

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

**2005 - 2006**

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***Indrayani***  
***Biotech Limited.***

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

## • Indrayani Biotech Ltd. •

14<sup>th</sup> Annual Report  
2005-2006.

**Indrayani Biotech Ltd.**

Village Markal, Taluka Khed, Dist Pune 412105.

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

### NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of INDRAYANI BIOTECH LIMITED will be held at the Registered Office of the Company, Village Markal, Taluka Khed, Dist. Pune 412 105, on Wednesday the 20th September 2006 at 9:00 A.M. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 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 Mr. Vishwanath Malpani who retire by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Vivek Malpani who retire by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

#### SPECIAL BUSINESS

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

"RESOLVED THAT Mrs. Manjula Malpani 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 her as a candidate for the office of a Director of the Company be and is hereby appointed as a Director of the Company."

6. 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, read with Schedule XIII and any other applicable provisions, if any of the Companies Act, 1956 consent of the Company be and is hereby accorded to the appointment of Mrs. Manjula Malpani as Managing Director of the Company for the period of three years with effect from 1<sup>st</sup> October 2005 on the following terms and conditions.

**Salary:** Rs.10000/- per month

(Rupees Ten Thousand and only per month)

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized 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 there under 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

### 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, 18 September, 2006 to Wednesday, 20 September, 2006 (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. 5, 6, above, 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	Vishwanath Malpani	Vivek Malpani	Manjula Malpani
Date of Birth	25.01.1928	13.10.1958	03.10.1961
Date of appointment	09.03.1992	06.06.1992	01.10.2005
Expertise in specific functional areas	Management & Law	Technology & Management	Management
Qualifications	Graduate	Msc, MBA	Technical Diploma
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	5700	224900	15800

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

#### ITEM NO. 5

In pursuance of section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors co-opted Mrs. Manjula Malpani as an additional director with effect from 30<sup>th</sup> September 2005. As per provisions of section 260 of the Companies Act, 1956 she holds office only upto the date of this annual general meeting. The Company has received notice alongwith deposit from a member proposing to appoint Mrs. Manjula Malpani as director of the Company. The Directors therefore recommend the resolution for your approval. Mrs. Manjula Malpani, Vivek Malpani and Vishwanath Malpani are concerned or interested in the said resolution.

#### ITEM NO. 6

At the Remuneration Committee Meeting and the Board Meeting held on 30<sup>th</sup> September 2005 Mrs. Manjula Malpani was 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 45 years old and has done technical diploma. The Resolutions set out in Item No. 6 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.

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

**R K Suvarna**  
Company Secretary.  
Place: Pune Date: 25<sup>th</sup> July, 2006.

## • Indrayani Biotech Ltd. •

### DIRECTORS' REPORT

Your Directors present herewith the Fourteenth Annual Report and the Audited Accounts for the year ended 31st March, 2006.

#### FINANCIAL RESULTS

The income during the year from all sources amounted to Rs.24,97,837/- and the total expenditure including depreciation of Rs.7,13,736/- amounted to Rs.31,82,967/-. There is no Tax Liability for the year and the Company made a net loss of Rs.21,35,551/- during the year as against loss of Rs.1,03,975/- in the previous year.

#### OPERATIONS

The Tissue Culture was the only activity of the company. Due to several new suppliers in the field, there is severe competition which has put pressure on pricing. Banana plants supplied in pockets of Vidharbha have performed well and in coming years the demand shall increase.

#### DIRECTORS

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

Mr. Vivek Malpani resigned from the post of managing director with effect from 30<sup>th</sup> September 2005. He continues to act as chairman and director of the Company.

Mrs. Manjula Malpani was appointed as additional director with effect from 30<sup>th</sup> September 2005. She holds office till the ensuing Annual General Meeting and being eligible offers herself for appointment as a director.

The Remuneration Committee and the Board of Directors, subject to your approval, have also appointed Mrs. Manjula Malpani as Managing Director of the Company for a further period a three years with effect from 1<sup>st</sup> October 2005.

#### 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, 2006, 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, 2006 on a "going concern" basis.

#### DEPOSITS

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

#### PARTICULARS OF EMPLOYEES

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

#### AUDITORS

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

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

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

### CORPORATE GOVERNANCE

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

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

During this year, five Board meetings were held on 15<sup>th</sup> April 2005, 9<sup>th</sup> July 2005, 30<sup>th</sup> September 2005, 31<sup>st</sup> October 2005 and 27<sup>th</sup> Jan 2006. Other details are given below:

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

- Company's directors are not holding directorships in other Indian Limited Companies.
- All directors had attended last Annual General Meeting.

#### 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 31<sup>st</sup> March 2006. A declaration to this effect signed by the Managing Director is given elsewhere in this annual report.

#### Audit Committee

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

The secretary acts as a secretary to the audit committee.

Audit Committee comprises of the following Non Executive Directors:

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

Four meetings of the Audit Committee were held as under:

Name of the member	No. of meetings	Attended	Dates of meeting
DrAD Karve	4	4	12 <sup>th</sup> April, 2005
Mr. VD Malpani.	4	4	6 <sup>th</sup> July, 2005
Dr. Vasant Hinge	4	4	31 <sup>st</sup> October, 2005 31 <sup>st</sup> January, 2006

#### Remuneration Committee

The Remuneration Committee consists of three non executive directors viz. Dr. A. D. Karve, Mr. V. D. Malpani and Dr. Vasant Hinge. The terms of reference of Remuneration Committee is to recommend/review the remuneration package of the Executive Directors, based on the performance and defined criteria. The Remuneration Committee met on 30<sup>th</sup> September 2005 to approve and recommend to the Board the remuneration payable to Mrs. Manjula Malpani, for a term of three years as a Managing Director with effect from 1<sup>st</sup> October 2005 subject Members of the Company. All three directors were present at the said meeting.

#### 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.750 per meeting.

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

The share transfer committee consists of any one Director and the Company Executive.

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.KSuvama and his designation is Company Secretary. The number of complaints received during the year is 47. The number of complaints not solved is 6 and there were no shares pending transfer for more than 30 days as on 31<sup>st</sup> March 2006.

#### 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:

30<sup>th</sup> September 2003 , 8<sup>th</sup> September, 2004 and 30<sup>th</sup> September, 2005 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 are as per note 2 to the accounts.

#### General Shareholder Information:

The fourteenth annual general meeting will be held on Wednesday, 20<sup>th</sup> September 2006 at 9AM at Village Markal Taluka Khed Dist Pune.

There is no resolution requiring postal ballot.

#### The company's equity shares are traded on the following stock exchanges:

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