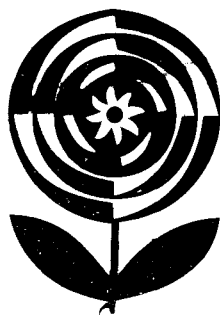


# **18<sup>th</sup> Annual Report**

## **2009- 2010**



**INDRAYANI BIOTECH LIMITED.**

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

# Indrayani Biotech Ltd.

## DIRECTORS

Mr. Vivek V. Malpani, Chairman  
Mrs. Manjula V. Malpani, Managing Director  
Mr. Vishwanath D. Malpani  
Dr. Anand Karve  
Prof. Anand Chougule  
Mr. Prakash Bang. \*\*  
Mr. Ruchir Bang. \*\*  
Mr. Umesh Lahoti. \*\*  
Mr. Rajesh Vaishnav. \*\*

[ \*\* Co-opted as Additional Directors w.e.f. 20<sup>th</sup> August 2010 ]

## COMPANY SECRETARY

Mr. R. K. Suvarna

## BANKERS

HDFC Bank, UCO Bank

## AUDITORS

M/s G. V. Madane and Company, Pune.

## REGISTERED OFFICE

Village Markai, Near Alandi, Taluka Khed,  
Dist. Pune - 412 105.

## ADMINISTRATIVE OFFICE

1133 / 5, F. C. Road, Pune - 411 016.

## SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

- 1) Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex,  
Off Dhule Patil Road, Pune - 411 001.
- 2) C - 13, Pannalal Silk Mill Compound,  
L. B. S. Marg, Bhandup (W), Mumbai - 400 078.

**NOTICE :-** Notice is hereby given that the Eighteenth Annual General Meeting of INDRAYANI BIOTECH LIMITED will be held at the Registered Office of the Company at Village Markai, Taluka Khed, Dist Pune 412 105 on Thursday, 30<sup>th</sup> September, 2010 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, 2010 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 Auditors and to authorize the Board to fix their remuneration. 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 224 and other applicable provisions, if any, of the Companies Act, 1956, Ms. G. V. Madane & Co, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual & out of pocket expenses, as may be incurred in the performance of their duties"

### SPECIAL BUSINESS

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

**"RESOLVED THAT** Mr. Prakash Bang 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 whose period of office will be liable to determination by retirement of Directors by rotation."

**"RESOLVED FURTHER THAT** Mr. Vishwanath Malpani be and is hereby authorized to do all the acts, deeds and things that are necessary to give effect to the above said resolution."

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

**"RESOLVED THAT** Mr. Ruchir Bang 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 whose period of office will be liable to determination by retirement of Directors by rotation."

**"RESOLVED FURTHER THAT** Mr. Vishwanath Malpani be and is hereby authorized to do all the acts, deeds and things that are necessary to give effect to the above said resolution."

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

**"RESOLVED THAT** Mr. Umesh Lahoti 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 whose period of office will be liable to determination by retirement of Directors by rotation."

**"RESOLVED FURTHER THAT** Mr. Vishwanath Malpani be and is hereby authorized to do all the acts, deeds and things that are necessary to give effect to the above said resolution."

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

**"RESOLVED THAT** Mr. Rajesh Vaishnav 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 whose period of office will be liable to determination by retirement of Directors by rotation."

**"RESOLVED FURTHER THAT** Mr. Vishwanath Malpani be and is hereby authorized to do all the acts, deeds and things that are necessary to give effect to the above said resolution."

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

#### ITEM NO. 1

In pursuance of section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors co-opted Mr. Prakash Bang as an additional director with effect from 20<sup>th</sup> August 2010. 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 along with deposit from a member proposing to appoint Mr. Prakash Bang as director of the Company. The Directors therefore recommend the resolution for your approval. Mr. Prakash Bang, Mr. Ruchir Bang and Mr Umesh Lahoti be concerned or interested in the said resolution.

