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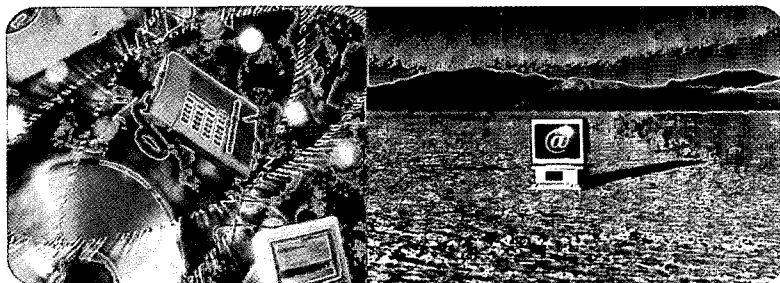
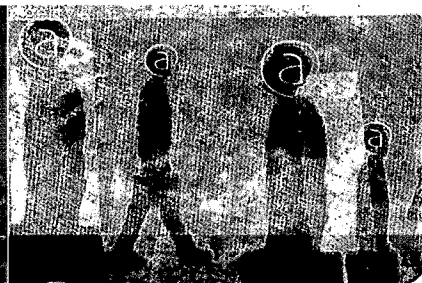
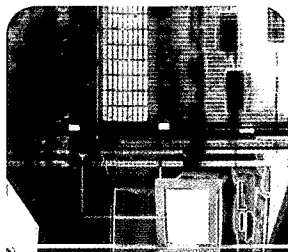
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26TH

ANNUAL REPORT 2008-2009

NEEMTEK ORGANIC PRODUCTS LTD.

# NEEMTEK



NEEMTEK ORGANIC PRODUCTS LTD.

**Neemtek Organic Products Limited**  
**(Formerly Known as Ishwar Textiles Limited)**

**26th**

**ANNUAL REPORT**

2008-2009

**Neemtek Organic Products Limited**  
**(Formerly Known as Ishwar Textiles Limited)**

**Registered office**

No- 304 Maker Chambers V,  
Nariman Point,  
Mumbai- 400 021

**Factory**

Plot No- 1/273 A, MBT Road  
Yeranthangal Village  
Katpadi Taluk  
Vellore Deistrict  
Tamil Nadu 632 519

**Board of Directors**

Mr. Prem Rajani  
Ms. Salisha Chandra  
Mr. Ajay Shanghavi

**Auditors**

N. Subramanian  
Chartered Accountants  
No.45, Dr. Ranga Road,  
Mylapore, Chennai – 600 004.

**Registrars**

Mondkar Computers Private Limited  
21, Shakil Niwas  
Mahakali Caves Road  
Andheri (East)  
Mumbai- 400 093

**Bankers**

Axis Bank Mumbai / Vellore  
Hdfc -Vellore

**Company Secretary and Chief Financial Officer**

K. Venkataramani

**NEEMTEK ORGANIC PRODUCTS LIMITED**

Regd. Office 304, Maker Chambers V, Nariman Point, Mumbai- 400 021

**NOTICE**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of Neemtek Organic Products Limited, will be held at 11 am on Wednesday, the 30<sup>th</sup> day of September, 2009, at Sunvile Banquet & Conference Rooms (Imperial Hall), Dr. Annie Besant Road, Worli, Mumbai - 400 030 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2009 and the Profit and Loss Account for the year ended on that date and the report of Directors and auditors thereon.
2. To appoint a Director in the place of Mr. Ajay P. Shanghavi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company for the ensuing year and to fix their remuneration.

**SPECIAL BUSINESS:**

1. Change of Name:

“RESOLVED that u/s section 21 of The Companies Act, 1956 and subject to the approval of the shareholders of the Company, the name of the Company be and is hereby changed from “NEEMTEK ORGANIC PRODUCTS LIMITED” to “NETE INTERACTIVE LIMITED”.

Mumbai,

29<sup>th</sup> August 2009

By Order of the Board of Directors

sd/-

K.VENKATARAMANI  
CFO & COMPANY SECRETARY

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. The proxy form has to be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting
2. Register of members and Share Transfer books will remain closed from September 24<sup>th</sup> to September 30<sup>th</sup> 2009 (both days inclusive).
3. Explanatory statement as per provisions of Sec 173(2) of the Companies Act, 1956 is appended.
4. Members/Proxies are advised to bring their copy of the Annual Report and Attendance Slip while attending the meeting.
5. Members seeking any information with regard to accounts are required to write to the Company at the earliest so that the same could be kept ready.

