1,990,000

NET CASH USED IN FINANCING ACTIVITIES	-	1,990,000
--	----------	------------------

Net increase/(-)Decrease in cash and cash equivalents	1,759,072	698,178
---	-----------	---------

Cash and cash equivalents as at 1-4-2008	1,098,081	399,903
--	-----------	---------

Cash and cash equivalents as at 31-3-2009	2,857,153	1,098,081
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For and on behalf of the Board of Directors

Manjula V. Malpani
Managing Director

Vishwanath D. Malpani
Director

Place : Pune
Date : 30th April, 2009

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 2009**

SCHEDULE 2: FIXED ASSETS

(FIGURES IN RUPEES)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 1/4/2008	ADDITIONS/ DELETIONS (-) DURING THE YEAR	AS ON 31.3.2009	UPTO 31.3.2008	FOR THE YEAR	UPTO 31.3.2009	AS ON 31.3.2009	AS ON 31.3.2008
LAND ,LAND DEVELOPMENT & CIVIL CONSTRUCTION	7310315	-	7310315	901873	72858	974731	633584	6408442
FURNITURE & FIXTURES	416845	15,413	432258	347370	24448	371818	60440	69475
PLANT & MACHINERY	1896083	6,750	1902833	1249720	85089	1334809	568024	646363
GREEN HOUSES	7323797	-	7323797	5104043	507383	5611426	1712371	2219754
OFFICE EQUIPMENTS	1042879	11,500	1054379	754178	31556	785734	268645	288701
VEHICLES	77992	-	77992	77992	-	77992	-	-
TOTAL	18067911	33,663	18101574	8435176	721334	9156510	8945064	9632735
PREVIOUS YEAR	18038111	29,800	18067911	7715618	719558	8435176	9632735	10322493

**SCHEDULE 12:
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

- Fixed Assets: Fixed assets are valued at cost.
- 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.
- Inventories: Inventories are valued at cost or net realizable value whichever is lower.

C) As per companies Policy leave encashment is not permitted. Provision for gratuity is made on actuarial basis.

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

Key Management personnel:

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

Details of Transactions during the year:

Details of Transactions during the year:	2008-09(Rs)	2007-08(Rs)
Key Management personnel: Unsecured Loan received by the company outstanding Balance	NIL	5,75,947
MD's Remuneration	NIL	1,20,000
Relatives of key Management personnel:	NIL	NIL

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:

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

Bank Guarantee for Customs Duty: Rs.1000000

6) 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.	652710	---	466578	---
Free/ Mortality plants Nos.	(176118)			
Net Production	476592			
Production of Vegetables Kgs	NIL	NIL	NIL	NIL
Sale of Tissue culture plants Nos.	536808	2354097	416510	3872170
Sale of Vegetables Kgs.	NIL	NIL	NIL	NIL
Installed capacity				
- of Flowers Nos.	NIL	N.A.	NIL	N.A.
- of Plants Nos.	1000000	N.A.	1000000	N.A.
- of Vegetables Kgs	N.A.	N.A.	N.A.	N.A.
Licensed Capacity	N.A.	N.A.	N.A.	N.A.

7) Details of Purchases & Sales (Items traded In)

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

Details of Closing Stock

Particulars	Current Year		Previous Year	
	Qty. Numbers	Value (Rs.)	Qty. Numbers	Value (Rs.)
Banana Plants (off all stages including bottles, net pots, bags)	109512	438048	169728	339456
Shares	42925	27830	42925	27830

8) Remuneration to The Managing Director

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

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

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

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

12) 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.

13) Provision for Gratuity:- the following table set out the status of the gratuity as required under Accounting Standard - 15 on 'Employee Benefits.'

Sr. No.	Particulars
1	Assumption: As on 31.3.2009
	Discount Rate 8%
	Salary Escalation 5%
2	Present value of obligation as on the end of the year is Rs.75146/-
3	Liability on discontinuance basis as on the end of the year is Rs.127212/-
4	Provision in the Balance Sheet as on the end of year is Rs.137000/-

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

14) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details			
Registration No.	65801	State Code :	11
Balance Sheet Date	31.03.2009		
ii) Capital raised during the year			
Public Issue (Euro Issue)	Nil	Right Issue :	Nil
Bonus Issue	Nil	Private Placements:	Nil
iii) Position of Mobilisation and Deployment of Funds('000)			
Total Liabilities	61315	Total Assets:	61315
Sources of Funds('000)			
Paid up Capital	58689	Reserves and Surplus:	Nil
Secured Loans	Nil	Unsecured Loans :	2626
Application of Funds('000)			
Net Fixed Assets	5945	Investments :	Nil
Net Current Assets	-5976	Misc. Expenditure:	Nil
Accumulated Loss	61346		
iv) Performance of Company ('000)			
Turnover	2582	Total Expenditure:	3842
Profit/Loss before Tax	-1260	Profit/Loss after Tax:	-1267
(+ for Profit, - for Loss)			
Earning Per Share	Rs.-0.22	Dividend Rate %:	Nil
v) Generic Names of Three Principal Products/Services of Company(as per monetary terms)			
Item code No.(ITC Code)	06021000		
Product Description	TISSUE CULTURE		

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

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

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

18) The Company has not received intimation from any 'enterprise' regarding its status under Micro Small and Medium Enterprise Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

As per our Report of even date

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

G V Madane
Proprietor

R. K. Suvama
Company Secretary

M. V. Malpani
Managing Director

V.D. Malpani
Director

DRA D Karve
Director

Place : Pune
Date : 30th April, 2009

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 Seventeenth Annual
General Meeting of the Company to be held on Wednesday the 24th June, 2009.

Signed this.....day of.....2009.

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.

Book Post

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



INDRAYANI BIOTECH LIMITED.
Village Markal, Taluka Khed, Dist. Pune - 412 105

**Court Convened Meeting of the
Equity Shareholders**

Day : Wednesday

Date : 24th June, 2009

Time : 11:00 A.M.

Venue : **Indrayani Biotech Ltd.**
Village Markal, Taluka Khed
Dist. Pune - 412105

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of the Equity Shareholders of
Indrayani Biotech Ltd.01

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 406 OF 2009**

In the matter of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956;
And
In The Matter Of Indrayani Biotech Ltd., A Company Incorporated Under The Companies Act, 1956
And
In the matter of the Scheme of Arrangement between Indrayani Biotech Limited, Indrayani Tissue Culture Limited, Yo-Go-Yo division of Websource Technologies Limited, and their respective Shareholders and Creditors ;

Indrayani Biotech Limited,)
a company incorporated under)
the Companies Act 1956, and having)
its Registered Office at Village-Markal,)
Taluka-Khed, District - Pune, Pune- 412 105)

..... Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,
The Members/Equity Shareholders of Indrayani Biotech Limited -the Applicant Company

TAKE NOTICE that by the order dated April 16th, 2009 and further order dated April 23rd, 2009, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Indrayani Biotech Limited, the Applicant Company, be convened and held at the registered address of the Applicant Company situated at Village Markal, Taluka Khed, District, Pune 412 105, Maharashtra on Wednesday 24th day of June, 2009 at 11:00 a.m., for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Arrangement between Indrayani Biotech Limited (the "Applicant Company"), Indrayani Tissue Culture Pvt. Ltd., YoGoYo Division of Websource Technologies Ltd. and its Equity Shareholders and Unsecured Creditors.

TAKE FURTHER NOTICE that in pursuance of the said Orders and as directed therein, a meeting of the Equity Shareholders of Indrayani Biotech Limited, the Applicant Company shall be convened and held at the registered address of the Applicant Company situated at Village Markal, Taluka Khed, District, Pune 412105, Maharashtra on Wednesday 24th day of June, 2009 at 11:00 a.m., at which time and place you are requested to attend.

TAKE FURTHER NOTICE that the Hon'ble Court has also directed that in pursuance of the provisions of Section 100 of the Companies Act, 1956 further read with Article 49 of the Articles of Association 1956, a Special Resolution of the Equity Shareholders be proposed at the meeting convened for the purpose of approval of the Scheme of Arrangement, to consider and if thought fit, approving with or without modification, a reduction of the present paid up share capital of the Applicant Company by an amount of Rs.51,646,320 (Rupees five crores sixteen lakhs forty six thousand three hundred and twenty) being the face value of 5,164,632 (fifty one lakhs sixty four thousand six hundred and thirty two) equity shares of Rs. 10 (Rupees ten) each fully paid-up.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meetings in person or by proxy, provided that proxy in the prescribed form duly signed by you or by your authorised representative are deposited at the registered office of the Registered Office of the Applicant Company is situated at Village Markal, Taluka Khed, District, Pune 412105, Maharashtra not later than Forty Eight (48) hours before the meetings. The Hon'ble High Court has appointed Rajesh C. Vaishnav, Authorised Signatory of the Applicant Company, failing him Mr. Vivek Malpani Managing Director of the Applicant Company is appointed as the Chairman of the Court convened meetings.

A copy each of the Scheme, the Explanatory Statement under Section 393 (1) of the Companies Act, 1956, a form of proxy and attendance slip are enclosed.

Dated this 30th day of April, 2009.

Rajesh Vaishnav
Chairman appointed for the meeting

Registered Office:
Village Markal, Taluka Khed,
District: Pune 412105, Maharashtra

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 406 OF 2009**

In the matter of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956;
And
In The Matter Of Indrayani Biotech Ltd., A Company Incorporated Under The Companies Act, 1956
And
In the matter of the Scheme of Arrangement between Indrayani Biotech Limited, Indrayani Tissue Culture Limited, Yo-Go-Yo division of Websource Technologies Limited, and their respective Shareholders and Creditors ;

Indrayani Biotech Limited,)
a company incorporated under)
the Companies Act 1956, and having)
its Registered Office at Village-Markal,)
Taluka-Khed, District - Pune, Pune- 412 105)

..... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393(1) OF THE COMPANIES ACT, 1956

In this statement Indrayani Biotech Limited is referred to as "**Applicant**". The other definitions contained in the enclosed Scheme of Arrangement will also apply to this Explanatory Statement.

The following statement as required under Section 393(1) of the Companies Act, 1956 sets forth the details of the proposed Scheme of Arrangement, its effects and in particular any material interests of the Directors in their capacity as a member.

1. ORDER OF THE HON'BLE HIGH COURT OF JUDICATURE AT BOMBAY

- 1.1 The Hon'ble High Court of Judicature at Bombay by its orders dated April 16th, 2009 and further order dated April 23rd, 2009 has directed Indrayani Biotech Limited, the Applicant, to convene a meeting of its Equity Shareholders on 24th day of June 2009, at 11 a.m., at Village-Markal, Taluka Khed, District-Pune, Pune-412 105 for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between Indrayani Biotech Limited, Indrayani Tissue Culture Private Limited, Websource Technologies Limited and their respective Shareholders and Creditors.