#### ITEM NO. 2

In pursuance of section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors co-opted Mr. Ruchir Bang as an additional director with effect from 20<sup>th</sup> August 2010. 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 along with deposit from a member proposing to appoint Mr. Ruchir Bang as director of the Company. The Directors therefore recommend the resolution for your approval. Mr. Prakash Bang, Mr. Ruchir Bang and Mr Umesh Lahoti be concerned or interested in the said resolution.

#### ITEM NO. 3

In pursuance of section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors co-opted Mr Umesh Lahoti as an additional director with effect from 20<sup>th</sup> August 2010. 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 Mr. Umesh Lahoti as director of the Company. The Directors therefore recommend the resolution for your approval. Mr. Prakash Bang, Mr. Ruchir Bang and Mr Umesh Lahoti be concerned or interested in the said resolution.

#### 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 Mr. Rajesh Vaishnav as an additional director with effect from 20<sup>th</sup> August 2010. 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 along with deposit from a member proposing to appoint Mr. Rajesh Vaishnav as director of the Company. The Directors therefore recommend the resolution for your approval Mr. Rajesh Vaishnav be concerned or interested in the said resolution

# Indrayani Biotech Ltd.

## 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 Tuesday, 28th September, 2010 to Thursday, 30th, September, 2010 (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 items, 1, 2, 3 & 4 is annexed hereto.

## ANNEXURE TO THE NOTICE

Details of Directors seeking appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)				
Name of Director	Mr. Prakash Bang	Mr. Ruchir Bang	Mr. Umesh Lahoti	Mr. Rajesh Vaishnav
Date of Birth	Oct 2, 1956	Aug 27, 1981	Feb 11, 1965	Dec 27, 1956
Date of appointment	20.08.2010	20.08.2010	20.08.2010	20.08.2010
Expertise in specific functional areas	Marketing	Operations	Finance	General Management
Qualifications	B.Sc., MBA, MIMA	B.Com, PGDMM	B.Com	B.Com. PGDBM
Directorships in other Indian Companies	3	2	8	0
Membership of committees in other Indian Public Companies	0	0	3	0
Equity Shareholding in Indrayani Biotech Limited	0	0	0	0

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

R K Suvarna

Company Secretary.

Place: Pune

Date: August 20, 2010.

## DIRECTORS' REPORT

### FINANCIAL RESULTS

The income during the year from all sources amounted to Rs.20,10,152/- and the total expenditure including depreciation of Rs 7,24,418/- amounted to Rs.49,29,243/-. The Company has incurred a net loss of Rs.29,66,723/- during the year as against loss of Rs.12,67,021/- 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 sanctioned by the Hon'ble High Court of Judicature at Bombay on the 25th of June, 2010 and the Company is in the process of giving effect to the same.

In view of loss incurred by the the Directors do not recommend any dividend for the financial year ended 31st March, 2010.

### DIRECTORS

Mr. Prakash Bang, Mr. Ruchir Bang, Mr. Umesh Lahoti and Mr. Rajesh Vaishnav are appointed as additional directors. 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 in 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, 2010, 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, 2010 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

Place: Pune

Vivek V. Malpani

Chairman

Date : August 20, 2010

## 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 Markai 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 9 directors, of whom 8 are non-executive and one is Managing Director. Six out of 8 non-executive directors are independent. Mr. Vivek Malpani is non executive Chairman and a majority of directors ( 77.78% ) are independent. Four independent directors were appointed as additional directors at a Board meeting of the Company held on the 20th of August 2010 i.e. after the end of the financial year 2009-2010 but before the signing of this Corporate Governance Report.