**EXPLANATORY STATEMENT:**

The Company has changed the main object clause from Neem Business to that of Information Technology by approval through postal ballot and now it was decided by the Board of Directors to change the name of the Company which was found apt to the proposed new line of activity of the Company.

The proposal for the change of name will require the approval of the Shareholders of the Company in Annual General Meeting and the Special resolution set out in the Notice convening the meeting is intended to obtain such approval.

The Board recommends to the Shareholders to approve the above proposed Special resolution.

None of the Directors of the Company is interested or concerned in the proposed Resolution.

Mumbai,

By Order of the Board of Directors

29<sup>th</sup> August 2009

sd/-

K.VENKATARAMANI  
CFO & COMPANY SECRETARY

**NEEMTEK ORGANIC PRODUCTS LIMITED**  
**Regd. Office, 304, Maker Chambers V, Nariman Point Mumbai – 400 021**

**DIRECTORS' REPORT**

To The Members,

Your Directors take pleasure in presenting the 26<sup>th</sup> Annual Report of the Company together with the audited statements for the year ended March 2009, along with the Report of Auditors thereon.

FINANCIAL RESULTS	(Rs. Lacs)	
	2008-09	2007-08
Total Income	167.76	128.00
Total Expenditure	151.53	125.52
PROFIT BEFORE TAX (PBT)	16.23	2.48

The Directors take pleasure that Company has improved its performance over the previous year and has achieved better profit.

**DIVIDEND**

Nevertheless, in view of accumulated losses, your Directors are not in a position to recommend any dividend.

**REVIEW OF OPERATIONS:**

During the year under review, your Company was able to improve on the yield parameters which generated good results. The products of your Company have found universal acceptance for their quality and efficacy. Now with the change in the line of business, efforts would continue better our standards set for ourselves in the changed scenario.

**MANAGEMENT ANALYSIS:**

Your Company, has decided to exit the neem business and enter the information technology business for which the necessary approvals have been obtained from the members by postal ballot. The response of members to the postal ballot was very good and the Directors place on record their appreciation for participation of members.

The coming years would witness growth in the information technology business and other businesses that the Company envisages to embark upon. The Company also proposes to go for a change of name in line with the changed business activity and seeks shareholder approval for the same.

#### DIRECTORS:

Mr Ajay P. Shanghavi, Director of your company retires by rotation and being eligible, has offered himself for reappointment.

#### DEMATERIALISATION OF SHARES:

The Company has admitted its Equity shares in the Depository System of Central Depository Services (India) Ltd (CSDL) & National Securities Depository Services Ltd(NSDL). The ISI number allotted to the Company is 'INE706D01018'.

#### REGISTRAR & SHARE TRANSFER AGENTS:

M/s Mondkar Computers Pvt Ltd., continue to be the Registrar for providing share transfer services as well as demat connectivity with NSDL and CSDL

#### AUDITORS:

The auditors of your company viz CNGSN & Associates resigned due to personal reasons and this having created a casual vacancy, your Directors have appointed Shri N. Subramanian, Chartered Accountant, No.45, Dr. Ranga Road, Chennai 600 004 as auditors to continues the function.

#### PARTICULARS OF EMPLOYEES:

During the year under review, the Company has not employed any person who was in receipt of remuneration exceeding the sum prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

#### DEPOSITS:

The Company has not accepted any deposit from public. There were no unclaimed or unpaid deposits as on March 31, 2009.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 2009 and of the Profit and Loss of the Company for the year ending on that date.
- iii. The Directors have taken proper and sufficient care of 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; and



- iv. That the Directors have prepared the Annual Accounts on going concern basis.

**CONSERVATION OF ENERGY' TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING:**

The information pursuant to Sec. 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed.

**ACKNOWLEDGEMENT:**

The Board of Directors thank the Company's Promoters, Auditors, stake holders, Bankers and employees for their continuous support.

