

**SEVENTH
ANNUAL REPORT
1998 - 99**



The Titan

TITAN BIOTECH LIMITED



BOARD OF DIRECTORS

Sh. D. G Ramaiah
Sh. G. N. Pathak
Sh. J. S. Varshney
Sh. Suresh Chand Singla
Sh. Naresh Kumar Singla (M.D.)

AUDITORS

N. C. Maheshwari & Co.
Chartered Accountants
17A/55, Triveni Plaza
W.E.A., Karol Bagh, New Delhi - 110005

BANKERS

Punjab & Sind Bank

REG. OFFICE & PLANT SITE

A-902 A, RIICO Industrial Area
Phase – III, Bhiwadi,
Distt. Alwar (Rajasthan)

Contents

Page No.

Notice

Director's Report

Annexure to Director's Report

Auditor's Report

Balance Sheet

Profit & Loss Account

Schedule Forming Part of Balance Sheet

Notes on Accounts

Cash Flow Statements



NOTICE

Notice is hereby given that the 7th Annual General Meeting of the Members of Titan Biotech Limited will be held at A-902A, RIICO, Industrial Area, Phase - III, Bhiwadi, Distt. Alwar (Rajasthan) on Thursday the 30th September, 1999 at 9.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G. N. Pathak who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. J. S. Varshney who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to authorise Board of Directors to fix their remuneration.

By order of the Board
for TITAN BIOTECH LIMITED

Place : New Delhi
Dated : 4th September, 1999

(Naresh Kumar Singla)
(Managing Director)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself. A proxy need not be a member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the Annual General Meeting.
2. The Share Transfer Books and the Register of Members of the Company will remain closed from 25th September, 1999 to 30th September, 1999 (both days inclusive).
3. Members who are holding shares in identical order of names in more than one folios are requested to write to the Company to consolidate their holdings in one folio.
4. Members are requested to intimate to the Company queries, if any, regarding these accounts/ notice at least 7 (seven) days before the meeting to enable the Management to keep the information ready at the meeting.
5. Members who wish to avail transport facility may send an intimation at A-2/3, Lusa Tower, Azadpur, Delhi. by 6.00 p.m. on 29th September 1999 the request received there after shall not be entertained.
6. Members are requested to kindly :
 - i) Quote their Registered Folio Number in all correspondence including change of address with the Company.
 - ii) To bring their copy of the Annual Report at the time of attending the Meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 7th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS :**(Rs. In Lacs)**

	Current Year 1998-99	Previous Year 1997-98
Sales	501.89	414.74
Gross Profit for the year before interest, depreciation and tax	26.65	14.99
Less : Interest	6.45	
Depreciation	<u>18.75</u>	13.72
Profit/Loss before tax	1.45	1.27
Provision for Taxation	0.15	0.13
Balance Carried to Balance Sheet	1.30	1.14

PERFORMANCE AND REVIEW

During the year under review the Company has carried out manufacturing as well as trading activities, which has resulted into a turnover of Rs. 501.89 lacs and earned cash profit of Rs. 23.40 lacs.

FUTURE PLANS

The Company is contemplating to undertake to appoint some additional dealers and is also undertaking to launch aggressive marketing and advertisement to tap the market.

FIXED DEPOSIT

During the period under review, the Company has not accepted the deposits. There are overdue or unclaimed deposits for the year ending 31st March, 1999 Rs. 7.29 Lacs.

DIRECTORS :

Mr. G. N. Pathak and Mr. J. S. Varshney Directors retire in this Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS :

M/s. N. C. Maheshwari & Co., Chartered Accountants, the retiring auditors of the Company have given their consent for re-appointment if made. They have also furnished a certificate of eligibility for re-appointment u/s 224(1) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. N. C. Maheshwari & Co. as auditors of your Company for the period from the conclusion of the 7th Annual General Meeting to the conclusion of next Annual General Meeting.

**AUDITORS' REMARKS**

The observations made by the Auditors with reference to notes on the accounts for the year under report are self explanatory and need no further comments from the Directors.

PARTICULARS REFERRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956

The Clause pertaining to conservation of energy and technology absorption is enclosed as annexure – A

PARTICULARS REFERRED U/S. 217 (2A) OF THE COMPANIES ACT, 1956

Particulars are NIL as there are no employees drawing remuneration of more than Rs. 50,000/- or more per month and/or Rs. 6,00,000/- or more per annum.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company had no earnings and outgo of foreign exchange.

INFORMATION AS PER CLAUSE 43 OF THE LISTING AGREEMENT

- a) Share of the Company has not been delisted.
- b) The Company securities have not been suspended from trading.
- c) The securities of the Company are listed at the stock exchanges and Annual Listing Fee are pending for payment.
 - 1. Jaipur Stock Exchange Ltd. — Stock Exchange Building,
J.L.N. Marg, Malviya Nagar, Jaipur - 17
 - 2. The Stock Exchange Bombay — Phirose Jeejeebhoy Tower,
Dalal Street, Mumbai
 - 3. The Delhi Stock Exchange Association — West Plaza, I. G. Stadium
Indraprastha Estate, New Delhi

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by the Banker, Government Agencies, Shareholders, Customers, and Depositors and wish to place on record their deep sense of commitment shown by the employees at all levels and acknowledge their contribution for its success.