During this year, six Board meetings were held on 30th April 2009, 24th June 2009, 30th July 2009, 21st October 2009, 13th January 2010 and 15th January 2010. 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	4	Yes
2.	Vivek Malpani	Director	4	Yes
3.	Dr. A. D. Karve	Director	6	No
4.	V. D. Malpani	Director	6	Yes
5.	Dr. Anand Chougule	Director	2	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 2010. 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. Dr. 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, 2009
Mr. V D Malpani	4	4	30th July, 2009
Dr. Anand Chougule	4	1	21th October, 2009
			15th January, 2010

### 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 36. The number of complaints not solved is 2 and there were no shares pending transfer for more than 30 days as on 31st March 2010.

# Indrayani Biotech Ltd.

## 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:  
27<sup>th</sup> September, 2007, 26<sup>th</sup> September, 2008 and 24<sup>th</sup> June, 2009 all at 9 AM and all at the Registered Office of the company. No special resolution was carried out by postal ballot.

## DISCLOSURES:

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

## GENERAL SHAREHOLDER INFORMATION:

The Eighteenth annual general meeting will be held on Thursday, 30<sup>th</sup> September, 2010 at 10 AM at Village Markal, Taluka Khed, Dist. Pune 412 105. There is no resolution requiring postal ballot.

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

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

## DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company's shares are traded in Demat form. As on 31<sup>st</sup> March 2010, 57.58% shares were dematerialized.

## Market Price Data: Year 2009-2010.

Month	Price	
	High	Low
April	2.20	1.45
May	2.38	1.85
June	3.61	2.49
July	3.08	2.14
August	4.00	2.80
September	3.25	2.18
October	2.46	2.01
November	2.48	1.92
December	3.08	2.30
January	4.29	3.12
February	3.85	2.31
March	3.32	2.42

## Share Distribution Pattern As On 31<sup>st</sup> March 2010.

Share or Debenture Holding of nominal	Share / Debenture holders		Share / Debenture Amount	
	No.	% of total	In Rs. (thousand)	% of total
1000 - 10000	18891	97.72	36106	61.52
10001 - 20000	223	1.15	4746	8.09
20001 - 30000	75	0.39	1910	3.25
30001 - 40000	28	0.14	1405	2.39
40001 - 50000	35	0.18	1641	2.80
50001 - 100000	54	0.28	4681	7.98
100001 and above	26	0.14	8200	13.97
<b>Total</b>	<b>19332</b>	<b>100.00</b>	<b>58689</b>	<b>100.00</b>

## DECLARATION ON CODE OF CONDUCT

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

## For and on behalf of the Board of Directors

Manjula V. Malpani  
Managing Director  
Place : Pune  
Date : August 20, 2010

Vivek V. Malpani  
Director

## 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  
Place: Pune  
Date : August 20, 2010

Vivek V. Malpani  
Director

## 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 31<sup>st</sup> March 2010, 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

# Indrayani Biotech Ltd.

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

## 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, 2010, Profit & Loss Account and Cash Flow Statement for the period ended on that date and annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

(i) 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;

(ii) 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;

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

(iv) 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 except AS 15 (Revised); it was not possible to quantify the effect since the actuarial valuation was not available;

(v) On the written representations received from the directors, as on 31st March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) 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:

(vi) 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, 2010; 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 : August 20, 2010

INDRAYANI BIOTECH LTD.

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

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

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

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

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

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

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

(b) According to the information & explanation given to us, no undisputed amounts payable in respect of income tax, wealth Tax, Sales Tax, service tax, customs duty, excise duty & cess were in arrears as at March 31, 2010 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 & 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 : August 20, 2010