Mumbai  
29.08.2009

For and on behalf of the Board of Directors

Sd/-

Ajay P.Shanghavi  
DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

### I. CONSERVATION OF ENERGY

The Company has achieved significant saving in power consumption and consumption of fuel through its untiring endeavours for betterment.

### 2. RESEARCH AND DEVELOPMENT :

i. The Company, through the process of continuous research, has been able to introduce two new variants of its Organic Manure which have got good acceptance in the market.

ii. Benefits derived from R&D

The Company has successfully introduced two products in the market. Further samples of Organic shampoo and hair cream have been submitted for trial

iii. Future plan of action:

With the change in business, the Company will direct its energies accordingly.

iv. Expenditure on R&D

Being in-house research effort, no major expenditure identifiable to R&D had been incurred.

### 3. TECHNOLOGY ABSORPTION AND INNOVATION:

As mentioned in foregoing paras, products have been introduced with success.

### 4. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Nil

Mumbai  
29.08.2009

For and on behalf of the Board of Directors

Sd/-

Ajay P. Shanghavi  
DIRECTOR

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS  
OF  
NEEMTEK ORGANIC PRODUCTS LIMITED**

- 1) I have audited the attached balance sheet of M/s. Neemtek Organic Products Limited., as at 31<sup>st</sup> March, 2009 and the profit and loss account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on this financial statement based on my audit.
- 2) I conducted my audit in accordance with auditing standards generally accepted in India. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government issued in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, I enclosed in the annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order.
- 4) Further to my comments in the annexure referred to in paragraph 3 above, I report (subject to point No.9 contained in the Annexure to the Auditor's report) that:
  - (a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
  - (b) In my opinion, proper books of account as required by law have been kept by the company so far as it appears from my examination of those books.
  - (c) The balance sheet and the profit and loss account, dealt with by this report, are in agreement with the books of account.
  - (d) In my opinion, the balance sheet and the profit and loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.

(e) On the basis of the written representations, received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

(f) In my opinion and to the best of my information and according to the explanations given to me, 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 principles generally accepted in India.:

- i. In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2009 &
- ii. In the case of profit and loss account, of the **Profit** for the year ended of that date

Sd/-

Place: Chennai  
Date : 29.08.2009

N.SUBRAMANIAN  
CHARTERED ACCOUNTANT

## **ANNEXURE TO THE AUDITORS' REPORT**

*( Referred to in 3 of my report of even date )*

1) The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets. Fixed Assets have been physically verified by the Management during the year based on a phased programme of verifying all the assets over three years, which in my opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. There were no discrepancies noticed on such verification. There was no disposal of fixed assets during the year.

2) The Inventory has been physically verified during the year by the management. In my opinion, the frequency of such verification is reasonable. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3) In my opinion and according to the information and explanations given to me, the Company has not granted any loan, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has taken loan, from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In my opinion and according to the information and explanations given to me, the interest and other terms of loans taken are prima facie not prejudicial to the interest of the company. The terms of repayment of the principal on the loans are not specified in respect of the loans taken. Therefore I am unable to comment on whether the company is regular in repayment of principal amount.

4) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of goods and services. During the course of my audit, no major weakness has been noticed in the internal control.

5) In my opinion and according to the information and explanations given to me, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained in pursuance of section 301 of the Companies Act, 1956.

6) In my opinion and according to the information and explanations given to me, the company has not accepted any deposit from the public and therefore compliance with the provisions of section 58A and 58 AA of the Companies Act, 1956 do not arise.

7) In my opinion, the company's internal audit system is adequate with the size and nature of its business.

8) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

9) According to the information and explanations given to me and on the basis of my examination of Books of account, the company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Customs Duty and Cess during the year with appropriate authorities, *except for an undisputed sales tax liability of Rs.133547/-which has been due by the company for more than six months from the date of when they became due for payment.*

10) According to the information and explanations given to me and on the basis of my examination of Books of account, there were no undisputed amounts payable in respect of Wealth Tax, Service Tax, Customs Duty and Excise Duty, which are outstanding as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they become payable.

11) The accumulated losses of the Company is not more than fifty percent of its net worth and the company has not incurred cash losses during the financial year covered by my audit.

12) In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to a financial institution or bank.