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 4th September, 1999

Naresh Kumar Singla
Managing Director

Suresh Chand Singla
Director



ANNEXURE – A

FORM – A

Disclosure of particulars with respect to Conservation of Energy

A. Power and Fuel Consumption	Current year 31.03.1999	Previous Year 31.03.1998
1. Electricity		
<i>(a) Purchased</i>		
Units	98,565	1,39,317
Total Amount (in Rs.)	6,20,641	5,16,868
Rate/Unit (in Rs.)	6.29	3.71
<i>(b) Own Generation</i>		
<i>(i) Through Diesel Generator :</i>		
Units	22,418	22,884
Units per liter of Diesel	2.5 Unit/Ltr	2.9 Units/Ltr.
Cost/Unit (in Rs.)	4.00	2.59
<i>(ii) Through steam turbine/Generator :</i>		
Units	N. A.	N. A.
Units per liter	N. A.	N. A.
Fuel oil/gas (in Litre)	N. A.	N. A.
Cost/Unit (in Rs.)	N. A.	N. A.
2. Coal		
Quantity (Tonnes)	NIL	NIL
Total Cost (in Rs.)	NIL	NIL
Average rate per ton (in Rs.)	NIL	NIL
3. Furnace Oil		
Quantity (Kilo Litre)	NIL	N. A.
Total Amount (in Rs.)	NIL	N. A.
Average rate	NIL	N. A.
4. LDO for Boiler/Thermic F heater Amount		
HSD for Boiler (Amount)	2,70,954	90,821
No. of Hrs. TFH Run	2,258	721
Steam Generated	N. A.	N. A.
5. Other/Internal Generation		
Quantity	N. A.	N. A.
Total cost	N. A.	N. A.
Rate/Unit	N. A.	N. A.
B. Consumption per unit of production		
Unit of products		
1. Electricity (Units/Kg.)	6.30	6.30
2. LDO (Units/Kg.)	NIL	NIL
3. Coal	NIL	NIL
4. Others if any	NIL	NIL

B. TECHNOLOGY ABSORPTION :

The efforts made by the Company in Technology Absorption is as per Form - B

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company

Development activities of the Company are directed towards Energy Conservation, Pollution Control, Quality Improvement and Process Improvement in the existing Manufacturing System.

2. Benefit derived as a result of the above R & D

- I. The Company has been able to produce quality Biological products confirming to international standards.
- II. Cost effectiveness and cost consciousness.
- III. Improvement in specific consumption of energy.
- IV. Environment protection measures have given excellent results.

3. Future Plans of Action

The Company has planned to cover the following areas under the R & D Activities :—

- I. To provide complete basic facilities in carrying out basic and applied research related to Biotechnology Industry.
- II. Such facilities will include product approach, analytical aspects of raw material used and intermediates.
- III. Product innovation, process development/improvement through latest available world-wide technologies.
- IV. Constant efforts towards cost-effective measures in process innovation, better and effective means of packaging acceptable in the world-market.

4. Expenditure on R & D

	Current year 31.03.1999 (Rs.)	Previous Year 31.03.1998 (Rs.)
a) Capital	NIL	NIL
b) Recurring	78,553.41	21,423.58
c) Total	78,553.41	21,423.58
d) Total R & D Expenditure as a percentage of total turnover	0.014	0.052

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. The Company is endeavoring to bring in latest technologies for introducing new molecules.
2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development etc.**

The Company has developed its own technology for achieving high yield in Biological Peptones and Extract and Dehydrated Culture Media with special emphasis on process improvement.

3. Imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) :

The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

- a) Activities relating to exports , Initiative taken to increase exports, development of new markets for products and services and export plans : NIL
- b) Total foreign exchange earned and used : NIL

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 4th September, 1999

Naresh Kumar Singla
Managing Director

Suresh Chand Singla
Director



AUDITORS' REPORT

Auditor's Report to the Members of TITAN BIOTECH LIMITED

We have audited the attached Balance Sheet of TITAN BIOTECH LIMITED as at 31st March, 1999, also the profit & Loss account for the year ended on that date annexed there to and report that :—

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in the terms of Section 227 (4A) of the Companies Act, 1956, we give the annexure here to a Statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :—
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
 - b) In our opinion, proper books of account as required by the law have been kept by the Company, so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) The Balance Sheet and Profit & Loss Account comply with the mandatory accounting standard referred in sub section (3c) Of Section 211 Of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to notes on accounts and read together with the significant accounting policies and our comments in the enclosed annexure give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1999 ; and
 - ii) In the case of the Profit and Loss Account of the Company, of the profit for the year ended on that date.