# Indrayani Biotech Ltd.

**INDRAYANI BIOTECH LTD.**  
VILLAGE MARKAL, TAL-KHED, DIST. PUNE-412 105  
**BALANCE SHEET AS AT 31ST MARCH 2010**

SOURCES OF FUNDS	Sch. No.	2009-2010 Rupees	2008-2009 Rupees
1 Shareholders Funds			
a) Capital	1	58689000	58689000
b) Reserves & Surplus		-	-
		58689000	58689000
2 Loan Funds			
a) Secured Loans		-	-
b) Unsecured Loans - from Directors		-	-
- Intercompany Deposits		2625947	2625947
Total		61314947	61314947
<b>II APPLICATION OF FUNDS</b>			
1 Fixed Assets	2		
a) Gross Block		18289074	18101574
b) Less: Depreciation		9880928	9156510
c) Less: Capital Subsidy		(3000000)	(3000000)
d) Net Block		5408146	5945064
2 Current Assets, Loans & Advances			
a) Inventories	3	234054	465878
b) Sundry Debtors	4	22500	354482
c) Cash & Bank Balance	5	1423847	2857154
d) Other Current Assets	6	29508	35354
e) Loans & Advances	7	535131	536156
		2245040	4249024
Less:			
Current Liabilities & Provisions			
Current Liabilities	8	10650862	10217802
a) Advance received against orders		26926	-
b) Other Liabilities		10623936	10217802
Provisions			
Provision for Taxation - FBT		-	7239
Other Provisions		-	-
		10650862	10225041
Net Current Assets		-8405822	-5976017
3 b) Profit and Loss Account		64312623	61345900
Total		61314947	61314947

NOTES TO THE ACCOUNTS - SCHEDULE NO.

12

As per our report of even date

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

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

R. K. Suvarna  
Company Secretary

For and on behalf of the  
Board of Directors

**M. V. Malpani**  
Managing Director

V. D. Malpani  
Director

DR A. D. Karve  
Director

Place : Pune  
Date : August 20 , 2010

# Indrayani Biotech Ltd.

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

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	Sch. No.	2009-2010 Rupees	2008-2009 Rupees
<b>INCOME</b>			
Sales and Other Income	9	2,010,152	2,581,747
Total		2,010,152	2,581,747
<b>EXPENSES</b>			
(Increase) / Decrease in Stocks	10	231,824	(98,592)
Expenses	11	3,973,001	3,215,510
Depreciation		724,418	721,334
		4,929,243	3,838,252
Profit for the year before taxation		(2,919,091)	(1,256,505)
<u>Previous year's adjustments</u>			
Earlier Year's adjustments		(47,632)	(3,277)
Provision for Taxation - Normal - FBT		-	7,239
Profit after Taxation & Previous Year adjustment		(2,966,723)	(1,267,021)
Balance brought forward from previous year		(61,345,900)	(60,078,879)
Balance Carried to Balance Sheet		(64,312,623)	(61,345,900)
Earning per share ( Basic & Diluted)		(0.50)	(0.22)
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. Suvama  
Company Secretary

V.D. Malpani  
Director

DR A D Karve  
Director

Place : Pune  
Date : August 20, 2010

# Indrayani Biotech Ltd.

## 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 2010

	2009-2010 Rupees	2008-2009 Rupees
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<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

	2009-2010	2008-2009
<b>SCHEDULE 3: INVENTORIES</b>		
Stock-in-trade :		
Trade Investments - listed -schedule3A	27830	27830
Stock of Banana Plants at cost	206224	438048
Total	234054	465878

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

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

	2009-2010	2008-2009
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.		
( Market value Rs.46.75)		
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 2010

	2009-2010	2008-2009
<b>SCHEDULE 4: SUNDRY DEBTORS</b>		
(Unsecured & Considered good)		
Debts outstanding for period		
exceeding six months	-	-
Other Debts	22500	354482
Total	22500	354482

	2009-2010	2008-2009
<b>SCHEDULE 5: CASH AND BANK BALANCE</b>		
Cash on hand	2763	14598
Bank Balances with Scheduled Banks		
i) In Current Accounts	192913	176176
ii) In Deposit Accounts	1228171	2666381
Total	1423847	1423847

	2009-2010	2008-2009
<b>SCHEDULE 6: OTHER CURRENT ASSETS</b>		
Other Receivable	29508	35354
Total	29508	35354