2. SCHEME AND ITS APPROVAL BY THE BOARD OF DIRECTORS

- 2.1.0 The proposed Scheme inter-alia envisages the following :
- 2.1.1 Reduction of the Equity Share Capital of the Applicant
- 2.1.2 Restructuring the debt of the Applicant.
- 2.1.3 De-merger of the entire business of the Applicant into Indrayani Tissue Culture Private Limited.
- 2.1.4 Merger of the business of the Yo-Go-Yo division of Websource Technologies Limited.
- 2.1.5 Change in the name of the Applicant, subject to name approval from the Registrar of Companies, Pune.
- 2.1.6. Change in the Registered Office of the Applicant.
- 2.1.7. Change in the main Objects Clause of the Memorandum of Association.
- 2.2. The Scheme has been approved by the Board of Directors on the 2nd June 2008, by passing the necessary resolution.
- 2.3. A copy of the Scheme of Arrangement, setting out the terms and conditions of the Arrangement, which has been approved by the Board of Directors, is enclosed

3. BRIEF DETAILS OF THE APPLICANT

- 3.1. The Applicant was incorporated as Indrayani Biotech Private Limited under the Companies Act, 1956, on the 9th of March 1992.
- 3.2. The Applicant thereafter changed its name to Indrayani Biotech Limited on 9th of April, 1992
- 3.3. The Registered Office of the Company is situated at Village-Markal, Taluka-Khed, District-Pune, Pune-412 105.
- 3.4. The main object clause for which the Company has been established are set out in the Memorandum of Association.
The main object clause of Indrayani Biotech Ltd. is as follows :
To carry on operations & Business of high tech and / or customary Agriculture, based on cell organ on tissue culture, hybridization techniques and genetic engineering or traditional methods
The main object clause of Web source Technologies Limited - Yo Go Yo Division is as follows :
1. To carry on the business as internet solution providers total, integrated electronic commerce solution providers & setting up of business to business (B2B) and other types of e commerce facilities and provide e network and network enabled services, intranet solutions, EDI solutions, leased line and microwave solutions, hosting, warehousing, storing, forwarding and online information services and to develop, host design, maintain, create, program, service all types of website portals and to provide facilities of advertising and publishing on the web, and to carry on the software and hardware development internet consultancy, net banking internet backbone services, content management, online data base management and marketing, electronic commerce and management consultancy, supply chain management consultancy, e consultancy, web strategy development system, integration, Marketing, Advertising, promoting, holding contest and to do all these activities and business in India and abroad.

2. To takeover, acquire and get all the existing business transferred including all assets and liabilities of 'Rupeesaver India', a existing proprietary concern as per the provisions of Section 47(xiii) of the Income Tax Act, 1961.

3.5. The Applicant is engaged in the business of Tissue Culture.

3.6. The Equity Shares of the Applicant are listed on the BSE (Bombay Stock Exchange) and the PSE Poona Stock Exchange.

The financials of the Indrayani Biotech Limited for the year ended March 31, 2008 is as follows :

Balance Sheet	Rs. In Crores
Sources of funds	
Share capital	5,86,89,000
Reserves & Surplus	-
Secured Loan	-
Unsecured Loan	26,25,947
Total	6,13,14,947
Application of funds	
Fixed assets (including capital work in progress)	96,32,735
Investments	-
Net current assets	-83,96,667
Miscellaneous expenditure (P&L Dr. Bal.)	6,00,78,879
Total	6,13,14,947
Profit and loss (Rupees)	
Total income	40,95,761
Profit before Tax	(99,97,847)
Profit after Tax	(1,00,00,570)

The financials of the Websource for the year ended March 31, 2008 is as follows :

Balance Sheet	Rs. In Crores
Share capital	66,96,000
Reserves & Surplus	1,07,11,226
Total	1,74,07,226
Net current assets	1,69,29,422
Investments	1,72,549
Deferred Tax	2,55,880
Profit Carried over	15,96,867
Less brought forward loss	(15,47,492)
Profit & loss (Rupees)	
Total income	17,96,02,336
Profit before Tax	13,70,294
Profit after Tax	9,28,662

3.7. The Share Capital of the Applicant as per the Audited Balance Sheet as at 31st of March 2008, and taking into account the various changes in the capital, as proposed under this Scheme of Arrangement, is and would be as follows :

	Rs.
Authorised Share Capital :	
1,10,00,000 equity Shares of Rs. 10 /- each	11,00,00,000
Issued, Subscribed and Paid-up Capital:	
58,68,900 equity shares of Rs. 10 /- each	5,86,89,000

4. RESOLUTION FOR APPROVAL

- 4.1 The resolution to be submitted for the approval of the Equity Shareholders of the Applicant at their meeting, will read as follows :

" RESOLVED THAT the arrangement embodied in the Scheme of Arrangement between Indrayani Biotech Limited and its Equity Shareholders, pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Companies Act, 1956. if any, and subject to the approval of the Hon'ble High Court of Judicature at Bombay or any other appropriate authorities, placed before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED THAT the arrangement embodied in the Scheme of Arrangement between Indrayani Biotech Limited and its Equity Shareholders, pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Companies Act, 1956. if any, and subject to the approval of the Hon'ble High Court of Judicature at Bombay or any other appropriate authorities, placed before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr Vivek Malpani, Chairman of the Company and Mr. Rajesh Vaishnav, Authorised Signatory of the Company be and hereby, jointly and / or severally authorised to do all such acts, matters, deeds and things as may be necessary or desirable for the purpose of giving effect to the Scheme of Arrangement"

5. RATIONALE BEHIND THE SCHEME OF ARRANGEMENT

- 5.1 The Applicant has been in the business of tissue culture and other agro based activities since 1992.
- 5.2 The Demerger of the business of the Applicant into Indrayani Tissue Culture Private Limited and the merger of the Yo-Go-Yo division of Websource Technologies Limited would involve the following:
- 5.2.1 The Demerger of the Applicant's business will result in diversification into a new activity and concentration on the diversified activity for the growth of the Company.
- 5.2.2. Availability of tax benefit.
- 5.2.3. The merger will result in increased financial strength and flexibility, and enhance the ability of the merged entity to undertake large projects thereby enhancing future business potential.
- 5.2.4. The merged entity will benefit from improved organizational capability and leadership, arising from the combination of people from Indrayani Biotech Limited and Yo-Go-Yo division of Websource Technologies Limited, who have diverse skills, talent and vast experience.
- 5.2.5. Cost savings are expected from the merger of Indrayani Biotech Limited and Yo-Go-Yo division of Websource Technologies Limited, to rationalize the use of funds and resources.

6. THE SCHEME OF ARRANGEMENT

- 6.1 The applicant proposes to make an Arrangement with its Equity Shareholders and Creditors and the Equity Shareholders and Creditors of Indrayani Tissue Culture Private Limited (for Demerger of existing business of the Applicant) and the Equity Shareholders and Creditors of Yo Go Yo division of Websource Technologies Limited (for Merger of the entire business with the Applicant). The Scheme deals with the following seven aspects.
- 6.2 Reduction of the Equity Share Capital of the Applicant
- 6.2.1 The Authorised share capital of the Applicant is Rs.11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 Equity Shares of Rs 10/- each.
- 6.2.2 The issued subscribed and paid-up equity share capital of the Applicant as on March 31, 2008 is Rs.5,86.89.000 (Rs. Five Crores Eighty Six Lakhs Eighty Nine Thousand only) divided into 58,68,900 equity shares of Rs. 10/- each. Consequent to the reduction, the paid-up equity share capital shall be reduced by an amount of Rs.5,16,46,320/-, constituting 88% of its total issued and paid-up equity share capital.
- 6.2.3 Subject to the receipt of the confirmation from the Hon'ble Court, upon reduction, while the authorised capital of the Applicant shall remain unaltered, the issued, subscribed and Paid up capital of the Applicant shall stand reduced from Rs.5,86,89,000 to Rs.70,42,680 divided into 7,04,268 equity Shares of the face value of Rs.10 each.
- 6.2.4. Consequently, every Equity Shareholder of the Applicant who is a member of the Applicant on the Record Date, as determined by the Board of Directors, shall hold Three (3) equity shares of Rs.10 each in lieu of Twenty Five (25) equity shares of Rs.10 each of the Applicant held prior to the Scheme coming into Effect.
- 6.2.5. As on the Appointed Date, the Applicant had a negative balance in the Balance Sheet of Rs. (- 6,00,78,879/-) (Rs.- Six Crores Seventy Eight Thousand Eight Hundred Seventy Nine Only). After reduction of the capital of the Applicant, as above, By a sum of Rs. 5,16,46,320/- the negative balance in the Balance Sheet would reduce to a negative of Rs. (- 84,32,559/-) Rs (- Eight Four Lakhs Thirty Two Thousand Five Hundred and Fifty Nine only) . However, the networth of the Applicant before and after reduction of capital would remain a negative of Rs. (- Thirteen Lakhs Eighty Nine Thousand Eight Hundred and Seventy Nine only) .
- 6.2.6 The reduction of the paid up Equity Share capital shall be effected as a integral part of the Scheme itself in accordance with the provisions of Sections 100,102 and 103 of the Companies Act, 1956 and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any Shareholder of any paid up share capital, the provisions of Section 101(2) are not applicable. The order of this Hon'ble Court, sanctioning the Scheme, shall be deemed to be an Order under Section 102 of the Companies Act, 1956, confirming the reduction.

- 6.2.7. Upon coming into effect of this Scheme and in consideration of the arrangement of the Applicant with its equity Shareholders, the cancellation of the shares of the Applicant as provided in the Scheme shall be carried out without following the procedure laid down under Sections 100 to 104 and any other applicable provisions of the Companies Act, 1956.
- 6.2.8. Upon this Scheme coming into effect, all the Equity Shareholders whose names shall appear on the Register of Members of the Applicant on such Record Date fixed as .
- 6.2.9. No fractional shares shall be issued by the Applicant in respect of the fractional entitlements, if any, to which the members may be entitled on the reduction of the equity share capital of the Applicant, as aforesaid. The Directors of the shall instead consolidate all such fractional entitlement to which the Members of the Applicant may be entitled on the reduction of the Equity share capital as aforesaid and thereupon issue and allot Shares in lieu thereof to a Director and/or Officer of the Applicant with the express understanding that such Director and/or Officer to whom such shares be allotted, shall sell the same in the market at the best available price in one or more lots and by private sale/placement or by public auction as deemed fit (the decision of such Director and/or Officer, as the case may be, as to the timing and method of the sale and the price at which such shares are sold, shall be binding on all concerned) and pay to the Applicant, the net sale proceeds thereof. The Applicant shall hold the net sales proceeds of all such shares after defraying there from all costs, charges and expenses of such sale. The Applicant shall thereafter distribute such sale proceeds to the members of the Applicant in proportion to their fractional entitlements.
- 6.2.10. The equity shares of the Applicant shall continue to be listed on the stock exchanges and the Applicant shall make necessary applications to the stock exchanges to note consequential changes.
- 6.3 Restructuring the debt of the Applicant.
- 6.3.1. The Applicant proposes to restructure its current Unsecured debt comprising of the unsecured loans and Advances ("Advances") by offering fully paid up equity Shares of the Applicant against advances granted by them.
- 6.3.2. As per the latest Audited Balance Sheet of the Applicant, the Applicant has received advances granted by the Unsecured Creditors amounting to Rs 26,25,947/- (Rs Twenty Six Lakhs Twenty Five Thousand Nine Hundred Forty Seven Only).the Applicant proposes to convert their advances of Rs. 26,25,000/- (Rs. Twenty Six Lakhs Twenty Five Thousand Only) into fully paid up equity shares of a face value of Rs10/- per share, at par.
- 6.3.3. The Applicant has already received consent letters from the Unsecured Creditors (Three individuals) agreeing to convert their advances into fully paid up equity shares of the Applicant, amounting to Rs.26,25,000/- (Rs. Twenty Six Lakhs Twenty Five Thousand Only) .
- 6.3.4. The paid up capital of the Applicant consequent to the reduction of capital as envisaged in clause 6.2. above, is Rs. 70,42,680/- (Rs. Seventy Lakhs Forty Two Thousand Six Hundred and Eighty only) . After restructuring the debt of the Applicant as envisaged in clause 6.3. above, the paid up capital of the Applicant would increase by Rs. 26,25,000/- (Rs. Twenty Six Lakhs Twenty Five Thousand only) to Rs. 96,67,680/- (Rs. Ninety Six Thousand Sixty Seven Thousand Six Hundred Eighty only) . The networth of the Applicant would be Rs. 12.35,121/ (Rs. Twelve Lakhs Thirty Five Thousand One Hundred TwentyOne only) subsequent to the restructuring of the debt of the Applicant .
- 6.3.5. On the Scheme coming into effect, the Advances due to the Unsecured Creditors shall stand extinguished/repaid and the Unsecured Creditors shall have no claim or right over the Applicant in relation to the advances.
- 6.3.6. The balance principal outstanding, interest, liquidated damages, claims and other charges, etc accrued and due from the Appointed date (1st April, of the Companies Act, 1956, without any further act or deed, be and stand transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Resulting Company. 2008) to the Effective date of the Scheme would be waived by the Unsecured Creditors. The balance principal outstanding, interest, liquidated damages, claims and other charges, etc accrued and due from the Appointed date (1st April, 2008) to the Effective date of the Scheme would be waived by the Unsecured Creditors.
- 6.3.7. On the Scheme coming into effect, the equity shares will be allotted to the Unsecured Creditors in lieu of their Advances, without any further act, permission, accord of any authority or party, and no letter of allotment would be required to be sent to these new equity shareholders.
- 6.4. Demerger of the entire business of the Applicant.
- 6.4.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the undertaking of Indrayani Biotech Limited (Applicant) shall, pursuant to the sanction of this Scheme by the Hon'ble Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, be and stand transferred to and vested in or be deemed to have been transferred to and vested in Indrayani Tissue Culture Private Limited (the Resulting Company), as a going concern without any further act, instrument, deed, matter or thing so as to become the Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 6.4.3. Upon coming into effect of this Scheme and with effect from the Appointed Date, all assets comprised in the undertaking whether movable or immovable, of whatsoever nature and whatsoever situate and which are capable or incapable of transfer by manual delivery or by endorsement and/or delivery, shall be so transferred by the Applicant to the Resulting Company under the provisions of Sections 391 to 394 and all other applicable all other provisions of the Companies Act, 1956, without any further act or deed, be and stand transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and the properties of the Resulting Company.