for N. C. MAHESHWARI & CO.
Chartered Accountants

Place : New Delhi
Dated : 4th September, 1999

(N. C. Maheshwari) FCA, ACS
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date)

1. The Company is maintaining reasonable records showing full particulars including quantitative details and situation of fixed assets. A physical verification of assets is conducted in a phased manner by the Management which in our opinion is reasonable taking into account the nature of the assets and size of the business of the Company and no discrepancies have been noticed on such verification during the year.
2. None of the fixed assets have been revalued during the year.
3. In respect of finished goods, stores, spares part and raw material of the company physical verification have been conducted by the management at reasonable intervals.
4. The procedures of verification of stocks followed by the management during the year are reasonable and adequate in relation to size of the company and nature of its business.
5. As per information furnished by management, no material discrepancy was observed between physical inventories and the books, records and the same has been properly dealt in the books of account.
6. In our opinion the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles.
7. The Company has neither granted nor taken any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 and/or to the Companies under the same management within the meaning Sub-section (1-B) of Section 370 of the Companies Act, 1956.
8. The parties to whom the loans or advances in the nature of loans, have been given by the Company, are repaying the principal amounts as stipulated and are also regular in payment of the interest.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of raw material, plant & machinery, equipment and other assets etc.
10. There are no transaction of purchase goods and materials and sale of goods materials and services made in purchase of contracts or agreements entered in the register maintained under section 301 the Companies Act, 1956 and aggregating to Rs. 50,000/- or more during the year in respect of each party.
11. Unserviceable or damage stores, raw materials and finished goods have been determined and provisions of loss, if any has been made in the books of accounts.



12. The Company has not accepted deposits within the meaning of Section 58A of the Companies Act 1956 provisions of Companies (Acceptance of Public Deposit Rule 1975).
13. The Company has an internal audit system commensurate with its size and nature of its business.
14. The Company is maintaining reasonable records for sale and disposal of valuable scraps and products arising out of the manufacturing process of the Company.
15. Maintenance of cost records has not been prescribed by the Central Government U/S 209 (1) (d) of the Companies Act, 1956.
16. According to the information and explanations given to us, the provisions of the Employees Provident Fund Act is not applicable to the Company. Further, According to the records of the Company Employee State Insurance dues have been generally regularly deposited during the year with appropriate authorities.
17. There is no undisputed amount payable in respect of Income-tax, Wealth-tax, Customs duty and excise duty outstanding for a period of more than six months from the date they became payable.
18. During the course of our examination of books of account carried out in accordance with generally auditing practice, we have not come across any personal expenses other than expenses under contractual obligation and/or generally accepted business practices which have been charged to revenue.
19. The Company is not a sick industrial Company within the meaning of Clause (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of trading activities of the Company we are informed that there are no damaged stock.

for N. C. MAHESHWARI & CO.
Chartered Accountants

Place : New Delhi
Dated : 4th September, 1999

(N. C. Maheshwari) FCA, ACS
Partner



BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedules	Current Year As At 31.03.99 (Rs.)	Previous Year As At 31.03.98 (Rs.)
I. SOURCES OF FUNDS			
1) Shareholder's Fund			
Share Capital	A	5,53,87,000.00	5,53,87,000.00
2) Loan Funds			
a) Secured	B	42,34,922.26	13,39,895.95
b) Unsecured-Fixed Deposits		NIL	1,05,000.00
Total		5,96,21,922.26	5,68,31,895.95
II. APPLICATION OF FUNDS			
1) Fixed Assets	C		
Gross Block		4,64,86,518.01	4,60,04,257.49
Less : Depreciation		50,41,660.26	31,66,136.72
Net Block		4,14,44,857.75	4,28,38,120.77
Capital Advances		5,84,892.00	6,08,892.00
		4,20,29,749.75	4,34,47,012.77
2) Investment in Shares	D	12,93,300.00	12,93,300.00
3) Current Assets, Loans & Advances			
a) Closing Stock	E	1,06,57,161.00	70,60,392.75
b) Sundry Debtors	F	36,27,183.67	27,67,036.33
c) Cash and Bank Balances	G	6,05,180.70	5,78,447.90
d) Loans and Advances	H	10,94,910.18	10,08,078.90
		1,59,84,435.55	1,14,13,955.88
Less : Current liabilities & Provisions	I	25,58,859.36	26,63,549.25
Net Current Assets		1,34,25,576.19	87,50,406.63
4) Miscellaneous expenditure	J		
(To the extent not written off)			
Public Issue Expenses		22,41,002.61	25,61,145.84
Preliminary Expenses		1,08,680.00	1,26,680.00
Profit & Loss Account		5,23,613.71	6,53,350.71
		28,73,296.32	33,41,176.55
Total		5,96,21,922.26	5,68,31,895.95
Notes Forming Part and Significant Accounting Policies	K		