13) According to the information and explanations given to me, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the order, are not applicable to the company.

15) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.

16) According to the information and explanations given to me the company has not given any guarantee for loans taken by others from banks or financial institutions.

17) In my opinion and according to the explanations given to me, there are no term loans have been obtained during the year, except inter corporate deposits from M/s. Neo Neem Extractions (P) Ltd and cash credit from M/s. Axis Bank Limited, Vellore.

18) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short term basis have been used for long term investment of the company and vice-versa.

19) According to the information and explanations given to me the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.

20) According to the information and explanations given to me the company has not made any issue of secured bonds during the year under audit. Hence the relevant paragraph is not applicable.

21) According to the information and explanations given to me the company has not raised money by public issues during the year.

22) To the best of my knowledge and belief and according to the information and explanations given to me, no fraud by the company has been noticed or reported during the year.

Place: Chennai  
Date :29.08.2009

Sd/-  
N.SUBRAMANIAN  
CHARTERED ACCOUNTANT



**NEEMTEK ORGANIC PRODUCTS LIMITED**

**Balance Sheet as on 31st March 2009**

<b><u>Sources of Funds</u></b>	<b><u>Sch. No.</u></b>	<b><u>As at 31-3-2009</u></b>	<b><u>As at 31-3-2008</u></b>
<b><u>Shareholders Funds</u></b>			
( a ) Share Capital	<b>I</b>	18,310,000	18,310,000
( b ) Reserves & Surplus	<b>II</b>	2,734,401	2,734,401
<b><u>Loan Funds</u></b>			
(a)Secured Loans	<b>III</b>	3,504,240	2,529,556
(b) Unsecured Loans		7,156,000	4,300,000
<b>Total</b>		<b>31,704,641</b>	<b>27,873,957</b>
<b><u>Application of Funds</u></b>			
		<b><u>As at 31-3-2009</u></b>	<b><u>As at 31-3-2008</u></b>
<b><u>Fixed Assets</u></b>			
( a ) Gross Block	<b>II</b>	4,293,213	4,293,213
( b ) Less : Depreciation		1,839,949	1,359,493
	<b>Net Block</b>	<b>2,453,264</b>	<b>2,933,720</b>
Technological Work in Progress		2,751,600	2,751,600
Trial Run Expenses		552,489	631,417
Current Assets, Loans & Advances	<b>III</b>		
Stock in Hand ( As certified by the Management )		1,779,092	1,618,624
Sundry Debtors	<b>VI</b>	16,638,733	11,598,587
Cash and Bank Balances	<b>VII</b>	28,540	86,871
Interest Receivables		34,273	34,273
Loans, Advances & Deposits	<b>VIII</b>	5,662,926	5,739,878
Less: Current Liabilities & Provisions	<b>IX</b>	24,143,564	19,078,233
Current Liabilities		5,841,781	7,201,987
Provisions		268,120	69,900
	<b>Net Current Assets</b>	<b>6,109,901</b>	<b>7,271,887</b>
		<b>18,033,663</b>	<b>11,806,346</b>
Misc. exp. to the extent not written off or adjusted	<b>X</b>	-	450,817
Profit & Loss Account (Dr.)		(7,913,625)	(9,300,057)
<b>Total</b>		<b>31,704,641</b>	<b>27,873,957</b>
Statement of Significant Accounting policies adopted by the company and Notes forming part of Accounts	<b>XV</b>	-	-

As per my report of even date

Sd/-  
Director

Sd/-  
Director

Sd/-  
**N.Subramanian**  
Chartered Accountant

Sd/-  
**K. Venkataramani**  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 29.08.2009