- 6.4.4. Further to 6.4.3 above it is further clarified that all movable Assets would also include sundry debtors, receivables, bills, credits, loans and advances whether recoverable in cash or in kind or for value to be received, bank balances, investments, deposits with any Government, Semi-Government, local or other authority or body or with any company, bank or other person, and all licences, permits, quotas, approvals, awards, permissions, registrations, incentives, benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Applicant, whether before or after the Appointed Date, till the Effective Date, shall pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Resulting Company.
- 6.4.5. All the assets and properties comprised in the Undertaking of the Applicant as on Appointed Date, acquired by the Applicant on or after the Appointed Date, till the Effective Date, shall, on the Effective Date, be deemed to be and shall become the assets and properties of the Resulting Company by virtue of and in the manner provided in the Scheme.
- 6.4.6. Upon coming into effect of this Scheme and with effect from the Appointed date all the liabilities of every kind, nature and description of the Applicant shall, pursuant to the sanction of this Scheme by the Hon'ble Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions if any, of the Companies Act, 1956, be transferred or be deemed to be transferred to the Resulting Company, without any further act, instrument, deed, matter or thing and same shall be assumed by the Resulting Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Applicant and the Resulting Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provision of this clause.
- 6.4.7. All liabilities as on the close of the business on the Appointed Date, whether or not provide in the books of the Applicant, and all debts or loans raised and liabilities and obligations incurred, by the Applicant which arise or accrue to the Applicant on or after the Appointed till the Effective Date, shall be deemed to be and shall become the debts, liabilities and obligations of the Resulting company. Where any liabilities of the Applicant as on the Appointed Date, transferred to the Resulting Company, have been discharged by the Applicant after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on the account of the Resulting Company.
- 6.4.8. On and from the Appointed Date, all suits and legal actions and proceedings by or against the Applicant pending and/or arising on or before the Effective Date shall be continued and/or enforced as desired by the Resulting Company and on and from the Effective Date, shall be continued and/or enforced by or against the Resulting Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Resulting Company.
- 6.4.9. Upon the coming into effect of the Scheme, all the employees of the Applicant who are in employment as on the Effective Date shall become the employees of the Resulting Company with effect from the Effective Date, without any break or interruption in service and on the same terms and conditions as employed with the Applicant.
- 6.4.10. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the undertaking of the Applicant in the Resulting Company by way of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot 1 (one) fully paid up Equity share of a face value of Rs. 10/-, to each of the shareholders of the Applicant as on the Record Date or to his / her / its heirs, executors or successors, as the case may be, against 1 (one) Equity share held by him in the Applicant. The new shares so allotted in the Resulting Company will only be in physical form and these new shares of the Resulting Company shall rank pari Passu in all respects with the then existing shares of the Resulting Company. The equity shares of the Resulting Company are not listed on any Stock Exchange and accordingly the new Equity shares issued to the shareholders of the Applicant as per the provisions of this Scheme shall not be listed on any Stock Exchange.
- 6.5. Merger of the Undertaking of Yo-Go-Yo Div. of Websource Technologies Limited.
- 6.5.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Yo-Go-Yo Division of Websource Technologies Limited (Transferor Company) shall, pursuant to the sanction of this Scheme by the Hon'ble Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, be and stand transferred to and vested in or deemed to have been transferred to and vested in the Applicant, as a going concern without any further act, instrument, deed, matter or thing so as to become the Undertaking of the Applicant by virtue of and in the manner provided in the Scheme.
- 6.5.2. Upon coming into effect of this Scheme and with effect from the Appointed Date, all assets comprised in the undertaking, whether movable or immovable, of whatsoever nature and whatsoever situate and which are capable or incapable of transfer by manual delivery or by endorsement and/or delivery, shall be so transferred by the Transferor Company to the Applicant under the provisions of Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956, without any further act or deed. All the assets be and stand transferred to and vested in the Applicant as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Applicant.

- 6.5.3. Further to 6.5.2. above, it is further clarified that all movable assets would also include sundry debtors, receivables, bills, credits, loans and advances whether recoverable in cash or in kind or for value to be received, bank balances, investments, deposits with any Government, Semi Government, local or other authority or body or with any company, bank or other person, and all licences, permits, quotas, approvals, awards, permissions, registrations, incentives, benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company, whether before or after the Appointed Date, till the Effective Date, shall pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or deemed to be transferred to and vested in and be available to the Applicant.
- 6.5.4. All the assets and properties comprised in the undertaking of the Transferor Company, acquired by the Transferor Company on or after the Appointed Date, till the Effective Date, shall, on the Effective Date, be deemed to be and shall become the assets and properties of the Applicant by virtue of and in the manner provided in the Scheme.
- 6.5.5. Upon coming into effect of the Scheme and with effect from the Appointed Date, all the liabilities of every kind, nature and description of the Transferor Company shall, pursuant to the sanction of the Scheme by the Hon'ble Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, be transferred or deemed to be transferred to the Applicant, without any further act, instrument, deed, matter or thing and the same shall be assumed by the Applicant to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of the Applicant on the same terms and conditions as were applicable to the Transferor Company. The Applicant shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provision of this clause.
- 6.5.6. All liabilities as on the close of the business on the Appointed Date, whether or not provided in the books of of the Transferor Company, and all debts, loans raised and liabilities and obligations incurred, by the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, liabilities and obligations of the Applicant. where any liabilities of the Transferor Company as on the Appointed Date, transferred to the Applicant, have been discharged by the Transferor Company after the Appointed Date and prior to the effective Date, such discharge shall be deemed to have been for and on the account of the Applicant.
- 6.5.7. On and from the Appointed Date, all suits and legal actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and/or enforced as desired by the Applicant and on and from the Effective Date, shall be continued and/or enforced by or against the Applicant as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Applicant.
- 6.5.8. Upon the coming into effect of this Scheme, all the employees of the Transferor Company who are in employment as on the Effective Date shall become the employees of the Applicant with effect from the Effective Date, without any break or interruption in service and on the same terms and conditions as employed with the Transferor Company.
- 6.5.9. Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Applicant by way of the Scheme, the Applicant shall, without any further application, act, instrument or deed, issue and allot 4 (Four) fully paid Equity Shares of a face value of Rs.10/-, to each of the shareholders of the Transferor Company as on the Record Date or to his / her / its heirs, executors or successors, as the case may be, against one (1) Equity share held by him in the Transferor Company. The new shares so allotted in the Applicant will only be in dematerialised (demat) form and these new shares shall rank pari passu in all respects with the then existing shares of the Applicant. The new Equity shares of the Applicant issued in accordance with the Scheme, shall be listed on The Bombay Stock Exchange Limited on which the current Equity shares of the Applicant are listed. the Transferor Company has a paid up Equity share capital of Rs.66,96,000 (Rs. Sixty Six Lakhs Ninety Six Thousand only) consisting of 6,69,600 Equity shares of a face value of Rs.10/-. Upon the Scheme coming into effect and from the Appointed Date each shareholder shall receive 4 (Four) fully paid up Equity shares of the Applicant and consequently the paid up capital of the Applicant would increase to Rs. 3,64,61,680/- (Three Crores Sixty Four Lakhs Sixty One Thousand Six Hundred Eighty only) consisting of 36,46,168 fully paid up Equity shares of a face value of Rs.10/- each. The networth of the Applicant would increase to Rs. 3,13,85,449/- (Rs Three Crores Thirteen Lakhs Eighty Five Thousand Four Hundred Forty Nine only) after adjusting the debit balance of Rs. 50,66,231/- (Rs Fifty Lakhs Sixty Six Thousand Two Hundred Thirty One only) of the Transferor Company.

6.6. CHANGE OF NAME & REGISTERED OFFICE OF TRANSFEREE COMPANY

Upon coming into effect of this Scheme and receiving approvals from the High Court, the name of the Transferee Company be changed from its existing name to any name, suitable to the new activity and as approved by the Registrar of Companies, Pune, Maharashtra and the address of the Registered Office shall be 1133/5, F C Road, Pune 411 016, Maharashtra.

6.7 MAIN OBJECTS OF THE TRANSFeree COMPANY

- 6.7.1 Pursuant to coming into effect of this Scheme, the 'main objects clause' in the Memorandum of Association of the Transferee Company shall stand altered, on receiving further approvals, if any, of the High Court and without any further act, instrument, deed, matter, by inserting Clause (ia) under the Main Objects Clause as under:

(ia) To carry on the business as providers of solutions to the travel and tourism industry, including setting up of business to business (B2B) and business to consumer (B2C) online portals as well as offline solutions, internet solution providers, total integrated electronic commerce solution providers, all types of e-commerce facilities and provide e-commerce solutions, security solutions, leased line and network, network and network enabled services, intranet solutions, EDI solutions, leased line and microwave solutions, hosting, warehousing, storing, forwarding and online information services and to develop, host, design, maintain, create, program, service all types of web site, portals and to provide facilities of advertising and publishing on the web and to carry on the software and hardware development, internet consultancy, net banking, internet backbone services, content management, on-line and off-line database management and marketing, electronic commerce and management consultancy, supply chain management consultancy, e-consulting, web strategy development, systems integration, marketing, advertising, promoting, holding contests and to do all these activities and business in India or abroad

It is clarified that neither separate resolution under Section 17 of the Act shall be required to be passed in the general meeting of the Transferee Company nor any approval from the Central Government shall be required for alteration of Main Objects Clause of Memorandum of Association of the Transferee under this Scheme and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have approved such alteration in terms of Section 17 of the Act.