As per our report of even date

For and on behalf of the Board

for N. C. MAHESHWARI & CO.
Chartered Accountants

Naresh Kumar Singla
Managing Director

Suresh Chand Singla
Director

(N. C. Maheshwari) FCA, ACS
Partner
Place : New Delhi
Dated : 4th September, 1999



TRADING PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1999

	Schedules	Period Ending 31.03.99		Period Ending 31.03.98	
		Rs.	P.	Rs.	P.
I. INCOME					
Sales		5,01,89,273.15		4,14,74,413.80	
Other Income	L	1,18,382.05		2,28,086.40	
Closing stock	M	1,04,88,061.00		69,18,188.05	
		<u>6,07,95,716.20</u>		<u>4,86,20,688.25</u>	
II. EXPENDITURE					
Opening Stock		69,18,188.05		14,23,822.00	
Purchase	N	4,66,66,394.78		4,29,89,762.34	
Manufacturing & Operating Exp.	O	22,25,195.74		14,06,854.08	
Administrative, Selling & Other Exp.	P	26,27,313.36		11,92,245.92	
Depreciation on Fixed Assets		18,75,523.54		11,43,069.78	
Preliminary Exp. Written Off		3,38,143.23		3,38,143.23	
		<u>6,06,50,758.70</u>		<u>4,84,93,897.35</u>	
Profit/(Loss) before Tax		1,44,957.50		1,26,790.90	
Provision for Taxation		15,220.50		13,313.00	
Profit after Tax		<u>1,29,737.00</u>		<u>1,13,477.90</u>	
Net Profit/(Loss) Carried to Balance Sheet		<u>1,29,737.00</u>		<u>1,13,477.90</u>	
Notes to the forming part and Significant Accounting Policies	K				

As per our report of even date

For and on behalf of the Board

for N. C. MAHESHWARI & CO.
Chartered Accountants

Naresh Kumar Singla
Managing Director

Suresh Chand Singla
Director

(N. C. Maheshwari) FCA, ACS
Partner
Place : New Delhi
Dated : 4th September, 1999

SCHEDULE TO THE ACCOUNTS

SCHEDULE – A SAHRE CAPITAL

	Current Year		Previous Year	
	As At 31.03.99		As At 31.03.98	
	Rs.	P.	Rs.	P.
I. AUTHORISED				
60,00,000 Equity Shares of Rs. 10/- Each	6,00,00,000.00		6,00,00,000.00	
	<u>6,00,00,000.00</u>		<u>6,00,00,000.00</u>	
II. ISSUED, SUBSCRIBED & PAID UP				
55,38,700 Equity Sahres of Rs. 10/-				
Each fully paid up in cash	5,53,87,000.00		5,53,87,000.00	
	<u>5,53,87,000.00</u>		<u>5,53,87,000.00</u>	

SCHEDULE – B SECURED LOAN

Working Capital Loan with bank (Note 1)		
Cash Credit	40,02,442.75	13,39,895.95
Car Loan (Hypothecated Bank of America)	2,32,479.51	NIL
	<u>42,34,922.26</u>	<u>13,39,895.95</u>

NOTE – 1

Working Capital Loans from Bank are secured by hypothecation of Present and future stock of Raw Material, Stock in Process, Finished Goods and Plant & Machinery both present & future belonging to the Company and collaterally secured by way of equitable mortgage by deposit of title deeds in respect of Company immovable property situated at Bhiwadi Rajasthan together with building, fixture and erected / to be erected thereon and by personal guarantee of Directors.

TITAN BIOTECH LTD.



SCHEDULE TO THE ACCOUNTS CONTINUED

SCHEDULE - C FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Opening	Purchase/ Transfer	Sale/ Transfer	As On 31,03,99	UP TO 31.03.98	During 98-99	As On 31.03.99	Value 31.03.99	Value 31.03.98
Land Leasehold	1670452.00	NIL	NIL	1670452.00	NIL	NIL	NIL	1670452.00	1670452.00
Site Development	1274059.90	NIL	NIL	1274059.90	NIL	NIL	NIL	1274059.90	1274059.90
Furniture & Fixture	309982.00	NIL	NIL	309982.00	80698.59	19621.86	100320.45	209661.55	229283.41
Building	19768732.82	NIL	NIL	19768732.82	1376625.67	660275.70	2036901.37	17731831.45	18392107.15
Plant & Machinery	21705401.72	178060.52	NIL	21883462.24	1417485.50	1068343.34	2485828.84	19397633.40	20287916.22
Vehicle	1275629.05	304200.00	NIL	1579829.05	291326.96	127282.64	418609.60	1161219.45	984302.09
TOTAL	46004257.49	482260.52	NIL	46486518.01	3166136.72	1875523.54	5041660.26	41444857.75	42838120.77
Previous Year	39171896.63	16589957.78	9757596.92	46004257.49	2023066.94	1143069.78	3166136.72	42838120.77	37148829.69