	2009-2010	2008-2009
<b>SCHEDULE 7: LOANS AND ADVANCES</b>		
(Unsecured & Considered Good)		
Intercompany Deposits	157155	157155
Other Deposits	285230	285230
Other Advances recoverable in cash		
or in kind or for value to be received	92746	93771
Total	535131	536156

	2009-2010	2008-2009
<b>SCHEDULE 8: CURRENT LIABILITIES</b>		
Advance received against orders	26926	-
Sundry Creditors	212334	120178
a) Total outstanding dues To Micro		
enterprises and	-	-
(b) total outstanding dues to creditors		
other than Micro enterprises and		
Small Enterprises	212334	120178
Other Liabilities	10411602	10097624
Total	10650862	10217802



# Indrayani Biotech Ltd.

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

## SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

### SCHEDULE 9:

#### SALES AND OTHER INCOME

	2009-2010 Rupees	2008-2009 Rupees
Sale of Tissue Culture Plants	1852090	2354097
Total	1852090	2354097
Dividend	165	325
Misc. Income	157040	153015
Sale of Scrap	857	74310
	158062	227650
Total	2010152	2581747

### SCHEDULE 10:

#### INCREASE/-DECREASE IN STOCKS

Finished goods		
Opening Stock	465878	367286
Closing Stock	234054	465878
Decrease	-231824	98592

### SCHEDULE 11: EXPENSES

Production Expenses	507410	388876
Electricity, Power & Fuel	37880	75804
Bad Debts	405963	-
Repairs - others	112757	204988
Salary, Wages, PF and Bonus	912520	958816
Vehicle Expenses	2469	3515
Audit Fees	20000	20000
Rent	424559	341775
Packing & Freight & forwarding	708	200934
Professional Fees	30884	140966
Directors' Sitting Fees	7000	4250
Advertisement & Sales promotion	113797	24000
Fees & Subscription	117627	16775
Finance Charges	318214	318313
Travelling & Conveyance	206726	56560
Printing & Stationery	205657	101670
Postage & Telephone	230312	117777
Other Expenses	318518	240491
Total	3973001	3215510

**INDRAYANI BIOTECH LTD.**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

AMOUNT RS. 2009-2010	AMOUNT RS. 2008-2009
-------------------------	-------------------------

### A. CASH FLOW FROM OPERATING ACTIVITIES:

Loss before tax and extraordinary items :	(2,919,091)	(1,256,505)
Adjustments for :		
Depreciation	724,418	721,334
Misc Expenses Written off	-	-
Interest Expenses	315,114	315,114
Interest & Dividend earned	(157,205)	(325)
Profit/(-) Loss on sale of Fixed Assets	-	-

Operating Loss before working capital changes (2,036,764) (220,382)

Adjustments for :  
Trade and other receivables 338,853 (239,327)

Inventories 231,824 (98,592)

Other Current Liabilities & Provisions 425,821 (330,897)

Trade Payables - -

Cash generated from operation (1,040,266) (889,198)

Interest Expenses (315,114) (315,114)

Cash flow before extraordinary items (1,355,380) (1,204,312)

Extraordinary items & earlier year adjustments (47,632) (3,277)

**NET CASH FLOW FROM OPERATING ACTIVITIES (1,403,012) (1,207,589)**

### B. CASH FLOW FROM INVESTING ACTIVITIES :

Sale of Fixed Assets	-	-
Purchase of fixed assets	(187,500)	(33,663)
Interest & Dividend received	157,205	325
Subsidy received	-	3,000,000

**NET CASH USED IN INVESTING ACTIVITIES (30,295) 2,966,662**

### C. CASH FLOW FROM FINANCING ACTIVITIES :

Long term borrowings	-	-
Unsecured Loan	-	-

**NET CASH USED IN FINANCING ACTIVITIES - -**

Net increase/(-)Decrease in cash and cash equivalents (1,433,307) 1,759,073

Cash and cash equivalents as at 1-4-2009 2,857,154 1,098,081

Cash and cash equivalents as at 31-3-2010 1,423,847 2,857,154

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. Suvama  
Company Secretary