7.0 RESOLUTION FOR REDUCTION OF CAPITAL

- 7.1.1 The Special Resolution to be submitted for the approval of the Equity Shareholders of the Applicant, will read as follows:

"RESOLVED THAT the paid up Equity Share Capital of the company as at 31st March 2008 be reduced from Rs. 5,86,89,000 (Rs. Five Crores Eighty Six Lakhs Eighty Nine Thousand Only) to Rs. 70,42,680 (Rs. Seventy Lakhs Forty Two Thousand Six Hundred Eighty only) divided into 7,04,268 Equity Shares of the face value Rs.10/- each such that the Equity Shareholder of the Company shall hold three (3) Equity Shares fully paid of Rs.10/- in lieu of Twenty Five Equity Shares (25) each fully paid up of Rs.10/- held by them and the debit balance in the Profit and Loss Account shall stand reduced by a sum of Rs. 5,16,46,320 (Rs. Five Crores Sixteen Lakhs Forty Six Thousand Three Hundred Twenty Only) corresponding to the amount of share capital reduced and cancelled;"

- 7.1.2 The reduction of the Equity Share Capital as contemplated in this clause shall be effected as an integral part of the scheme and the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any Shareholder of any paid up Share Capital and the order of the Court sanctioning this Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 confirming the reduction.
- 8.0 Shareholders of the Applicant are requested to read the entire text of the Scheme of Arrangement, enclosed herewith to get better acquainted with the provisions thereof as stated above. The aforesaid are only the salient features of the Scheme.
- 9.0 There are no investigation proceedings pending under Sections 235 to 251 of the Companies Act, 1956, against the Applicant.
- 10.0 None of the Directors of the Applicant have any material interest in the Scheme, save and except to the extent of their shareholding of the Applicant.
- 11.0 The details of the present Directors (singly or jointly) of the Applicant and their shareholding in the Applicant as on 31st March 2008, are as under:

Directors Shareholding

Name of Director	Positions held	No. of shares held	% of Shareholding
Vivek Malpani	Chairman	224900	3.82
Manjula Malpani	Managing Director	152100	2.59
Vishwanath Malpani	Director	5700	0.1
Dr. Anand Karve	Director	2100	0.40

- 12.0 Pursuant to Clause 24 (h) of the Listing agreement with the stock Exchanges, the pre and post arrangement (expected) capital structure and shareholding pattern of the Applicant are given below.

12.1.1 The pre arrangement capital structure of the Applicant:

Pre Arrangement

Authorised Share Capital	Rs.
1,10,00,000 equity shares of Rs. 10 each	11,00,00,000
Issued , Subscribed and Paid up Capital :	5,86,89,000
58,68,900 equity shares of Rs. 10 each	

12.1.2 The post arrangement (expected) capital structure of the Applicant :

Post Arrangement

Authorised Share Capital	Rs.
1,10,00,000 equity shares of Rs. 10 each	11,00,00,000
Issued , Subscribed and Paid up	
After reduction and conversion	96,67,680

12.1.3. The pre arrangement shareholding of the Applicant as on 20th June 2008 :

Statement Showing Shareholding Pattern						
Name of the Company :		Indrayani Biotech Ltd.				
Scrip Code :		526445	As on June 20, 2008			
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group ²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	8	426600	243600	7.27	7.27
(b)	Central Government/ State Government(s)				0.00	0.00
(c)	Bodies Corporate	1	33897	8897	0.58	0.58
(d)	Financial Institutions/ Banks				0.00	0.00
(e)	Any Others(Specify)				0.00	0.00
(e-i)					0.00	0.00
(e-ii)					0.00	0.00
	Sub Total(A)(1)	9	460497	252497	7.85	7.85
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)				0.00	0.00
b	Bodies Corporate				0.00	0.00
c	Institutions				0.00	0.00
d	Any Others(Specify)				0.00	0.00
d-i					0.00	0.00
d-ii					0.00	0.00

	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9	460497	252497	7.85	7.85
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI				0.00	0.00
(b)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(c)	Central Government/ State Government(s)				0.00	0.00
(d)	Venture Capital Funds				0.00	0.00
(e)	Insurance Companies				0.00	0.00
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors				0.00	0.00
(h)	Any Other (specify)(NRI)	0	0	0	0.00	0.00
(h-i)					0.00	0.00
(h-ii)					0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00
B 2	Non-Institutions					
(a)	Bodies Corporate	152	220132	188932	3.75	3.75
(b)	Individuals					
	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh					
I		19288	4612569	2396069	78.59	78.59
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	19	506557	471457	8.63	8.63
(c)	Any Other (specify)(NRI)	21	40245	40425	0.69	0.07
(c-i)	Physical shares of Jaidayal Co.sold but not yet lodged for transfer	1	28900		0.49	0.49
(c-ii)					0.00	0.00
	Sub-Total (B)(2)	19481	5408403	3096703	92.15	91.55
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	19481	5408403	3096703	92.15	91.55
	TOTAL (A)+(B)	19490	5868900	3349200	100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued					0.00
	GRAND TOTAL (A)+(B)+(C)	19490	5868900	3349200	100	100

12.1.4. The post arrangement shareholding pattern of the Applicant.

Statement Showing Shareholding Pattern						
Name of the Company :		Indrayani Biotech Ltd.				
Scrip Code :		526445	Post Amalgamation			
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group ²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	30	2478400	0	67.99	67.99
(b)	Central Government/ State Government(s)				0.00	0.00
(c)	Bodies Corporate	1	200000	0	5.49	5.49
(d)	Financial Institutions/ Banks				0.00	0.00
(e)	Any Others(Specify)				0.00	0.00
(e-i)					0.00	0.00
(e-ii)					0.00	0.00
	Sub Total(A)(1)	31	2678400	0	73.48	73.48
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)				0.00	0.00
b	Bodies Corporate				0.00	0.00
c	Institutions				0.00	0.00
d	Any Others(Specify)				0.00	0.00
d-i					0.00	0.00
d-ii					0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Share holding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	31	2678400	0	73.48	73.48
(B)	Public share holding					
1	Institutions					
(a)	Mutual Funds/ UTI				0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00
(c)	Central Government/ State Government(s)				0.00	0.00
(d)	Venture Capital Funds				0.00	0.00
(e)	Insurance Companies				0.00	0.00
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors				0.00	0.00
(h)	Any Other (specify)(NRI)	0	0	0	0.00	0.00
(h-i)					0.00	0.00
(h-ii)					0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00
B 2	Non-institutions					
(a)	Bodies Corporate	154	120484	0	3.31	3.31
(b)	Individuals					
i	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	19288	553508	0	15.18	15.18
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	29	284479	0	7.80	7.80
(c)	Any Other (specify)(NRI)	21	4829	0	0.13	0.13
(c-i)	Physical shares of Jaidayal Co.sold but not yet lodged for transfer	1	3468		0.10	0.10
(c-ii)					0.00	0.00
	Sub-Total (B)(2)	19493	966768	0	26.52	26.52
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	19493	966768	0	26.52	26.52
	TOTAL (A)+(B)	19524	3645168	0	100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued					0.00
	GRAND TOTAL (A)+(B)+(C)	19524	3645168	0	100	100

NOTE: Post arrangement figures are based on the shareholding of the Applicant as on 20th June 2008 and would not represent the actual position on the Effective Date of the Scheme.

13. INSPECTION OF DOCUMENTS..

13.1 Copies of the following documents are open for inspection at the Registered Office of the Applicant between 11.00 a.m. to 5.00 p.m. on any working day of the Applicant from 10th May 2009 till the date of the meeting.

- a) Memorandum and Articles of Association of Indrayani Biotech Limited.
- b) Copy of the Annual Report for the year ending March 31st 2008 of the Applicant.
- c) Un-audited Balance Sheet for the period ending 31st December 2008 of the Applicant
- d) Certified copy of the Minutes of Order passed by the Hon'ble High Court of Judicature at Bombay.
- e) Register of shareholding of the Directors of the Applicant.
- f) Copy of the approval under Clause 24 (f) of the Listing Agreement from Bombay Stock Exchange and Poona Stock Exchange.

13.2. This statement may be treated as a statement under section 393(1) of the Companies Act, 1956. A copy of the Scheme of Arrangement and this statement may be obtained from the registered office of the Applicant.

Dated this 30th day of April, 2009.

Rajesh Vaishnav
Chairman Appointed for the Meeting

Registered Office:

Village Markal, Taluka Khed,
District : Pune 412105, Maharashtra

SCHEME OF ARRANGEMENT

(Under Section 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Companies Act, 1956, as amended)

BETWEEN

INDRAYANI BIOTECH LIMITED

("Demerged Company" or "Transferee Company")

AND

INDRAYANI TISSUE CULTURE PRIVATE LIMITED

("Resulting Company")

AND

WEBSOURCE TECHNOLOGIES LIMITED

("Transferor Company")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. **RATIONALE OF THE SCHEME OF ARRANGEMENT**

The de merger of the business of Indrayani Biotech Limited (IBL) into Indrayani Tissue Culture Private Limited (ITCPL) and the merger of YoGoYo Division of Web source Technologies Limited (WTL) with Indrayani Biotech Limited would *inter-alia* following benefits:

1. The Demerger of Indrayani Biotech Limited will result in diversification into a new activity for Indrayani Biotech Limited and concentration on diversified activity for the growth of the Company.
 2. Availability of Tax benefits to Indrayani Tissue Culture Private Limited.
 3. The merger will result in increased financial strength and flexibility, and enhance the ability of the merged entity to undertake large projects there by enhancing future business potential.
 4. The merged entity will benefit from improved organizational capability and leadership, arising from the combination of people from Indrayani Biotech Limited and YoGoYo Division of Websource Technologies Limited who have diverse skills, talent and vast experience.
 5. Cost savings are expected from the merger of IBL and YoGoYo Division of WTL to rationalize the use of funds.
- Considering above benefits, the Board of Directors of IBL, ITCPL and YoGoYo Division of WTL have proposed the Scheme of Demerger and Scheme of Merger to the stakeholders of all the companies. Accordingly, the Board of Directors has formulated this Scheme under the provisions of Section 391 to 394 of the Companies Act, 1956.

B. **PURPOSE OF THE SCHEME**

The purpose of the Scheme may be summarized as follows:

- a) Reduction of share capital of Indrayani Biotech Limited, pursuant to Sections 100 to 104 of the Companies Act, 1956, of Indrayani Biotech Limited by 88% i.e. a shareholder will receive three (3) shares in lieu of twenty five (25) equity shares held by him. (more described under Part II of Section I of the Scheme of Arrangement).
- b) Restructuring of debt of Indrayani Biotech Limited by converting some of the advances, granted by the Unsecured Creditors, into equity to improve the net-worth position of the Company. (more described under Part III of Section I of the Scheme of Arrangement).
- c) Demerger of existing business of Indrayani Biotech Limited to Indrayani Tissue Culture Private Limited pursuant to the Scheme of Demerger under Sections 391 to 394 of the Companies Act, 1956. The Scheme of Demerger provides for the transfer and vesting of the entire undertaking on a going concern basis, including all the properties, assets and liabilities of Indrayani Biotech Limited to Indrayani Tissue Culture Private Limited and for various other matters consequential or otherwise integrally connected with the Scheme of Demerger.
- d) Merger of YoGoYo Division of Websource Technologies Limited with Indrayani Biotech Limited pursuant to Scheme of Merger under Sections 391 to 394 of the Companies Act, 1956. The Scheme of Merger provides for the merger of the YoGoYo Division of Websource Technologies Limited with Indrayani Biotech Limited by the transfer and vesting of the undertaking, properties, assets and liabilities of the YoGoYo Division of Websource Technologies Limited to and in Indrayani Biotech Limited and for various other matters consequential or otherwise integrally connected with the Scheme of Merger.

C. PARTS OF THE SCHEME

The Section I of the Scheme is divided into following parts:

- a) Part I deals with definitions of the terms used in Section I of this Scheme of Arrangement.
- b) Part II deals with the reduction of paid-up capital of IBL by 88% and the effect of such reduction.
- c) Part III deals with the arrangement between IBL and its unsecured creditors.
- d) Part IV deals with transfer of undertaking (as hereinafter defined) of the Demerged Company to the Resulting Company.
- e) Part V deals with the issue of new securities by the Resulting Company to the shareholders of the Demerged Company.
- f) Part VI deals with the accounting treatment for the Demerger and reduction of the capital in the books of accounts of Demerged Company and o Demerger in the books of Resulting Company.
- g) Part VII deals with the general terms and conditions applicable to the Scheme of Demerger.

The Section II of the Scheme is divided into following parts:

- a) Part I deals with definitions of terms used in this Scheme of Merger and share capital of the Transferor Company and Transferee Company.
- b) Part II deals with the transfer of the undertaking (as hereinafter defined) of the Transferor Company to the Transferee Company.
- c) Part III deals with the issue of new securities by the Transferee Company to the shareholders of the Transferor Company.
- d) Part IV deals with the accounting treatment for the merger in the books of accounts of Transferor Company and Transferee Company.
- e) Part V deals with the remaining business of the Transferor Company.
- f) Part VI deals with the general terms and conditions applicable to the Scheme of Merger.