SCHEDULE TO THE ACCOUNTS CONTINUED

SCHEDULE – D INVESTMENT

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 1999

Description	No. of shares	Cost As At 31.03.99		Cost As At 31.03.98	
		Rs.	P.	Rs.	P.
QUOTED					
SOM DUTT FINANCE LTD.	1000	40,800.00		40,800.00	
JAY RAPID ROLLER LTD.	17500	5,42,500.00		5,42,500.00	
ORTEN SYNTHETICS LTD.	8000	40,000.00		40,000.00	
R.R.B. SECURITIES LTD.	1300	1,95,000.00		1,95,000.00	
		8,18,300.00		8,18,300.00	
UNQUOTED					
TANITA IND. CREDIT LTD.	40000	4,00,000.00		4,00,000.00	
TANITA LEASING & FINANCE LTD.	7500	75,000.00		75,000.00	
		4,75,000.00		4,75,000.00	
Aggregate Cost as at 31.03.99		12,93,300.00		12,93,300.00	
Aggregate Market Price of quoted Investments as at 31.03.99		51,400.00		2,29,500.00	

SCHEDULE – E STOCK

(At Cost or market Price whichever is lower as certified by the Management)

I. Chemicals	29,946.00	53,529.00
II. Consumable Store	15,747.00	NIL
III. Packing Material	1,23,407.00	88,675.70
IV. Finished Goods	53,08,941.60	9,59,644.00
V. Raw Material	7,00,997.40	8,94,631.80
VI. Trading Stock	44,78,122.00	50,63,912.25
	1,06,57,161.00	70,60,392.75

SCHEDULE – F SUNDRY DEBTORS

(Unsecured, Considered good)

I. Debtors Outstanding for period exceeding six months	25,39,631.62	13,69,334.58
II. Others	10,87,552.05	13,97,701.75
	36,27,183.67	27,67,036.33



SCHEDULE TO THE ACCOUNTS CONTINUED

	Current Year As At 31.03.99		Previous Year As At 31.03.98	
	Rs.	P.	Rs.	P.
SCHEDULE – G				
CASH AND BANK BALANCES				
I. Cash in hand	1,58,991.70		1,61,385.90	
II. Balance with Schedule Bank & Other				
— In Current Account	NIL		NIL	
— In Deposit Account	4,46,189.00		4,17,062.00	
(Note including interest accrued)				
	<u>6,05,180.70</u>		<u>5,78,447.90</u>	
SCHEDULE – H				
LOANS AND ADVANCES				
I. Loans (Unsecured, Considered good)	6,73,200.00		6,98,933.00	
II. Tax Deducted at Source	26,596.00		59,746.50	
III. Share Application Money	70,000.00		70,000.00	
IV. Security Deposit	2,34,932.68		1,39,890.80	
V. Pre-Paid Expenses	32,108.50		38,609.00	
VI. Advance	50,000.00		899.60	
VII. Advance Excise Duty	8,073.00		NIL	
	<u>10,94,910.18</u>		<u>10,08,078.90</u>	
SCHEDULE – I				
CURRENT LIABILITIES AND PROVISIONS				
I. Expenses Payable	3,87,036.05		3,46,011.38	
II. Sundry Creditors	2,60,864.36		7,53,411.20	
III. FD Payable (including intt. accrued and due)	7,29,569.00		10,43,756.00	
IV. Other Liabilities	11,81,389.95		5,20,370.67	
	<u>25,58,859.36</u>		<u>26,63,549.25</u>	
SCHEDULE – J				
(MISCELLANEOUS EXPENDITURE)				
1) public Issue Expenses				
Opening Balance as on 1.4.97	25,61,145.84		28,81,289.07	
Less : Written off during the year	<u>3,20,143.23</u>		<u>3,20,143.23</u>	
		22,41,002.61		25,61,145.84
2) Preliminary Expenses				
Opening Balance as on 1.4.97	1,26,680.00		1,44,680.00	
Less : Written off during the year	<u>18,000.00</u>		<u>18,000.00</u>	
		1,08,680.00		1,26,680.00
PROFIT & LOSS ACCOUNT				
Opening Balance	6,53,350.71		7,66,828.61	
Less : Profit earned during the year	<u>1,29,737.00</u>		<u>1,13,477.90</u>	
		5,23,613.71		6,53,350.71
		<u>28,73,296.32</u>		<u>33,41,176.55</u>

