

TWENTIETH ANNUAL REPORT

2011-2012



Abl biotechnologies Limited

ABL Biotechnologies Limited
71, Nehru Nagar Industrial Estate,
2nd Link Street, Kottivakkam,
Chennai – 600 041

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Board of Directors

Mr. K. O. Isaac - Chairman & Managing Director

Dr. G. Subramanian - Director

Mr. V M Sankaran Nampoothiri – Director

Registered Office

71, Nehru Nagar Industrial Estate,
2nd Link Street, Kottivakkam,
Chennai – 600 041

Research & Development Centre

Falma Laboratories Annexe
No 54-A, Industrial Area
Hoskote
Bangalore- 562114

Auditors

M/s. Pratapkaran Paul & Co.,
Chartered Accountants
No.63, Kamaraj Avenue,
First street,
Adyar, Chennai - 600 020

Bankers

Axis Bank Limited
Chennai Main Branch
Chennai – 600041

Registrar & Transfer Agent

Cameo Corporate Services Limited
1, Subramaniam Building, Club House
Road,
Off Mount Road,
Chennai – 600 002
Ph.: (044) 28460390 (5 lines)

.Chairman's Message

Dear Shareholder,

The last year has been spent in trying to straighten out the numerous tangles faced by the Company, consequent to its ceasing most of its operations.

The Company's laboratory at Bangalore is focusing on just a few projects, which were funded by the Ministry of Science and Technology. It is hoped that some of the technologies will be revived and developmental issues completed so that these technologies can be out-licensed or sold.

The Company sees the year ahead as the most critical to its survival. This is therefore the time for all of us to rally around our Company and give it the support that is so essential to its revival.

K.O.Isaac
Chairman

NOTICE

**ABL BIOTECHNOLOGIES LTD.
No. 71, Nehru Nagar Industrial Estate,
2nd Link Street ,Kottivakkam, Chennai 600 041**

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held on Friday, September 28th, 2012 at 9.30 a.m. at Asha Nivas, 9, Rutland gate, 5th Street, Nungambakkam, Chennai – 600 034 to transact the following business: -

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, the Profit and Loss Account for the year ended on that date, the Directors' Report and the Auditors' report thereon.
2. To appoint Auditors of the Company and to fix their remuneration. M/s. Pratapkaran Paul & Co., Chartered Accountants, Chennai, the retiring Auditors, are eligible for re-appointment.

Special Business**Appointment of Managing Director**

1. To consider and if thought fit pass following resolution as an Ordinary resolution:

“ Resolved that Mr. K. O. Isaac who was appointed as Managing Director of the Company for a period of 3 years and whose term expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of the Managing Director of the Company be and is hereby appointed Managing Director of the Company for a further period of 3 years.

Further Resolved that the Board of Directors of the company be and are hereby authorized to do all acts, deeds and things which may be necessary to give effect to the above resolution”

**By order of the Board
for Abl Biotechnologies Limited**

**K O Isaac
Managing Director**

Place : Chennai
Date : 03/09/2012

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Shareholders of the Company are requested to approach a depository participant registered with either NSDL or CDSL for dematerialisation of their shares. The ISIN Number of the Company is INE707D01016.
3. Members are requested to notify immediately their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai 600 002.
4. The Register of Members and the Share Transfer Books will remain closed from 24/09/2012 to 28/09/2012 (both days inclusive).

Directors' Report

Your Directors present the 20th Annual Report, together with the Audited Accounts for the year ended on March 31, 2012.

Financials

During the year under review, the Company did not have any revenue generating business. All its efforts are now concentrated on its research activities, from which, it is hoped that its revival will commence. The Company recorded a loss of Rs.17.92 lakhs on account of Depreciation charges Rs. 6.77 lakhs, Misc. Expenses written off Rs. 499 lakhs and other overhead expenses of Rs. 537 lakhs.

Operations

Your Company has not conducted any business during last year but has focused itself at restructuring its operations and objectives, so as to take advantage of its experience and Intellectual property and become a full fledged technology provider.

- **R&D Division**

The research operations of the Company have been relocated successfully in leased premises at Bangalore. With the induction of qualified personnel and re-initiation of a few select programs, it is hoped that technology development efforts will lead the Company to greater success. The R & D activities were transferred to its 100% subsidiary **ABL Research Pvt.Ltd**, located in Bangalore.

The DHA Project

Your Directors are happy to inform that the Company's 22 litre pilot fermenter is operating well in the new Research Facility under a new team and fine tuning of various processes for the production of fatty acids is underway. Your Directors are also happy to inform that its efforts in pursuing Intellectual Property and filing patent applications in the USA, Europe and India have been successful. The Company hopes to attract partnerships in establishing commercial scale facilities for a number of Fatty Acids, in the days to come.

- **Formation of Special Purpose Vehicles**

Your Company has chosen a strategy of incorporating three new wholly owned subsidiaries of ABL Biotechnologies Ltd, in order to facilitate focus on activity and invite investments in the respective business segments. Accordingly three wholly owned subsidiaries were formed on 30th March 2011 as under:

ABL Research Pvt.Ltd, (R & D segment) a wholly owned subsidiary of ABL will now focus on select technologies and developmental objectives, with a view to market requirements and commercialisation objectives. As mentioned before it is functioning in full swing at Bangalore.

ABL Healthcare Pvt. Ltd (Formulation segment) a wholly owned subsidiary of ABL, will focus on formulation development and manufacture of various types of contract manufacturing businesses. It will seek to successfully commercialise over 450 formulations developed and enhanced them, in the days to come. It has not been activated yet.