SECTION I

PART I: DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS AND INTERPRETATION

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as indicated hereunder:

- 1.1 **"Act"** means the Companies Act, 1956, including any statutory modifications, re-enactments, or amendments thereof from time to time.
- 1.2 **"Appointed Date"** means April 01, 2008.
- 1.3 **"Effective Date"** shall mean the last of the dates on which the sanctions, approvals or orders specified in Clause 17.1 of Section I this Scheme are obtained and the later of the dates on which the certified copies of the Order of the High Court of Judicature at Bombay are filed with the Registrar of Companies at Pune, Maharashtra. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.4 **"Government Authority"** means any applicable Central, State or Local Government, legislative body, or administrative authority, agency or commission or any court, tribunal, board, bureau, or arbitral body having jurisdiction over the territory of India.
- 1.5 **"High Court"** shall mean the High Court of Judicature at Bombay having jurisdiction in relation to the Demerged and Resulting Company.
- 1.6 **"Record Date"** shall mean the date to be fixed by the Board of Directors of the Resulting Company or a Committee thereof (i) for reckoning names of the equity shareholders of the Demerged Company who shall be entitled to equity shares of the Resulting Company upon coming into effect of this Scheme as specified under Clause of this Scheme.
- 1.7 **"Scheme" or "this Scheme" or "Scheme of Demerger"** means this Scheme of Arrangement as submitted in the present form to the High Court of Judicature at Bombay for sanction together with any modification(s) approved or imposed or directed by the High Court.
- 1.8 **"Demerged Company" or "IBL"** means Indrayani Biotech Limited, a company incorporated under the Act having its Registered Office at Village Markal, Taluka Khed, Dist. Pune – 412 105. Maharashtra.
- 1.9 **"Resulting Company" or "ITCPL"** means Indrayani Tissue Culture Private Limited, a company incorporated under the Act having its Registered Office at Village Markal, Taluka Khed, Dist. Pune – 412 105. Maharashtra.
- 1.10 **"Unsecured Creditors"** mean the persons who have granted the advances to IBL, barring the trade creditors arising in regular course of business, and shown in its books of accounts as on April 1, 2008.
- 1.11 **"Undertaking"** means the entire undertaking and business of the Demerged Company as a going concern comprising:
 - a. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, present, future or contingent) of the Demerged Company, including offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, deposits, all stocks, stocks of fuel, assets, investments of all kinds, cash balances with banks, loans, advances, contingent rights or benefits, receivables, earnest moneys, advances or deposits paid by the Demerged Company, financial assets, leases (including lease rights), hire purchases contracts and assets, lending contracts, rights and benefits under any agreements, benefit of any security arrangements or under any guarantees, revisions, powers, authorities, allotments, approvals, awards, permits and consents, quotas, rights, entitlement, contracts, licenses (industrial and otherwise), fixed and other assets, trade and service names and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, whether in India or abroad (hereinafter referred as the **"assets"**).

- b. All secured and unsecured debts, liabilities (including contingent liabilities) duties, assessments, litigations, suits, proceedings, undertakings and obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever arising (hereinafter referred to as the "Liabilities").

All terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1 Indrayani Biotech Limited (Demerged Company):

As per last Audited Balance Sheet of the Demerged Company as on March 31, 2008, the position of the share capital was as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: 58,68,900 equity shares of Rs. 10/- each	5,86,89,000

Pursuant to the Scheme, the position of reduced share capital of the Demerged Company based on Audited Balance Sheet as on March 31, 2008, will be as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: 7,04,268 equity shares of Rs. 10/- each	70,42,680

Pursuant to the Scheme, the position of reduced share capital of Demerged Company and conversion of Advances into the equity shares, based on the Audited Balance Sheet as on March 31, 2008, will be as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: 9,66,768 equity shares of Rs. 10/- each	96,67,680

2.2 Resulting Company

The Resulting Company, Indrayani Tissue Culture Private Limited, a new company focusing on the business of Tissue Culture, has been incorporated with the following share capital:

	Rs.
Authorised Share Capital: 10,000 equity shares of Rs. 10/- each	1,00,000
Issued, Subscribed and Paid-up Capital: 10,000 equity shares of Rs. 10/- each	1,00,000

PART –II: REDUCTION OF PAID-UP CAPITAL

3. REDUCTION OF PAID-UP CAPITAL OF INDRAYANI BIOTECH LIMITED

3.1 Reduction of Capital

Pursuant to this Scheme, the paid-up capital of IBL shall stand reduced, from its current Rs. 5,86,89,000/- divided into 58,68,900 equity shares of Rs. 10/-each, by 88% to Rs. 70,42,680/- divided into 7,04,268 equity shares of Rs. 10/- each.

3.2 Effect of Reduction of Capital

- 3.2.1 Upon the Scheme being sanctioned by the High Court of Judicature at Bombay and the same becoming effective and without IBL requiring any further approvals from any authority including its shareholders or creditors and without any act or action on part of IBL, the authorized share capital of IBL shall remain unaltered and the subscribed and paid up share capital of IBL, on the Effective Date, shall stand reduced from Rs. 5,86,89,000/- to Rs. 70,42,680/- divided into 7,04,268 equity shares of the face value of Rs.10/- each;
- 3.2.2 Consequently, every equity shareholder of IBL who is a member of IBL on the Record Date, as determined by the Board of Directors, shall (subject to Clause) hold three (3) equity shares of Rs.10/- in lieu of twenty five (25) equity shares of Rs.10/- of IBL held prior to the Scheme coming into effect;
- 3.2.3 Members holding less than twenty five (25) equity shares in the present share capital of IBL shall not be entitled to the issue and allotment of any share in IBL, but shall be entitled to cash compensation in terms of Clause .
- 3.2.4 The debit balance in the Profit and Loss Account shall stand reduced by a sum of Rs.5,16,46,320/- corresponding to the amount of share capital reduced and cancelled as mentioned in Clause above and accordingly the balance of the Profit and Loss as on March 31, 2008 shall be reduced to a negative balance of Rs. 84,32,559/-.
- 3.2.5 Based on the audited accounts of IBL as at March 31, 2008, the debit balance of the P&L account is Rs.60,078,879/-. On the sanction of this Scheme of Arrangement and upon adjustments as aforesaid, the debit balance of IBL will stand at Rs.8,432,559/-.
- 3.2.6 The reduction of the equity share capital as contemplated in this clause shall be effected as a part of the Scheme of Arrangement. Since it does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 confirming the reduction.
- 3.2.7 Upon coming into effect of this Scheme and in consideration of the arrangement of IBL with its equity shareholders, the cancellation of the shares of IBL as provided in the Scheme of Arrangement shall be carried without following the procedure laid down under Sections 100 to 104 and any other applicable provisions of the Act.
- 3.2.8 Upon this Scheme becoming effective, all the shareholders whose names shall appear on the Register of Members of IBL on such Record Date fixed as aforesaid, if so required by IBL, shall surrender their cancelled share certificates to IBL for cancellation thereof. Alternatively, such share held by them in IBL shall be deemed to have been automatically cancelled and cease to be negotiable and be of no effect having any commercial value, on and from the Record Date. The share certificates of IBL in relation to the equity shares held by the equity shareholders in physical form shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to the Scheme. In the case of shares held in dematerialized or electronic form, the shares will be deleted from the respective depository accounts of the shareholders in the same proportion, i.e. twenty two (22) equity shares out of for every twenty five (25) equity shares held by them.
- 3.2.9 No fractional shares shall be issued by IBL in respect of the fractional entitlements, if any, to which the members may be entitled on the reduction of the equity share capital of IBL as aforesaid. The Directors of IBL shall instead consolidate all such fractional entitlements to which the members of IBL may be entitled on the reduction of the equity share capital as aforesaid and thereupon issue and allot shares in lieu thereof to a Director and/or officer of IBL with the express understanding that such Director and/or officer to whom such shares be allotted, shall sell the same in the market at the best available price in one or more lots and by private sale/placement or by public sale/auction as deemed fit (the decision of such Director and/or officer, as the case may be, as to the timing and method of the sale and the price at which such sale is made would be binding on all concerned) and pay to IBL, the net sale proceeds thereof. IBL shall hold the net sale proceeds of all such shares after defraying therefrom all costs, charges and expenses of such sale. IBL shall thereafter distribute such sale proceeds to the members of IBL in proportion to their fractional entitlements.
- 3.2.10 For the purpose as aforesaid, IBL shall, if and to the extent required, apply for and obtain any approvals from all concerned authorities, for the consolidation of fractional entitlements and payment of sale proceeds to the members of IBL.
- 3.2.11 The equity shares of IBL shall continue to be listed on the stock exchange and IBL shall make necessary applications to the stock exchanges to note consequential changes.
- 3.2.12 Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

3.3 Scenarios after Reduction of Capital:

3.3.1 Financial Position:

Particulars	Amt. (Rs.)
Authorised Capital	11,00,00,000
1,10,00,000 equity shares of Rs. 10/- each	
Issued, Subscribed, Paid-up Capital	70,42,680
7,04,268 equity shares of Rs. 10/- each	
Profit & Loss Account (Dr. Balance)	84,32,559
After reduction	
Net Worth	(-)13,89,879

PART – III : ARRANGEMENT BETWEEN IBL AND ITS UNSECURED CREDITORS:

4. **RESTRUCTURING OF THE DEBT OF IBL:**

- 4.1 Indrayani Biotech Limited proposes to restructure its current unsecured debt comprising of the Advances given by unsecured creditors, by offering to them equity shares against advances granted by them.
- 4.2 As per latest Audited Balance Sheet of IBL, the Company has received advances granted by unsecured creditors amounting to Rs.26,25,947/-. The Company proposes to convert their advances of Rs.26,25,000 into equity shares @ Rs. 10/- i.e. at the current face value of the equity share.
- 4.3 The net worth of the Company shall be revised as follows :

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: (1)Post Reduction (2)Amount Converted	70,42,680 26,25,000
Less:Debit balance of P&L as on 31.3.2008 (Post reduction)	96,67,680 84,32,559
Net worth	(+) 12,35,121

- 4.4 It is clarified that, upon exercising the option granted by the Company to the promoters and unsecured creditors for getting converted the advances into the equity and upon coming into effect of this Scheme, the equity shares will be allotted to the creditors without any further act, permission, accord of any authority or party, in physical form and no letter of allotment is required to be sent to the new equity shareholders.
- 4.5 Shareholding pattern after reduction and restructuring of the debt:

Sr.	Description	No. of Shareholders	No. of Shares	% to paid-up capital
1.	Promoters	10	43,439	5.11
2.	Non-Promoters	19502	6,54,829	67.74
3.	Unsecured creditors	3	2,62,500	27.15
	Total	19515	9,66,768	100.00

Demerger of Company

PART – IV : TRANSFER OF UNDERTAKING

5. TRANSFER OF UNDERTAKING

5.1 General

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the undertaking of Indrayani Biotech Limited (the Demerged Company) shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Indrayani Tissue Culture Private Limited (the Resulting Company), as a going concern without any further act, instrument, deed, matter or thing so as to become the Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.