**NEEMTEK ORGANIC PRODUCTS LIMITED**

**Profit & Loss Account for the year ended 31st March 2009**

<b><u>Income</u></b>	<b><u>Sch. No.</u></b>	<b><u>As at 31-3-2009</u></b>	<b><u>As at 31-3-2008</u></b>
Sales		16,539,997	13,157,022
Interest Income		-	92,945
Other Income		27,734	-
Increase/(Decrease) in stock	XI	208,368	(449,590)
		<b>16,776,099</b>	<b>12,800,377</b>
<b><u>Expenditure</u></b>		<b><u>As at 31-3-2009</u></b>	<b><u>As at 31-3-2008</u></b>
Direct Expenses	XII	9,617,484	7,303,650
Employees' Remuneration & Benefits	XIII	1,742,400	1,752,682
Operative & Administrative Expenses	XIV	2,051,457	2,308,587
Depreciation	IV	480,456	480,455
Interest & Finance Expenses		1,261,069	706,384
		<b>15,152,866</b>	<b>12,551,758</b>
Profit & (Loss) for the year before tax		1,623,233	248,619
Add/(Less) : Prior Period Expenses		38,581	(5,282)
Provision for Taxation		183,965	27,570
Provision for Fringe Benefit Tax		14,255	43,302
Profit & (Loss) for the year after tax		<u>1,386,432</u>	<u>172,465</u>
Excess/Short Provision		-	-
		<u>1,386,432</u>	<u>172,465</u>
Add/(Less) : Excess/(Deficit) brought forward from previous year		(9,300,057)	(9,472,522)
Balance carried to Balance Sheet		<b>(7,913,625)</b>	<b>(9,300,057)</b>
Nominal Value of Equity Shares		10/-	10/-
Basic & Diluted Earning Per Share		0.76	0.09

Statement of Significant Accounting policies adopted by the company and Notes forming part of Accounts

XV

As per my report of even date

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**N.Subramanian**  
**Chartered Accountant**

Sd/-  
**K. Venkataramani**  
**Company Secretary and Chief Financial Officer**

Place : Chennai  
Date : 29.08.2009

**Schedule- IV****Schedule of Fixed Assets (As per Companies Act, 1956 )**

For the financial year ending on 31.03.2009

SR. NO.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		COST ON 1-Apr-08	ADDITION / (DELETION)	COST ON 31-Mar-2009	AS ON 1-Apr-08	FOR 31-Mar-2009	UP TO 31-Mar-2009	W.D.V. AS AT 31-Mar-2009	W.D.V. AS AT 31-Mar-08
(a)	Plant & Machinery	4,074,534.00	-	4,074,534.00	1,238,265.00	458,271.00	1,696,536.00	2,377,998.00	2,836,269.00
(b)	Computers	79,000.00	-	79,000.00	66,251.00	8,500.00	74,751.00	4,249.00	12,749.00
(c)	Office Equipment	139,679.00	-	139,679.00	54,977.00	13,685.00	68,662.00	71,017.00	84,702.00
		<b>4,293,213.00</b>	<b>-</b>	<b>4,293,213.00</b>	<b>1,359,493.00</b>	<b>480,456.00</b>	<b>1,839,949.00</b>	<b>2,453,264.00</b>	<b>2,933,720.00</b>

**NEEMTEK ORGANIC PRODUCTS LIMITED****Schedule - I****Share Capital**

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
50000 4% Cumulative Redeemable Non convertible Preference Shares of Rs.100/- each	5000000.00	5000000.00
2500000 Equity shares of Rs. 10/- each	<u>25,000,000.00</u>	<u>25,000,000.00</u>

Issued, Subscribed & Paid-up Capital  
 1831000 Equity Shares of Rs.10/- each }  
 Fully Paid up.

18310000 18310000.00

18,310,000.00 18,310,000.00

**Schedule - II****RESERVES & SURPLUS****Security Premium**

Balance as per last account

2320000.00 2320000.00

Investment Allowance Reserve

414401.00 414401.00

2,734,401.00 2,734,401.00

**Schedule III****SECURED LOANS**

Cash credit limit from bank ( Secured by hypothecation of Fixed and Current Assets of the company backed up by Personal Guarantee. of Director )

3504240.00 2529556.00

**UNSECURED LOANS**

Advance For Trade

26000.00

Neo Neem Extractions P Ltd

7130000.00 4300000.00

10,660,240.00 6,829,556.00

**Schedule V****TRIAL RUN EXPENSES**

Opening Balance

631417.00 710343.00

Add: Additions

0.00 0.00

Less : Written off during the year

78928.00 78926.00

552,489.00 631,417.00

**Schedule VI****Sundry Debtors**

(Unsecured, Considered Good)