SCHEDULE TO THE ACCOUNTS CONTINUED

	Current Year		Previous Year	
	As At 31.03.99		As At 31.03.98	
	Rs.	P.	Rs.	P.
SCHEDULE – L				
OTHER INCOME				
I. Other Miscellaneous Receipt		9,973.05		20,896.00
II. Interest Received		1,08,409.00		2,07,190.40
		1,18,382.05		2,28,086.40
SCHEDULE – M				
CLOSING STOCK				
i. Finished Goods		53,08,941.60		9,59,644.00
II. Raw Material		7,00,997.40		8,94,631.80
III. Trading Stock		44,78,122.00		50,63,912.25
		1,04,88,061.00		69,18,188.05
SCHEDULE – N				
MANUFACTURING AND OPERATING OVERHEAD				
I. Cartage Exp.		1,28,443.00		59,037.00
II. Power & Fuel Exp.		9,81,267.00		6,66,958.00
III. Repair & Maintenance Fac.		2,01,896.55		72,536.10
IV. Salary Factory		4,61,842.50		4,76,126.00
V. Water Expenses		72,235.00		33,594.00
VI. E.S.I.		14,858.50		16,224.00
VII. Lab. Expenses		78,553.41		21,423.58
VIII. Consumable Store		36,743.00		17,030.60
IX. Packing Material		1,97,381.78		43,924.80
X. Processing Charges		51,975.00		NIL
TOTAL		22,25,195.74		14,06,854.08

**SCHEDULE TO THE ACCOUNTS CONTINUED**

	Current Year		Previous Year	
	As At 31.03.99		As At 31.03.98	
	Rs.	P.	Rs.	P.
SCHEDULE – O				
ADMINISTRATIVE, SELLING & DISTRIBUTION OVERHEADS				
1. Advertisement	38,056.00		36,742.00	
2. Annual Listing Fees	20,750.00		28,750.00	
3. Audit Fee	15,000.00		15,000.00	
4. Bank Charges	31,161.81		26,967.05	
5. Books & Periodicals	7,501.00		1,175.00	
6. Business Promotion	2,000.00		NIL	
7. Commission Paid	71,540.00		33,255.70	
8. Conveyance	29,124.00		9,266.00	
9. Directors Sitting Fee	5,000.00		7,000.00	
10. Fee & Taxes	16,775.00		NIL	
11. Director Remuneration	72,000.00		60,000.00	
12. Economic Charges	9,777.00		16,786.00	
13. Filing Fee	740.00		360.00	
14. Discount	9,138.00		NIL	
15. Insurance	48,721.50		8,658.00	
16. Interest on O.D.	5,89,903.30		45,894.80	
17. Interest Paid on F.D.	4,132.54		1,58,433.80	
18. Legal & Professional Charges	28,942.00		37,562.00	
19. Miscellaneous expenses	23,102.50		10,865.67	
20. Office Maintenance	28,429.00		7,851.00	
21. Office Rent	1,62,287.75		1,10,033.00	
22. Postage & Telegram	80,964.75		14,239.50	
23. Printing & Stationery	2,62,203.10		1,15,345.45	
24. Salary - Staff	5,40,082.00		2,47,697.00	
25. Staff Welfare	61,648.16		26,847.25	
26. Telephone Expenses	1,40,111.20		38,183.45	
27. Travelling Expenses	1,67,868.44		58,558.75	
28. Vehicle Maintenance	67,165.51		42,270.50	
29. Water & Electricity Expenses	30,760.29		3,879.00	
30. Internal Audit Fee	6,000.00		6,000.00	
31. Interest Paid	52,507.51		24,625.00	
32. Tender Expenses	2,151.00		NIL	
33. Administrative Expenses	1,770.00		NIL	
TOTAL	26,27,313.36		11,92,245.92	

SCHEDULE – K**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICES :****1. ACCOUNTING CONCEPTS**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost convention and in accordance with applicable Accounting Standards & Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

2. FIXED ASSETS

Fixed assets as stated at cost of acquisition inclusive of freight, octroi and other direct and indirect cost thereof less depreciation except otherwise stated.

3. DEPRECIATION

Depreciation on fixed assets is provided on Straight Line Method in accordance with and at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added during the year is provided on prorata basis.

4. INVESTMENTS

- i) Investment are valued at their acquisition cost. As the investment has been made for long term purpose, due to which no provision has been made for the fall in the value of investment, which the Board of directors feels of temporary nature.
- ii) Share Application Money paid by the Company, pending allotment of shares have been shown as advances.

5. INVENTORIES

Inventories are valued at cost or market price whichever is less.

6. PUBLIC ISSUE EXPENSES

Public issue expenses has been written off over a period of 10 year.

7. AMORTISATION OF LEASEHOLD LAND & SITE DEVELOPMENT EXPENSES

The Company has not amortised the leasehold land and site development expenses.

8. PRELIMINARY EXPENSES

Preliminary expenses has been written off over a period of 10 year.

9. CONTINGENT LIABILITIES

Contingent liabilities are not provided for the disclosed by way of notes.