5.2 Transfer of Assets

5.2.1 Without prejudice to the generality of Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) All the assets comprised in the Undertaking, shall, except for the portions dealt with under sub-clause (b) below, of whatsoever nature and whatsoever situate and which are incapable of passing by manual delivery, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Resulting Company or be deemed to be transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Resulting Company.
- (b) Without prejudice to the provisions of Clause and sub-clause of Clause in respect of such of the Assets of the Demerged Company, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Demerged Company to the Resulting Company and shall, upon such transfer, become the assets and properties of the Resulting Company, without requiring any deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in sub-clause above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, deposits with any Government, Semi-Government, local or other authority or body or with any company, bank or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the concerned person, debtor or depositor (although the Resulting Company may if so deems appropriate, give notice in such form as it may deem fit and proper, to each such person, debtor or depositor, as the case may be that the said debt, loan, advance, balance or deposit stands transferred to and vested in the Resulting Company and that the same should be paid or held on account of the Resulting Company).
- (d) All the licenses, permits, quotas, approvals, awards, permissions, registrations, incentives and benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Demerged Company and all rights and benefits that have accrued or which may accrue to the Resulting Company, whether before or after the Appointed Date, till the effective date, shall pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, registrations, incentives, benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions.

5.2.2 All the assets and properties comprised in the Undertaking of the Demerged Company as on Appointed Date, acquired by the Demerged Company on or after the Appointed Date, till the Effective Date, shall, on the Effective Date, be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme.

5.3 Transfer of Liabilities

5.3.1 Without prejudice to the generality of Clause above, upon coming into effect of this Scheme and with effect from the Appointed Date all the liabilities of every kind, nature and description of the Demerged Company shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, be transferred or be deemed to be transferred to the Resulting Company, without any further act, instrument deed, matter or thing and the same shall be assumed by the Resulting Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed date, the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company and the Resulting Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

5.3.2 All liabilities as on the close of the business on the Appointed Date, whether or not provided in the books of the Demerged Company, and all debts or loans raised and liabilities and obligations incurred, by the Demerged Company which arise or accrue to the Demerged Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts and liabilities of and loans raised and liabilities and obligations incurred, by the Resulting Company by the virtue of and in the manner provided in this Scheme.

5.3.3 Where any of the liabilities of the Demerged Company as on Appointed Date transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective date, such discharge shall be deemed to have been for and on account of Resulting Company.

5.3.4 Loans, advances and other obligations (including any guarantees, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may hereafter become due between the Demerged Company and the Resulting Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on either party and appropriate

effect shall be given in the books of accounts and records of the Demerged Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of such inter-company loans, advances and other obligations, if any, with effect from the Appointed Date.

5.4 Encumbrances

In so far as the Assets of the Demerged Company are concerned, the securities, charges, encumbrances or liens, if any, (hereinafter referred to as the 'Encumbrances') existing or if created at any time prior to the Effective Date over the Assets and properties or any part thereof, transferred to the Resulting Company in terms of this Scheme shall continue to relate or attach to the assets and properties of the Resulting Company to which the same relate or attach and nothing contained in this Scheme shall operate to enlarge or extend such securities, charges, encumbrances or liens to any of the assets or properties of the Demerged Company which are transferred to and vested in the Resulting Company under and pursuant to this Scheme.

5.5 Inter-se Transactions

Without prejudice to the Clauses 5.1 to 5.4 with effect from the Appointed Date, all inter-party transactions between the Demerged Company and the Resulting Company shall be considered as intra-party transactions for all purpose from the Appointed Date.

6. LEGAL PROCEEDINGS

On and from Appointed Date, all suits, actions and legal proceedings by or against the Demerged Company pending and/or arising or/in before the Effective Date shall be continued and/or enforced as desired by the Resulting Company and on and from the Effective Date, shall be continued and/or enforced by or against the Resulting Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Resulting Company.

7. CONDUCT OF BUSINESS

7.1 With effect from Appointed Date and upto and including the Effective Date:

- (a) The Demerged Company shall carry on and shall be deemed to have carried on all business and activities relating to its Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possesses of its Undertaking on account of and for the benefit of and in trust for the Resulting Company.
- (b) All the profits of incomes accruing or arising to the Demerged company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) in relation to the Undertaking by the Demerged Company shall, for all purposes, be treated and be deemed to accrue as the profits or incomes or as the case may be expenditure or losses (including taxes) of the Resulting Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Undertaking and exercised by or available to the Demerged Company shall be deemed to have been exercised by the Demerged Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged for and on behalf of and as agent by the Resulting Company.

7.2 With effect from the first of the date of filing of this Scheme with the High Court and up to and including the Effective date:

- (a) The Demerged Company shall preserve and carry on its business prudence and in the same manner as hitherto before carried on.
- (b) The Resulting Company shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as hitherto before carried on.
- (c) The Demerged Company and the Resulting Company shall not make any change in their respective share capital whether, by way of increase, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the share allotment ratio (as provided in Clause 9.1.2 below); except under any of the following circumstances:
 - (i) to the extent of issues of securities approved by the shareholders of the Demerged Company or the Resulting Company, as the case may be, Resulting Company prior to the filing of this scheme in the High Court, or
 - (ii) upon conversion of any bonds, debentures of convertible securities, if any, allotted prior to the filing of the Scheme in the High Court; or
 - (iii) by mutual consent of the respective Board/Committee of Directors of the Demerged Company and of the Resulting Company; or
 - (iv) to the extent of calls made or to be made on partly paid shares of the Demerged Company or the Resulting Company; or
 - (v) as may be permitted under this Scheme.

8. EMPLOYEES

8.1 Upon the coming into effect of the Scheme all the employees of the Demerged Company who are in employment as on the effective date shall become the employees of the Resulting Company with effect from the effective date, without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Demerged Company with any employee of the Demerged Company.

8.2 With effect from the first of the dates of filing of this Scheme with the High Court and up to and including the Effective date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of the Resulting Company.

8.3 The provident fund, gratuity fund and pension and/or superannuation funds or trusts or retirement funds or benefits, if any, created by the Demerged Company or any other special funds created for the benefit of the employees of the Demerged Company and which are existing as on the Effective date (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Resulting Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company or

be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own funds with respect to any such Funds, the Resulting Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds, separately and contribute thereto, until such time as the Resulting Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Company shall be transferred to such Funds of the Resulting Company.

PART V: ISSUE OF SECURITIES BY RESULTING COMPANY

9. ISSUE OF SECURITIES

9.1 Issue of Equity Shares

9.1.1 The provisions of this Part shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

9.1.2 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the undertaking of the Demerged Company in the Resulting Company by share of this Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot 1 (one) equity share to each of the shareholders of the Demerged Company as on the Record Date or to his/her/its heirs, executors or successors, as the case may be, against 1 (one) equity share held by him in Demerged Company.

9.1.3 It is clarified that, all existing shareholder of the Demerged Company will have proportionate participation in the Resulting Company in addition to their existing holding in the Demerged Company.

9.1.4 After such issuance, each shareholder would, for every share held in the Demerged Company, continue to hold one equity share of the Resulting Company of face value of Rs. 10/- each fully paid-up.

9.2 General Provisions Applicable to Equity Shares

9.2.1 Issue of Shares only in Physical Form

In so far as the issue of new equity shares pursuant to this Scheme is concerned, each of the equity shareholders of the Demerged Company, in physical and/or electronic form, shall be allotted new equity shares of the Resulting Company only by share certificates i.e. physical form. It is further clarified that the equity shareholders of the Demerged Company, who are entitled to the equity shares in the Resulting Company on account of Demerger, shall not be issued the equity shares in Resulting Company except by way of Physical Share Certificates.

9.2.2 Pending Share Transfers etc.

In the event of there being any pending share transfers, whether lodged or outstanding, of any Equity Shareholder of the Resulting Company, the Board of Directors of the Resulting Company or any committee thereof shall be empowered in appropriate cases, prior to or even subsequent, to effectuate such a transfer as if changes in the registered holder were operative as on the date of allotment of the new Equity Shares, in order to remove any difficulties arising to the transferor or transferee of shares in the Resulting Company.

9.2.3 Equity Shares to rank pari passu

The new Equity Shares of the Resulting Company issued in accordance with this Scheme shall be subject to the terms and conditions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank pari passu in all respects with the then existing equity shares of the Resulting Company provided that such new equity shares shall, in respect of dividend declared for the year in which the same are allotted, rank for dividend pro-rata from date of allotment.

9.2.4 No Listing of Equity Shares

The new Equity Shares of the Resulting Company issued in accordance with this Scheme will not be listed on any Stock Exchange.

PART VI: ACCOUNTING TREATMENT

10. ACCOUNTING TREATMENT FOR REDUCTION OF CAPITAL IN THE BOOKS OF DEMERGED COMPANY

10.1 Upon coming into effect of this Scheme and in consideration of the arrangement of the Company with its equity shareholders, the cancellation of paid-up capital of Demerged Company by 88%, shall be adjusted by way of reducing of Profit & Loss Account Debit Balance to the extent of Rs.5,16,46,320/-. Thus, the current Debit Balance of Profit & Loss Account as on March 31, 2008 of Rs. 60,078,879/- shall stand, after making the above adjustments, to Rs. 84,32,559/-.

11. ACCOUNTING TREATMENT FOR CONVERSION OF UNSECURED DEBT INTO EQUITY:

Upon coming into effect of this Scheme and in consideration of the arrangement of the Company with its Unsecured Creditors, the conversion of Unsecured Debt of Rs.26,25,000 into equity shares at an face value of Rs.10/- fully paid up, shall result in the increase of the equity share capital of the Company from Rs.70,42,680/- to Rs.96,67,680/-. Consequently, the net worth of the Company will improve from a negative of Rs.13,89,879 to a positive networth of Rs.12,35,121/-.

12. ACCOUNTING TREATMENT FOR DEMERGER IN THE BOOKS OF DEMERGED COMPANY AND RESULTING COMPANY:

12.1 Treatment in the books of the Transferor Company:

(a) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Demerged Undertaking shall stand closed on transfer to the Resulting Company.

(b) The difference between the amount of assets and liabilities so transferred shall be written off against/ added to the General Reserve account in the books of account of the Transferor Company.

12.2 Treatment in the books of the Resulting Company :

Upon the coming into effect of this Scheme, the Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of the Transferor Company immediately before the Appointed Date. It is clarified that insofar as the amounts of common or multipurpose borrowings are concerned, the Resulting Company shall record the same under the same account caption as that used by IBL. Further, the amount arising as an accounting differential for the Resulting Company, on account of the difference between :

(a) the amount representing the surplus of assets over liabilities of the Demerged Undertaking recorded in its books of account; and
(b) the aggregate of the face value of equity share capital issued by the Resulting Company in terms of Clause 9.1 above, shall be debited/credited to the General Reserve of the Resulting Company. This amount shall be free for distribution as dividend, and shall for all purposes constitute a part of the Free Reserves of the Resulting Company.

12.3 It is hereby clarified that pursuant to the provisions of Clause 5, all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of the Resulting Company, upon the Scheme coming into effect.

PART VII : GENERAL TERMS AND CONDITIONS

13. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme :

13.1 The resolutions, if any, of the Demerged Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have upper monetary or other limits imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added to be limits, if any, imposed under like resolutions, passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

14. **MODIFICATIONS**

14.1 The Demerged Company and the Resulting Company by their respective Board of Directors or any Committee thereof or any Director or any authorized person in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Court or any authorities under law may deem fit to approve of or which the High Court or any authorities under law may impose and which the Demerged Company and the Resulting Company may in their discretion accept or such modifications or amendments or additions as the Demerged Company and the Resulting Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme, and the Demerged Company and the Resulting Company by their respective Board of Directors or Delegate are authorized to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the positions relating to the satisfaction of any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions imposed by the High Court or any authorities are found unacceptable by the Demerged Company or the Resulting Company for any reason, then the Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by the Delegate of the respective Companies.

14.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Demerged Company and Resulting Company may give and are authorized to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders, if any, of the Demerged Company) or to review the positions relating to the satisfaction of any conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

14.3 Notwithstanding anything contained in the Scheme, any of the terms (including the terms as to conversion/redemption) of any class of shares issued by the Resulting Company pursuant to the Scheme may be varied with the consent or sanction of the shareholders in accordance with the applicable provisions of the Act.