Outstanding for a period exceeding six months

8705780.00 8468767.00

Others

7932953.00 3129820.00

16,638,733.00 11,598,587.00

**Schedule VII****Cash and Bank Balances**

Cash in Hand

10714.00 280.00

Balance with Bank

In Current Account

With Scheduled Bank:

Central Bank of India

1109.00 1109.00

With Others :

HDFC Bank

5.00 5.00

Axis Bank

0.00 0.00

Centurion Bank, Vellore

1903.00 25234.00

Axis Bank, Vellore (CC)

5690.00 51124.00

Fixed Deposits

9119.00 9119.00

28,540.00 86,871.00

Schedule VIII

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Loans, Advances & Deposits (Unsecured, Considered Good)		
Advance Taxes	97196.00	86954.00
Advance Receivable in cash or in kind or for value to be received	5235330.00	5322524.00
Sundry Deposits	330400.00	330400.00

5,662,926.00

5,739,878.00

Schedule IXCurrent Liabilities & ProvisionsCurrent Liabilities

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Sundry Creditors (Includes Rs.1378843/- To company Secretary towards reimbursement of expenditure incurred on behalf of company Previous year Rs.783309/-)	2193422.00	6087855.00
Outstanding Expenses	3648359.00	1114132.00
Provisions		
Provision for Income Tax	204965.00	21000.00
Provision for Fringe Benefit Tax	63155.00	48900.00

6,109,901.00

7,271,887.00

Schedule XMiscellaneous Expenditure to the extent  
not written offRights Issue Expenses

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Balance as per last account	450817.00	901637.00
Add: During Current Year	0.00	
Less : Expenditure written off	450817.00	450820.00
	-	450,817.00

Schedule XIINCREASE/(DECREASE) IN STOCK

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Opening Stock	1570724.00	2020314.00
Closing Stock	1779092.00	1570724.00
	208,368.00	(449,590.00)

Schedule XIIDIRECT EXPENSES

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Purchases	9528479.00	7088830.00
Consumables	1049.00	7159.00
Wages	4725.00	16666.00
Security Wages	14191.00	33578.00
Power & Fuel	14085.00	36112.00
Freight Charges	21205.00	60969.00
Insurance - Factory	32286.00	38596.00
Stores & Spares	1464.00	21740.00
	9,617,484.00	7,303,650.00

Schedule XIIIEMPLOYEES' REMUNERATION & BENEFITS

	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Salaries, Commission and allowances	1600428.00	1439033.00
Employees welfare fund contribution	93845.00	67967.00
Staff Welfare Expenses	48127.00	245682.00
	1,742,400.00	1,752,682.00

Schedule XIV

<u>OPERATIVE &amp; ADMINISTRATIVE EXPENSES</u>	<u>As at 31-3-2009</u>	<u>As at 31-3-2008</u>
Rent	205800.00	277040.00
Professional Fees	373999.00	381102.00
Electricity Expenses	4540.00	10529.00
Telephone & Internet Expenses	100781.00	89533.00
Travelling & Conveyance	315128.00	408009.00
Business Promotion	0.00	30,137.00
Printing & Stationery	39,635.00	75,961.00
Audit Fees	45,111.00	61,333.00
Other Operating Expenses	134,161.00	58,286.00
Miscellaneous Expenses	28,770.00	127,464.00
Listing Fees	11,084.00	10,000.00
Advertising Expenses	44,860.00	32,988.00
Processing Fees	91,706.00	42,500.00
Statutory Fees	8,994.00	21,672.00
RTA charges	0.00	1,683.00
Rights Issue Expenses W/off	450,817.00	450,820.00
Trial Run Expenses W/off	78,928.00	78,926.00
Repair & Maintenance	117,143.00	150,604.00
	<b>2,051,457.00</b>	<b>2,308,587.00</b>

## NEEMTEK ORGANIC PRODUCTS LIMITED

### SCHEDULE" 15"

#### STATEMENT OF SINGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY AND NOTES FORMING PART OF THE ACCOUNTS.

##### A. Statement of Significant Accounting Policies adopted the Company:

##### 1. Accounting Policies:

##### a) Basis of preparation of Financial Statement

Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India (ICAI) and the provision of Companies Act, 1956.