ABL Lipids Ltd, (Fatty acids DHA Segment) a wholly owned subsidiary of ABL, will now focus on commercialisation and manufacture of a variety of Fatty Acids and derivatives for the international nutrition and pharmaceutical industry. Initially, major efforts are being focused at either Technology sale or Joint Ventures in the area of Lipids.

Listing

The shares of the Company are listed in the Mumbai and Luxemburg stock exchanges. The shares of the Company are traded in the demat form.

Corporate Governance

The Company continues to follow the code of Corporate Governance during the year under review. A separate report on the same is attached.

Deposits

Your Company has not accepted any deposits from public during the year under review.

Directors

Mr. K. O. Isaac, Managing Director's term expires and Company has received a notice in writing from a member under section 257 of the Act proposing his candidature for the office of the Managing Director of the Company.

Auditors

M/s. Pratapkaran Paul & Co., Chartered Accountants, Chennai, Auditors of the Company retire at the ensuing annual general meeting and are eligible for reappointment. A notice has been received under section 224(1B) of the Companies Act, 1956 from them confirming their eligibility for reappointment

Employees

Your Directors place on record their appreciation of the sincere and dedicated services rendered by all the employees during the year under review.

None of the employees have received remuneration in excess of the sum prescribed u/s 217(2A) of the companies Act 1956.

Directors' Responsibility Statement

The Directors confirm that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the Profit and Loss of the Company for that period.
- proper and sufficient care has been taken 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.
- the annual accounts are prepared on a going concern basis

Energy, Technology Absorption & Foreign Exchange

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, Technology absorption and Foreign Exchange earnings and outgo are given below:

Conservation of Energy

Energy conservation is not applicable to the biotechnology industry.

Technology Absorption

The technology for microbial metabolites is developed indigenously and hence absorption of foreign technology does not arise.

Foreign Exchange Earnings & Outgo

There were neither any earnings nor any expenditure in foreign exchange during the year.

Acknowledgement

The Board of Directors wishes to place on record its gratitude to the Department of Science and Technology, Department of Bio-Technology and the other Institutions / Organizations / Agencies who have supported the company during the year.

For and on behalf of the Board of Directors

Date : 03/09/2012
Place: Chennai

K. O. Isaac
Chairman and Managing Director

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

The Company is committed to the principles of good Corporate Governance. The Company is also committed to report financial information transparently and adequately. A judicious and continuous process of empowerment and accountability based on trust, faith and transparency forms the foundation of its growth.

During the financial year 2011-12 five (5) Board Meetings were held on 14.05.2011, 10.08.11, 5.09.11, 10.11.11, 13.2.12 The Annual General Meeting (AGM) was held on 30th September, 2011..

The composition and membership of the Board and other Board Committees of Directors and attendance of Directors at the Board of Directors meetings held during the financial year 2011-12 and the last AGM held on 30.09.2011 are given in this report.

2. Board of Directors

The Composition and category of Directors as on March 31st, 2012 is as follows:

Name of the Director	Category	Attendance Particulars		Number of other Directorships and Committee Members /Chairmanships		
		Board Meetings	Last AGM	Other Director-Ships	Committee Member-Ships (other than in ABL)	Committee Chairman-Ships (other than in ABL)
K. O. Isaac	Chairman and Managing Director	5	Yes	2	Nil	Nil
G. Subramanian	Independent Director	5	No	Nil	Nil	Nil
V M Sankaran Nampoothiri	Independent Director	5	No	1	Nil	Nil

The Board comprising of two independent directors out of the present strength of three Directors is in conformity with Clause 49 of the Listing Agreement.

3. Board Committees

a) Audit Committee:

The Primary Objective of the Audit Committee of the Company is to monitor and provide effective supervision of the Management's financial reporting process, with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The major terms of reference of this committee are as under:

Reviewing the financial statements with the Management before submission of the same to the Board.

Overseeing of Company's financial reporting process and disclosures of its financial information.

Reviewing the adequacy of the internal audit function.

Recommendation for appointment and removal of Statutory Auditors and fixation of audit fees.

Reviewing the reports furnished by the internal auditors and statutory auditors and ensuring suitable follow up thereon.

During the financial year four Audit Committee meetings were held on 14.5.11, 10.8.11, 10.11.11 and 13.2.12.

Composition and Attendance

Name of the Directors	No. of Meetings attended
Mr. V M Sankaran Nampoothiri Chairman	4
Dr. G. Subramanian Independent Director	2
Mr. K.O Isaac Managing Director	4

The Company derived immense benefit from the deliberations of the Audit Committee.

b) Remuneration Committee:

The Remuneration Committee comprises of two non-executive Directors:

Name of the Director
Dr. G. Subramanian - Chairman
Mr. V M Sankaran Nampoothiri - Member

No meeting of the Remuneration Committee was held during the year.

c) Shareholders / Investors' Grievance and Share Transfer Committee:

The Committee oversees the performance of share transfer agents and recommends measures to improve the shareholders'/investors' services. Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, conversion of shares and to ensure expeditious share transfers.

Meeting and Attendance:

The Shareholders / Investors' Grievance and Share Transfer Committee comprising of following Directors met 4 times during the year 2011-12.

Name of the Director	Meetings attended
Dr. G. Subramanian Chairman	2
Mr. V M Sankaran Nampoothiri Independent Director	4
Mr. K.O. Isaac Managing Director	4

The Managing Director Mr. K.O Isaac is the compliance officer.