15. **FILING OF APPLICATIONS**

The Demerged Company and the Resulting Company shall with all reasonable dispatch, make and file all the applications and/or petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

16. **APPROVALS**

The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental authority, if required, under any law for such consents and approvals which the Resulting Company may require to own the Undertaking and to carry on the business of the Demerged Company.

17. **SCHEME CONDITIONAL UPON SANCTIONS ETC.**

17.1 The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Demerged Company and of the Resulting Company and by such other persons as may be required under the Act and as may be directed by the High Court.
- (b) The certified true copies of the Order of the High Court sanctioning this Scheme being filed by each of the Demerged Company and the Resulting Company with the respective Registrar of Companies.

17.2 In the event of the Scheme failing to take effect finally by April 01, 2009 or by such later date as may be agreed by the respective Board of Directors of the Demerged Company and of the Resulting Company, this Scheme shall become null and void and be of no effect in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or any other person. In such case, each Company shall bear its own costs, charges and expenses or as may be mutually agreed.

18. **COST, CHARGES AND EXPENSES**

All costs, charges and expenses (including any taxes and duties) of or payable by the Demerged Company and the Resulting Company in relation to or in connection with this Scheme, if effected, and incidental to the completion of the demerger of the Demerged Company with the Resulting Company in pursuance of this Scheme shall be borne and paid by the Resulting Company.

SECTION II

Merger of Undertaking

PART I : DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS AND INTERPRETATION**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as indicated hereunder:

- 1.1 **"Act"** means the Companies Act, 1956, including any statutory modifications, re-enactments, or amendments thereof from time to time.
- 1.2 **"Appointed Date"** means April 01, 2008.
- 1.3 **"Effective Date"** shall mean the last of the dates on which the sanctions, approvals or orders specified in Clause 19.1 of this Scheme are obtained and the later of the dates on which the certified copies of the Orders of the High Court of Judicature at Bombay are filed with the Registrar of Companies at Pune, Maharashtra. Any references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date.
- 1.4 **"Government Authority"** means any applicable Central, State or Local Government, legislative body, or administrative, authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- 1.5 **"High Court"** shall mean the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company and Transferee Company.
- 1.6 **"Record Date"** shall mean the date to be fixed by the Board of Directors of the Transferee Company or a Committee thereof (i) for reckoning names of the equity shareholders of the Transferor Company who shall be entitled to equity shares of the Transferee Company upon coming into effect of this Scheme as specified under Clause 9.1.2 of this Scheme.
- 1.7 **"Scheme" or "this Scheme" or "Scheme of Merger"** means this Scheme of Merger as submitted in the present form to the High Court of Judicature at Bombay for sanction together with any modification(s) approved or imposed or directed by the High Court.
- 1.8 **"Transferor Company" or "YoGoYo Division of WTL"** means YoGoYo Division of Websource Technologies Limited, a company incorporated under the Act having its Registered Office at 1133/5 F C Road, Pune 411 016, Maharashtra.
- 1.9 **"Transferee Company" or "IBL"** means Indrayani Biotech Limited, a company incorporated under the Act having its Registered Office at Village Markal, Taluka Khed, Dist. Pune 412 105. Maharashtra.
- 1.10 **"Undertaking"** means the YoGoYo Division of Websource Technologies Limited and the business of the Transferor Company as a going concern comprising:
 - (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, present, future or contingent) of the Transferor Company relating to YoGoYo Division, including, but without limited to, offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchases contracts and assets, lending contracts, rights and benefits under any agreements, benefit of any security arrangements or under any guarantees, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlement, contracts, licenses (industrial and otherwise), municipal permissions, tenancies licenses, fixed and other assets, trade and service names and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer program, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including titles, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and i

in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to that Transferor Company and all other interests of whatsoever nature belonging to or in the ownership power, possession or under the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad (hereinafter referred as the "assets").

(b) All secured and unsecured debts, liabilities (including contingent liabilities), duties, litigations, suits, proceedings and obligations of the Transferor Company of every kind, nature and description whatsoever and howsoever arising (hereinafter referred to as the "Liabilities") in relation to the YoGoYo Division of Websource Technologies Limited.

1.11 "Value of the Assets and Liabilities" in respect of all Assets, including intangible assets and all Liabilities, of the Transferor Company in relation with the YoGoYo Division of WTL, the value as determined by a competent valuer.

All terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1 Transferor Company

As per last audited balance sheet of the Transferor Company as on March 31, 2008, the position of the share capital was as under:

	Rs.
Authorised Share Capital: 60,00,000 equity shares of Rs. 10/- each	6,00,00,000
Issued, Subscribed and Paid-up Capital: 669,600 equity shares of Rs. 10/- each	66,96,000

2.2 Transferee Company

As per last audited balance sheet of the Transferee Company as on March 31, 2008, the position of the share capital was as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,00
Issued, Subscribed and Paid-up Capital: 58,68,900 equity shares of Rs. 10/- each	5,86,89,000

Pursuant to Section I only of this Scheme coming into the effect, the position of the share capital of the Transferee Company will be as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: 9,66,768 equity shares of Rs. 10/- each	96,67,680

Further, pursuant to the whole of the Scheme coming into the effect, the position of the share capital of the Transferee Company will be as under:

	Rs.
Authorised Share Capital: 1,10,00,000 equity shares of Rs. 10/- each	11,00,00,000
Issued, Subscribed and Paid-up Capital: 36,45,168 equity shares of Rs. 10/- each	3,64,51,680

3. DATE WHEN THE SCHEME COMES INTO OPERATION

The Scheme shall come into operation from the Appointed Date, but shall become effective only from the Effective Date.

PART II : TRANSFER OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

4.1 General

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the YoGoYo Division of the Transferor Company shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.2 Transfer of Assets

4.2.1 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) All the assets comprised in the Undertaking, shall, except for the portions dealt with under sub-clause (b) below, of whatsoever nature and whatsoever situate and which are incapable of passing by manual delivery, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of Clause 4.1 and sub-clause (a) of Clause 4.2.1 in respect of such of the Assets of the Transferor Company, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company to the Transferee Company and shall, upon such transfer, become the assets and properties of the Transferee Company, without requiring any deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, deposits with any Government, Semi-Government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the concerned person, debtor or deposited (although the Transferee Company may if so deems appropriate, give notice in such form as it may deem fit and proper, to each such person, debtor or deposited, as the case may be that the said debt, loan, advance, balance or deposit stands transferred to and vested in the Transferee Company and that the same should be paid or held on account of the Transferee Company)
- (d) All the licenses, permits, quotas, approvals, permissions, awards, registrations, incentives and benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferee Company and all rights and benefits that have accrued or which may accrue to the Transferee Company, whether before or after the Appointed Date, shall pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, registrations, incentives, benefits, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.2.2 All the assets and properties comprised in the YoGoYo Division of the Transferor Company as on Appointed Date, acquired by the Transferor Company on or after the Appointed Date, till the Effective Date, shall, on the Effective Date, be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.3 Transfer of Liabilities

4.3.1 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date all the liabilities of every kind, nature and description of the Transferor Company shall, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, be transferred or be deemed to be transferred to the Transferee Company, without any further act, instrument deed, matter or thing and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferee Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

4.3.2 All liabilities as on the close of the business on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts or loans raised and liabilities and obligations incurred, by the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts and liabilities of and loans raised and liabilities and obligations incurred, by the Transferee Company by the virtue of and in the manner provided in this Scheme.

4.3.3 Where any of the liabilities of the Transferor Company as on Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective date, such discharge shall be deemed to have been for and on account of Transferee Company.

4.3.4 Loans, advances and other obligations (including any guarantees, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may hereafter become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on either party and appropriate effect

shall be given in the books of accounts and records of the Transferor Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of such inter-company loans, advances and other obligations, if any, with effect from the Appointed Date.

4.4 Encumbrances

In so far as the Assets of the Transferor Company are concerned, the securities, charges, encumbrances or liens, if any, (hereinafter referred to as the 'Encumbrances') existing or if created at any time prior to the Effective Date over the Assets and properties or any part thereof, transferred to the Transferee Company in terms of this Scheme shall continue to relate or attach to the assets and properties of the Transferee Company to which the same relate or attach and nothing contained in this Scheme shall operate to enlarge or extend such securities, charges, encumbrances or liens to any of the assets or properties of the Transferor Company which are transferred to and vested in the Transferee Company under and pursuant to this Scheme.

4.5 Inter-se Transactions

Without prejudice to the Clauses 4.1 to 4.4 with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purpose from the Appointed Date.

5. CONTRACTS, DEEDS ETC.

5.1 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument, or deed, continue in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or obligee or beneficiary thereunder.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, be deemed to be 1.1 authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purpose referred to above on the part of the Transferor Company.

6. LEGAL PROCEEDINGS

On and from Appointed Date, all suits, actions and legal proceedings by or against the Transferor Company pending and/ or arising or/ in before the Effective Date shall be continued and/ or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/ or pending and/ or arising by or against the Transferee Company.

7. CONDUCT OF BUSINESS

7.1 With effect from Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all business and activities relating to its Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of its Undertaking on account of and for the benefit of and in trust for the Transferee Company.
- (b) All the profits of incomes accruing or arising to the Transferor company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) in relation to the Undertaking by the Transferor Company shall, for all purposes, be treated and be deemed to be accrue as the profits or incomes or as the case may be expenditure or losses (including taxes) of the Transferee Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Undertaking and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged for and on behalf of and as agent by the Transferee Company.

7.2 With effect from the first of the dated of filing of this Scheme with the High Court and up to and including the Effective date:

- (a) The Transferor Company shall preserve and carry on its business in the same manner as hitherto before carried on.
- (b) The Transferee Company shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as hitherto before carried on.
- (c) The Transferor Company and the Transferee Company shall not make any change in their respective share capital whether, by way of increase, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the share exchange ratio (as provided in Clause 9.1.2 below); except under any of the following circumstances:
 - (i) to the extent of issues of securities approved by the shareholders of the Transferor Company or, as the case may be Transferee Company prior to the filing of this scheme in the High Court, or
 - (ii) upon conversion of any bonds, debentures of convertible securities, if any, allotted prior to the filing of the Scheme in the High Court; or
 - (iii) by mutual consent of the respective Board/Committee of Directors of the Transferor Company and of the Transferee Company; or
 - (iv) to the extent of calls made or to be made on partly paid shares of the Transferor Company or the Transferee Company; or
 - (v) as may be permitted under this Scheme.

8. **EMPLOYEES**

- 8.1 Upon the coming into effect of the Scheme all the employees of the Transferor Company who are in employment as on the effective date shall become the employees of the Transferee Company with effect from the effective date, without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any employee of the Transferor Company.
- 8.2 With effect from the first of the dates of filing of this Scheme with the High Court and up to and including the Effective date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of the Resulting Company.
- 8.3 The provident fund, gratuity fund and pension and/or superannuation funds or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds created for the benefit of the employees of the Transferor Company and which are existing as on the Effective date (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own funds with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds, separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such Funds of the Transferee Company.

PART III : ISSUE OF SECURITIES BY TRANSFEE COMPANY

9. **ISSUE OF SECURITIES**

9.1 **Issue of Equity Shares**

- 9.1.1 The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 9.1.2 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to 4 (four) equity shares to each of the shareholders of the Transferor Company as on the Record Date or to his/her/its heirs, executors or successors, as the case may be, for every 1 (one) equity share held by him.
- 9.1.3 The paid-up equity share capital of the Transferee Company after the Scheme becoming effective will be as follows:

Sr.	Particulars	No. of Shares	% to Total Capital
1	Existing shares held by the current shareholders of IBL prior to merger, as reduced.	9,66,768	26.52
2	Shares allotted to the shareholders of the Transferor Company after the Scheme becoming effective	26,78,400	73.48
	TOTAL	36,45,168	100.00

Four (4) shares of the Transferee Company for every one (1) share of the Transferor Company is appropriate and justifiable.