##### b) Use of Estimates:

The presentation of financial statements in conformity with GAAP requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

##### 2 Fixed Assets and Depreciation:

Fixed Assets, both tangible and intangible, are stated at cost of acquisition / construction. Cost includes taxes, duties, freight and other incidental expenses related to acquisition/construction. Interest on borrowings (if any), to finance acquisition /construction of fixed assets are capitalized. Depreciation is calculated on SLM basis as per the Schedule XIV of the Companies Act, 1956.

##### 3 Inventories:

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and cost incurred in bringing inventoried to their present location and condition. The comparison of costs and realizable value is made on an item-by-item basis.

##### 4 Revenue Recognition:

Revenue /Income is generally accounted on accrual basis as they are earned, except in case of significant uncertainty.

##### 5 Retirement Benefits:

- a) Contribution to the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Pension Scheme, 1995 are made at a predetermined rate.
- b) The Company at present does not have any other retirement benefit scheme for its employees.

6. **Taxation:**

Income-tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws been enacted or substantively enacted by the Balance Sheet date at the end of the financial year. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**B. Notes Forming Part of the Accounts:**

1. The Company had taken Cash Credit of Rs. 35.00 Lacs from a bank by creating first charge on its Current Assets.

2. Auditor's Remuneration :

	2007-2008	2007-2008
	Rupees	Rupees
Internal Audit fees	10111	13484
Statutory Audit	25000	35112
Certification & Taxation Matters	10000	12736
<b>Total</b>	<b>45111</b>	<b>61332</b>

3. Future rental obligation in respect of premises taken on operating lease. The rental arrangements are renewable.

	2008-2009	2007-2008
	Rupees	Rupees
i) for a period not later than one year	Nil	Nil
ii) for a period not later than five years	Nil	Nil
iii) for a period later than five years	Nil	Nil

4. Earnings per Shares is calculated as follows:

	31.03.2009	31.03.2008
	Rupees	Rupees
Profit /(Loss) after Tax	1425013	177747.85
Less: Prior Period Expenses	38581	5282
Add: Excess Provision	0.00	0.00
Net Profit for EPS	1386432	172465.85
Weighted Average Number of Shares	1,831,000	1,831,000
Basic and diluted earning per share	0.76	0.09



5. **Capital Working –in Progress**

The Technological Capital work in progress amounting to Rs. 2751600/-incurred in Earlier years pertain to the expenditure incurred by the company for acquisition of intellectual property and understanding of the market for various categories of proposed herbo- pharma and FMGC product range . Both these proposed items need an increase in the purity level of the core product for which further work and investment are required. As such this pertains to the technological work-in progress and is accordingly classified by the management. Being a technical matter auditors have relied upon the judgment of the management

6. Miscellaneous Expenditure is written off over a period of five years and Trail Run Expense is written off over a period of Ten years
7. Confirmations of balance have been received in respect of major Creditors and Debtors except for Loans and Advances.
8. Advances recoverable in cash or in kind or for value to be received includes Rs.5123442/-, given to parties in earlier years in pending recovery over a long period of time. The auditors have relied upon the judgment of the management that the advances are duly classified and are fully realizable.
9. Previous year's figures have been regrouped/recast wherever necessary.
10. Additional Information pursuant to the provisions of paragraph 3,4 and 4d of the part II Schedule VI of the Companies Act,1956
- A) Details regarding goods manufactured, turnover, and opening stock, closing stock, licensed and installed capacity as on 31<sup>st</sup> March-2009.

Product	Opening Stock (Kgs)	Inwards(Kgs)	Outwards (Kgs)	Closing Stock (Kgs)
Aza Tech	240.570	1328.000	1412.000	156.570

Installed Capacity of Plant: 5 Tones per annum on single shift

B) **RAW MATERIALS CONSUMED**

Particulars	Quantity	Value (Rs)
Diesel	800 Ltrs	29456
Solvent	2006 Kgs	135703
Neem Oil	69806 Kgs	6095564

C) **Value of Imported & Indigenous Raw materials Consumed & % thereof to total Consumption**

Imported	Nil
Indigenous	100%

D) Value of Opening / Closing stocks

Particulars	Opening stock Value (Rs.)	Closing stock Value (Rs.)
Diesel	14211	15204
Solvent	9155	125306
Neem Oil	91611	521917
Recovered Hexane	78260	102770
Aza Tech	1037612	700574
Spent Neem Oil	339875	313311
Organic Manure	0	0
Stores & spares stock	0	0