B. NOTES ON ACCOUNTS :

1. Contingent Liabilities not provided.	Current Year	Pre. Year
	31-3-99	31-3-98
Custom Dury which may arise if obligation for exports is not fulfilled against import of machinery of Rs. 2942000/- (Previous year 2942000/-)	675960.00	675960.00



2. Balance of Sundry Debtors and Sundry Creditors are subject to confirmation.

3. Auditors Remuneration	1998-99	1997-98
1. Audit Fee	7,500.00	7,500.00
2. Tax Audit Fee	2,500.00	2,500.00
3. Tax Consultancy Charges	2,500.00	2,500.00
4. Out of Pocket Exp.	2,500.00	2,500.00
	<u>15,000.00</u>	<u>15,000.00</u>

4. a) The Company has been advised that the computation of net profit for the purpose of Directors Remuneration under Section 349 of Company Act 1956 need not be enumerated since no commission has been paid to the Directors Fixed monthly remuneration has been paid to the Directors as per schedule XIII to the Companies Act 1956.

b) Managerial Remuneration :	Current Year	Pre. Year
Salary	72,000.00	60,000.00

5. Previous year figures have been re-worked, re-arranged re-grouped and re-classified wherever necessary.

6. Schedules from A to P form an integral part of the accounts for the year ended 31st March, 1999.

7. Information about Stock, Production, Purchases

A. LICENSED, INSTALLED CAPACITY & ACTUAL PRODUCTION

	Licensed/Registered Capacity	Installed Capacity	Production in Kg.
a) Peptone	N.A.	70 Mt	44217.10 Kg. (15582.50)Kg.
b) Extracts	N.A.	25 MT	2505.00 Kg. (11069.00)Kg.
c) Culture Media	N.A.	45 MT	1482.77 Kg. (12.00)Kg.
d) Enzyme	N.A.	---	500.00 Kg. (349.10)Kg.
e) Chemicals	N.A.	---	2007.25 Kg. (112.50)Kg.



	1998 - 99			1997 - 98	
	Unit	Qty.	Value	Qty.	Value
B. OPENING STOCK					
a) Peptone	Kg.	3700.50	6.26	1572.00	3.36
b) Extract	Kg.	426.00	1.07	172.00	0.19
c) Enzyme	Kg.	142.50	1.99	263.00	1.40
d) Chemicals	Kg.	116.25	0.20	NIL	NIL
e) Media	Kg.	10.50	0.07	NIL	NIL
f) Colour Sagami	Nos.	7739.00	10.99	NIL	NIL
g) Surgical Tape	Nos.	7150.00	10.87	NIL	NIL
h) Other	Nos.	7191.00	28.78	NIL	NIL
C. CLOSING STOCKS					
a) Peptone	Kg.	6935.50	37.82	3700.50	6.26
b) Extract	Kg.	937.25	5.19	426.00	1.07
c) Enzyme	Kg.	89.00	0.50	142.50	1.99
d) Chemicals	Kg.	838.00	4.52	116.25	0.20
e) Media	Kg.	920.35	5.06	10.50	0.07
f) Surgical Tape	Nos.	7150.00	10.87	7150.00	10.87
g) Hearing Aid	Nos.	279.00	3.34	NIL	NIL
h) Stick for Blind	Nos.	388.00	0.14	NIL	NIL
i) Braille Typewriter	Nos.	86.00	4.59	NIL	NIL
j) Colour Sagami	Nos.	NIL	NIL	7739.00	10.99
k) Other	Nos.	4905.00	25.84	7191.00	28.78
D. SALES					
a) Peptone	Kg.	40982.10	42.73	13416.00	17.35
b) Extract	Kg.	1993.75	3.86	10965.00	10.64
c) Enzyme	Kg.	553.00	2.07	301.60	1.09
d) Chemicals	Kg.	1285.50	1.28	52.75	0.11
e) Media	Kg.	572.92	3.93	1.50	0.03
f) Colour Sagami	Nos.	7739.00	11.84	35089.00	57.90
g) Hearing Aid	Nos.	8837.00	110.46	7255.00	90.77
h) Stick for Blind	Nos.	7827.00	3.36	NIL	NIL
i) Braille Typewriter	Nos.	2083.00	111.52	NIL	NIL
j) Braille Watch	Nos.	28201.00	49.91	NIL	NIL
k) Wheel Chair	Nos.	15492.00	105.65	5761.00	41.16
l) Surgical Tape	Nos.	NIL	NIL	22225.00	39.38
m) Other	Nos.	36291.00	55.28	20208.00	156.31

D1. PURCHASE

a) Raw Material	Kg.	38782.20	23.12	24937.10	16.10
b) Enzyme	Kg.	195.00	1.33	217.00	1.80
c) Chemicals	Kg.	14321.32	7.85	5394.25	4.80
d) Hearing Aid	Nos.	9116.00	109.39	7255.00	87.78
e) Stick for Blind	Nos.	8198.00	3.28	NIL	NIL
f) Braile Typewriter	Nos.	2169.00	114.95	NIL	NIL
g) Braile Watch	Nos.	28201.00	46.53	NIL	NIL
h) Wheel Chair	Nos.	15492.00	100.70	5761.00	38.14
i) Colour Sagami	Nos.	NIL	NIL	42828.00	60.97
j) Surgical Tape	Nos.	NIL	NIL	29375.00	44.65
k) Other	Nos.	34005.00	59.51	127397.00	175.58