V.D. Malpani  
Director

DR A D Karve  
Director

Place : Pune  
Date : August 20, 2010

**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 2010**

**SCHEDULE 2: FIXED ASSETS**

(FIGURES IN RUPEES)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 1/4/2009	ADDITIONS/ DELETIONS (-) DURING THE YEAR	AS ON 31.3.2010	UPTO 31.3.2009	FOR THE YEAR	UPTO 31.3.2010	AS ON 31.3.2010	AS ON 31.3.2009
LAND, LAND DEVELOPMENT & CIVIL CONSTRUCTION	7310315	-	7310315	974731	72858	1047589	6262726	6335584
FURNITURE & FIXTURES	432258	187500	619758	371818	27532	399350	220408	60440
PLANT & MACHINERY	1902833	-	1902833	1334809	85089	1419898	482935	568024
GREEN HOUSES	7323797	-	7323797	5611426	507383	6118809	1204988	1712371
OFFICE EQUIPMENTS	1054379	-	1054379	785734	31556	817290	237089	268645
VEHICLES	77992	-	77992	77992	-	77992	-	-
<b>TOTAL</b>	<b>18101574</b>	<b>187500</b>	<b>18289074</b>	<b>9156510</b>	<b>724418</b>	<b>9880928</b>	<b>8408146</b>	<b>8954064</b>
<b>PREVIOUS YEAR</b>	<b>18067911</b>	<b>33,663</b>	<b>18101574</b>	<b>8435176</b>	<b>721334</b>	<b>9156510</b>	<b>8945064</b>	<b>9632735</b>

# Indrayani Biotech Ltd.

## 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) The company provides for retirement benefits in the form of gratuity.

As per companies Policy leave cannot be en-cashed. Provision for Gratuity is made on actual basis.

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

There were no transactions with related parties during the year.

#### 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 company for

Sales Tax : Rs.5,000 (Previous yr Rs. 5,000)

EPCG : Rs. 10,00,000(PY Rs.10,00,000)

#### 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.	502666	----	536808	----
Free/ Mortality plants Nos.	(174206)			
Net Production	328460			
Production of Vegetables Kgs	NIL	NIL	NIL	NIL
Sale of Tissue culture plants Nos.	334860	1852090	536808	2354097
Sale of Vegetables Kgs.	NIL	NIL	NIL	NIL
Installed capacity				
- of Plants Nos.	1000000	N.A.	1000000	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)	103112	206224	109512	438048
Shares	42925	27830	42925	27830

#### 8) Remuneration to The Managing Director

	Current Year		Previous Year	
	(Rs)		(Rs)	
Salary & Allowances	Nil	Nil	Nil	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) A) The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. However no impairment loss is recognized since the carrying amount of assets does not exceed it's recoverable amount.

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

#### 13) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details			
Registration No.	: 65801	State Code	: 11
Balance Sheet Date	: 31.03.2010		
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	: 5408	Investments	: Nil
Net Current Assets	: -8406	Misc. Expenditure	: Nil
Accumulated Loss	: 64313		
iv) Performance of Company ('000)			
Turnover	: 2010	Total Expenditure	: 4929
Profit/Loss before Tax	: -2967	Profit/Loss after tax	: -2967
(+ for Profit, - for Loss)			
Earning Per Share	: Rs.-0.50	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		

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

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

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

#### 17) 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 & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

M. V. Malpani  
(Managing Director)

MR. G.V.MADANE  
PROPRIETOR

Place : Pune  
Date : August 20, 2010

# Indrayani Biotech Ltd.

## 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 Eighteenth Annual General  
Meeting of the Company to be held on Thursday,  
the 30th September, 2010.

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

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.