

15th ANNUAL REPORT

2006-2007



Indrayani Biotech Limited.

VILLAGE MARKAL, TALUKA KHED, DIST PUNE 412 105.

• Indrayani Biotech Ltd. •

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|------------------------------|---|---|
| DIRECTORS | : | Mr. Vivek V. Malpani, Chairman Mrs. Munjula V. Malpani, Managing Director Dr. A. D. Karve Mr. Vishwanath D. Malpani Dr. Vasant K. Hinge |
| COMPANY SECRETARY | : | Mr. R. K. Suvarna |
| BANKERS | : | HDFC Bank UCO Bank |
| AUDITORS | : | M/s G. V. Madane and Company, Pune. |
| REGISTERED OFFICE | : | Village Markal, 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 Fifteenth 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 Thursday the 27th September, 2007 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, 2007 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 a Director in place of Dr. Vasant Hinge who retire by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

NOTE:

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, 25th September, 2007 to Thursday, 27th September, 2007 (both days inclusive).

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

R K Suvarna
Company Secretary.
Place: Pune
Date: 30th July, 2007

DIRECTORS' REPORT

Your Directors present herewith the Fifteenth Annual Report and the Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

The income during the year from all sources amounted to Rs.16,96,798/- and the total expenditure including depreciation of Rs.7,14,523/- amounted to Rs.23,56,451/-. There is no Tax Liability for the year and the Company made a net loss of Rs.12,95,240/- during the year as against loss of Rs.21,35,551/- in the previous year.

OPERATIONS

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

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

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2007, 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, 2007 on a "going concern" basis.

• Indrayani Biotech Ltd. •

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 28th April 2006, 25th July 2006, 20th September 2006, 31st October 2006 and 31st Jan 2007. Other details are given below:

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

- Company's directors are not holding directorships in other Indian Limited Companies. All directors had
- 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 31st March 2007. 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 292A 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 |
|--------------------|-----------------|----------|--------------------|
| Dr A D Karve | 4 | 3 | 28th April, 2006 |
| Mr. V D Malpani | 4 | 4 | 25th July, 2006 |
| Dr. Vasant Hinge | 4 | 4 | 31st October, 2006 |
| | | | 31st January, 2007 |

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. K. Suvarna and his designation is Company Secretary. The number of complaints received during the year is 48. The number of complaints not solved is 0 and there were no shares pending transfer for more than 30 days as on 31st March 2007.

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:

8th September, 2004, 30th September, 2005 and 20th September, 2006 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 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. 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 fifteenth annual general meeting will be held on Thursday, 27th September, 2007 at 9 AM at Village Markal Taluka Khed Dist Pune.

There is no resolution requiring postal ballot.