E. CONSUMPTION OF RAW MATERIAL

a) Indigenous (Rs. in Lacs)					(34,23)
b) As a % of Total					100%
					(100%)
c) Imported (Rs. in Lacs)					NIL
d) As a % of Total					NIL
F. Value of imports on C.I.F. Basis			NIL	NIL	NIL
G. Expenditure in Foreign Currency			NIL	NIL	NIL
H. Earning in Foreign Exchange			NIL	NIL	NIL

8. Additional information as required on pursuant to para IV to Schedule VI of Companies Act, 1956 is annexed.

SIGNATURES TO SCHEDULES

As per our report of even date attached.

For and on behalf of the Board of Directors

for N. C. MAHESHWARI & CO.
Chartered Accountants

Naresh Kumar Singla
Managing Director

Suresh Chand Singla
Director

(N. C. Maheshwari) FCA, ACS
Partner

Place : New Delhi
Dated : 4th September, 1999

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999**

(Rs. in Lacs)

Particulars	31.03.99 Amount	31.03.98 Amount
A. CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before Tax and Extra-Ordinary Items	1.45	1.27
Adjustment for :		
Depreciation	18.75	11.43
Interest Paid	6.47	2.29
Other Income Received	1.18	2.28
Dividend	0.00	0.00
Preliminary Expenses Written Off	3.38	3.38
Operating Profit before Working Capital Changes	28.87	16.09
Adjustments for :		
Trade and Other Receivables	- 9.47	42.36
Inventories	- 35.97	- 55.38
Trade Payables	- 1.05	2.46
Cash Generated from Operations	- 17.62	5.53
Interest Paid	- 6.46	- 2.29
Other Income Received	1.18	2.28
Provision for Income Tax	- 0.15	- 0.13
Cash Flow Before Extraordinary Items	- 23.05	5.39
Extraordinary Items/Misc. Expenditures		
Net Cash From Operating Activities	- 23.05	5.39
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	- 4.58	- 9.13
Sale of Fixed Assets	0.00	0.00
Purchase of Investments	0.00	0.00
Sale of Investments	0.00	0.00
Net Cash used in investing Activities	- 4.58	- 9.13

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issue of Share Capital	0.00	0.00
Proceeds from issue of Log Term Borrowings	0.00	0.00
Proceeds from issue of Short Term Borrowings	27.90	3.23
Dividend Paid	0.00	0.00
Net Cash Used in Financing Activities	27.90	3.23
Net increase in cash and cash equivalents	0.27	- 0.51
Cash and Cash Equivalents as at 31.03.1998	5.78	6.29
Cash and Cash Equivalents as at 31.03.1999	6.05	5.78

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 4th September, 1999

Naresh Kumar Singla
Managing Director

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of Titan Biotech Limited derived from the audited statement for the year ended 31st March, 1999 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of listing agreements with the Stock Exchanges.

for N. C. MAHESHWARI & CO.
Chartered Accountants

Place : New Delhi
Dated : 4th September, 1999

(N. C. Maheshwari) FCA, ACS
Partner



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. : 1 3 3 8 7 State Code : 1 7 (Refer Code List 1)
 Balance Sheet Date : 3 1 0 3 9 9
 Date Month Year

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue NIL	Right Issue NIL
Bonus Issue NIL	Private Placement NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 0 0 0 5 9 6 2 2	Total Assets 0 0 0 5 9 6 2 2
--------------------------------------	---------------------------------

Source of Funds

Paid Up Capital 0 0 0 5 5 3 8 7	Reserve & Capital NIL
Secured Loans 0 0 0 0 4 2 3 5	Unsecured Loans 0 0 0 0 0 0 0

Application of Funds

Net Fixed Assets 0 0 0 4 1 4 4 5	Investments 0 0 0 1 2 9 3
Net Current Assets 0 0 1 3 4 2 5	Misc. Expenditure 0 0 0 2 3 5 0
Accumulated Losses 0 0 0 0 5 2 3	

IV. Performance of Company (Amount in Rs. Thousands)

Total Income 0 0 0 5 0 3 0 7	Total Expenditure 0 0 5 0 1 6 2
Profit Before Tax 0 0 0 0 1 4 5	Profit After Tax 0 0 0 0 1 3 0
Earning Per Share NIL	Dividend Rate % NIL

v. Generic Names of Three Principal products/Service of Company (As per monetary terms)

Item Code No. (ITC Code)	3 5 0 4 0 0 0 1
Product Description	Biological Peptones
Item Code No. (ITC Code)	3 5 0 4 0 0 0 9
Product Description	Biological Extracts
Item Code No. (ITC Code)	3 5 0 4 0 0 0 9
Product Description	Dehydrated Culture Media