9.2 **Justification for Share Exchange Ratio**

9.2.1 **Background of Transferor and Transferee Companies:**

Indrayani Biotech Limited, a company registered under the Indian Companies Act, 1956, engaged in tissue culture required for sowing and growing of plants of every kind. The Company's shares are currently listed on Bombay Stock Exchange.

YoGoYo is a Division of Websource Technologies Limited which is registered under the Indian Companies Act, 1956, an ITES Company, engaged in the business as providers of solutions to the travel and tourism industry, including setting up of business to business (B2B) and business to consumer (B2C) online portals as well as offline solutions, internet solution providers. The Transferor Company is an Unlisted Public Limited Company. The business of the Transferor Company is related to Business to Consumer (B2C) and marketing.

- 9.2.2 Based on the Audited financial statements, the valuation report and considering the industry structure, growth potentials of the Transferor Company and the Transferee Company, valuation of Four (4) shares of the Transferee Company for every one (1) share of the Transferor Company is appropriate and justifiable.

9.3 General Provisions Applicable to Equity Shares

9.3.1 Issue of Shares in Dematerialized Form

In so far as the issue of new equity shares pursuant to this Scheme is concerned, each of the equity shareholders of the Transferor Company shall have the option, to receive the new equity shares of the Transferee Company either in certificate form or in dematerialized form. In the event that notice of such election to receive shares in dematerialized form has not been received by the Transferee Company in respect of any of the members of the Transferee Company, the equity shares shall be issued to such members in physical form. Those of the shareholders of the Transferor Company who exercise the option to receive the equity shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such member with the new equity shares of the Transferee Company.

9.3.2 Pending Share Transfers etc.

In the event of there being any pending share transfers, whether lodged or outstanding, of any Equity Shareholder of the Transferee Company, the Board of Directors of the Transferee Company or any committee thereof shall be empowered in appropriate cases, prior to or even subsequent, to effectuate such a transfer as if changes in the registered holder were operative as on the date of allotment of the new Equity Shares, in order to remove any difficulties arising to the transferor or transferee of shares in the Transferee Company.

9.3.3 Equity Shares to rank pari passu

The new Equity Shares of the Transferee Company issued in accordance with this Scheme shall be subject to the terms and conditions of the Memorandum and Articles of Association of the Transferee Company and shall inter-se rank pari passu in all respects with the then existing equity shares of the Transferee Company provided that such new equity shares shall, in respect of dividend declared for the year in which the same are allotted, rank for dividend pro-rata from date of allotment.

9.3.4 Obtaining of consents / approvals

For the purpose of issue of Equity Shares to the shareholders of Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain applicable statutory consents and/or approvals including approval, if any, of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by Transferee Company of such Equity Shares.

9.3.5 Listing of Shares

The new Equity Shares of the Transferee Company issued in accordance with this Scheme shall be listed on The Bombay Stock Exchange Limited, on which the current Equity Shares of the Transferee Company are listed.

9.3.6 Calls in Arrears

In respect of partly paid-up shares of the Transferor Company, if any call is made by the Transferor Company prior to the Effective Date, and in any case, where any such calls are in arrears, then without prejudice to any remedies that the Transferor Company or the Transferee Company, as the case may be, may have in this behalf, the Transferee Company shall not be bound to issue any shares of the Transferee Company (whether partly paid-up or otherwise) not to confirm any entitlements to such holder until such time as the calls-in-arrear are paid. In case any shares of the Transferor Company are forfeited prior to the Effective Date, then no shares shall be issued by the Transferee Company in lieu of forfeited shares.

PART IV: ACCOUNTING TREATMENT

10. Accounting treatment in the books of the Transferor Company:

10.1 Upon coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the YoGoYo Division shall stand closed on transfer to IBL.

10.2 It is clarified that all taxes payable by WTL, relating to YoGoYo Division, from the Appointed Date onwards including all or any refund and claims shall, for all purposes, be treated as the tax liabilities or refund or claims of IBL. Accordingly, upon Scheme becoming effective, IBL is expressly permitted to revise tax returns and other returns, if any, and to claim refunds/credits pursuant to the provisions of this Scheme.

11. Accounting treatment in the books of the Transferee Company:

11.1 Upon coming into effect of this Scheme, with effect from the Appointed Date, IBL shall record the assets and liabilities vested in it pursuant to this Scheme, in accordance with the applicable Accounting Standards.

PART V: REMAINING BUSINESS

12. REMAINING BUSINESS TO CONTINUE WITH WEB SOURCE TECHNOLOGIES LIMITED

12.1 The remaining business shall continue to belong to and be vested in and be managed by WTL.

12.2 With effect from the Appointed Date and upto and including the Effective Date:

- (a) WTL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf
- (b) All profits accruing to WTL thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be of WTL; and
- (c) All assets and properties acquired by WTL in relating to the Remaining Business on or after the Appointed Date shall belong to and continue to remain vested in WTL.

PART VI : GENERAL TERMS & CONDITIONS

13. CHANGE OF NAME & REGISTERED OFFICE OF TRANSFeree COMPANY

Upon coming into effect of this Scheme and receiving approvals from the High Court, the name of the Transferee Company be changed from its existing name to any name, suitable to the new activity and as approved by the Registrar of Companies, Pune, Maharashtra and the address of the Registered Office shall be 1133/5, F C Road, Pune 411 016, Maharashtra.

14. MAIN OBJECTS OF THE TRANSFeree COMPANY

- 14.1 Pursuant to coming into effect of this Scheme, the 'main objects clause' in the Memorandum of Association of the Transferee Company shall stand altered, on receiving further approvals, if any, of the High Court and without any further act, instrument, deed, matter, by inserting Clause (ia) under the Main Objects Clause as under:

(ia) To carry on the business as providers of solutions to the travel and tourism industry, including setting up of business to business (B2B) and business to consumer (B2C) online portals as well as offline solutions, internet solution providers, total integrated electronic commerce solution providers, all types of e-commerce facilities and provide e-commerce solutions, security solutions, leased line and network, network and network enabled services, intranet solutions, EDI solutions, leased line and microwave solutions, hosting, warehousing, storing, forwarding and online information services and to develop, host, design, maintain, create, program, service all types of web site, portals and to provide facilities of advertising and publishing on the web and to carry on the software and hardware development, internet consultancy, net banking, internet backbone services, content management, on-line and off-line database management and marketing, electronic commerce and management consultancy, supply chain management consultancy, e-consulting, web strategy development, systems integration, marketing, advertising, promoting, holding contests and to do all these activities and business in India or abroad.

- 14.2 It is clarified that neither separate resolution under Section 17 of the Act shall be required to be passed in the general meeting of the Transferee Company nor any approval from the Central Government shall be required for alteration of Main Objects Clause of Memorandum of Association of the Transferee Company under this Scheme and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have approved such alterations in terms of Section 17 of the Act.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme :

- 15.1 The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added to be limits, if any, imposed under like resolutions, passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

16. MODIFICATIONS

- 16.1 The Transferor Company and the Transferee Company by their respective Board of Directors or any Committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Court or any authorities under law may deem fit to approve of or which the High Court or any authorities under law may impose and which the Transferor Company and the Transferee Company may in their discretion accept or such modifications or amendments or additions as the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme, and the Transferor Company and the Transferee Company by their respective Board of Director or Delegate are authorized to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the positions relating to the satisfaction of any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions imposed by the High Court or any authorities are found unacceptable by the Transferor Company or the Transferee Company for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegate of the respective Companies.
- 16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorized to determine and give all such directions as are necessary for setting or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders, if any, of the Transferor Company) or to review the positions relating to the satisfaction of any conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 16.3 Notwithstanding anything contained in the Scheme, any of the terms of any class of shares issued by the Transferee Company pursuant to the Scheme may be varied with the consent or sanction of the shareholders in accordance with the applicable provisions of the Act.

17. **FILING OF APPLICATIONS**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make and file all the applications and/or petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

18. **APPROVALS**

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

19. **SCHEME CONDITIONAL UPON SANCTIONS ETC.**

19.1 The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Transferor company and of the Transferee Company and by such other persons as may be required under the Act and as may be directed by the High Court.
- (b) The certified true copies of the Order of the High Court sanctioning this Scheme being filed by each of the Transferor Company and the Transferee Company with the respective Registrar of Companies.

19.2 In the event of the Scheme failing to take effect finally by April 01, 2009 or by such later date as may be agreed by the respective Board of Directors of the Transferor Company and of the Transferee Company, this Scheme shall become null and void and be of no effect in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or any other person. In such case, each Company shall bear its own costs, charges and expenses or as may be mutually agreed.

20. **COST, CHARGES AND EXPENSES**

All costs, charges and expenses (including any taxes and duties) of or payable by the Transferor Company and the Transferee Company in relation to or in connection with this Scheme, if effected, and incidental to the completion of the merger of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 406 OF 2009**

In the matter of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956;
And
In The Matter Of Indrayani Biotech Ltd., A Company Incorporated Under The Companies Act, 1956
And
In the matter of the Scheme of Arrangement between Indrayani Biotech Limited, Indrayani
Tissue Culture Limited, Yo-Go-Yo division of Websource Technologies Limited, and their
respective Shareholders and Creditors ;

Indrayani Biotech Limited,)
a company incorporated under)
the Companies Act 1956, and having)
its Registered Office at Village-Markal,)
Taluka-Khed, District - Pune, Pune- 412 105)

..... Applicant Company

FORM OF PROXY

I/We, _____ the undersigned, being Equity Shareholder(s) of the above Applicant Company, hereby appoint Mr./Ms. _____ resident of _____ and failing him/her Mr./Ms. _____ resident of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at Village Markal, Taluka Khed, District, Pune 412105, Maharashtra on Wednesday, the 24th day of June, 2009 at 11:00 a.m; for the purpose of considering and, if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Arrangement between Indrayani Biotech Limited, the Applicant Company and its Equity Shareholders and Unsecured Creditors, at such meeting, and at any adjournment thereof, and to vote, for me/us and in my/our name(s) _____ ("For" or "Against") the said Scheme of Arrangement, either with or without modification as my/our proxy may approve.

Dated: _____, 2009.

Name: _____

Address: _____

Folio No.: _____

D PID: _____

Client ID: _____

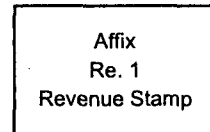
No. of Shares held: _____

Signature of Shareholder(s): _____

Sole holder/ First Holder: _____

Second holder: _____

Third holder: _____



signature across stamp

Notes:

1. Proxy must be deposited at the Registered Office of Indrayani Biotech Limited at Village Markal, Taluka Khed, District Pune 412105, Maharashtra not later than 48 hours before the meeting. The Proxy need not be a member of the Applicant Company.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. All alterations made in the Form of Proxy should be initialed.

INDRAYANI BIOTECH LIMITED
Registered Office:- Village Markal, Taluka Khed,
District Pune 412105, Maharashtra.

ATTENDANCE SLIP
(To be handed over at the entrance of the meeting hall)
EQUITY SHAREHOLDER'S MEETING

Name of the Member / Proxy :

Folio / DPID / Client ID :

No. of Equity Shares held :

Member's/Proxy's Signature

Name and Address of the Shareholder/Proxy Holder

I hereby record my presence at the meeting of the Equity Shareholders of the Applicant Company convened pursuant to the Order dated 16th April, 2009 and further order dated 23rd April, 2009 of the Hon'ble High Court of Judicature at Bombay, at Village Markal, Taluka Khed, District Pune 412 105, Maharashtra on Wednesday , the 24th day of June, 2009 at 11:00 a.m.

NOTES:

1. Interested joint member may obtain attendance slips from the Registered Office of the Applicant Company.
2. Member/joint member/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue.
3. The proxy form must be deposited so as to reach the Registered Office of the Applicant Company not less than FORTY EIGHT hours before the time of the meeting.

• **Indrayani Biotech Ltd.** •

BOOK - POST
(Under Certificate of Postage)

If undelivered please return to :

Indrayani Biotech Ltd.

Village Markal, Taluka Khed

Dist. Pune - 412105