As per my report of even date

Sd/-

Director

Sd/-

Director

Sd/-

**N. Subramanian**  
Chartered Accountant

Sd/-

**K. Venkataramani**  
Company Secretary & Chief Financial Officer

Place : Chennai  
Date : 29.08.2009

**NEEMTEK ORGANIC PRODUCTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

	31.03.2009		31.03.2008
	Amt(Rs.)	Amt(Rs.)	Amt(Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) Before tax		1,386,432	248,620
Add: Adjustments			
Interest Income	-		(732)
Excess/Short Provisions	-		-
Interest Expenses	1,261,069		706,384
Depreciation	480,456		480,455
Loss on sale of fixed assets	-	1,741,525	-
Prior period expenses		-	(5,282)
Operating Profit before Working Capital Changes		3,127,957	1,429,445
(Increase)/Decrease in Debtors	(5,057,459)		(5,804,446)
(Increase)/Decrease in Stock	(208,368)		401,690
(Increase)/Decrease in Deposits	-		95,000
(Increase)/Decrease in Deferred revenue expenses	-		529,746
(Increase)/Decrease in Other current assets	-		-
(Increase)/Decrease in loans & advances	(659,330)		87,541
Increase/(Decrease) in Current Liabilities	324,936		1,763,876
Increase/(Decrease) in Provisions	-		(29,384)
		(5,600,221)	(2,955,977)
Net Cash from Operating Activities (A)		(2,472,264)	(1,526,532)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest Income		-	732
Purchase of fixed assets		-	(220,600)
Proceeds from Sale of Fixed Assets		-	-
Sale of Investments		-	-
Net Cash used in Investing Activities (B)		-	(219,868)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Secured loans from UTI Bank Ltd		975,000	79,729
Increase/(Decrease) in Unsecured loans from Neo Neem Extractions (P) Ltd		2,700,000	2,300,000
Fresh Issue of Capital			
Interest Expenses Paid		(1,261,069)	(706,384)
Loan Repayment-Geodesci Information Systems			
Net cash used in Financing Activities (C)		2,413,931	1,673,345
Net Increase in Cash & Cash Equivalents during the year (A+B+C)		(58,333)	(73,055)
Add: Opening balance as on 31.03.2008		86,873	159,928
Cash & Cash Equivalents as on 31.03.2009		28,540	86,873

As per my report of even date

Sd/-  
Director

Sd/-  
Director

Sd/-  
**N.Subramanian**  
Chartered Accountant

Sd/-  
**K. Venkataramani**  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 29.08.2009

**Neemtek Organic Products Limited**  
**(Formerly Known as Ishwar Textiles Limited)**

Register Office No- 304 Maker Chambers V, Nariman Point, Mumbai- 400 021

**ATTENDANCE SLIP**

I hereby record my/our presence at the 26<sup>th</sup> annual General Meeting of the company held on Wednesday Sept. 30, 2009 at 11.00 a.m. at Sunville banquet & Conference Rooms (Orchid Room) Dr, Annie Besant Road, Worli, Mumbai- 400 030.

Full Name of the shareholder (in Block Letters) \_\_\_\_\_

Father's/Husband's Name \_\_\_\_\_

Folio No./Dp ID/ Client ID \_\_\_\_\_

Full name of proxy, if applicable \_\_\_\_\_

Signature \_\_\_\_\_

Note : Shareholder/proxy holder wishing to attend the meeting must handover the duly signed attendance slip at the entrance.

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**Neemtek Organic Products Limited**  
**(Formerly Known as Ishwar Textiles Limited)**

Register Office No- 304 Maker Chambers V, Nariman Point, Mumbai- 400 021

**PROXY FROM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of Neemtek organic products limited hereby appoints(S) \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ of failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/ our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday Sept. 30, 2009 at 11.00 a.m. Sunville banquet & Conference Rooms (Orchid Room) Dr, Annie Besant Road, Worli, Mumbai- 400 030.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2009

Folio No/DP ID/ Client ID : \_\_\_\_\_

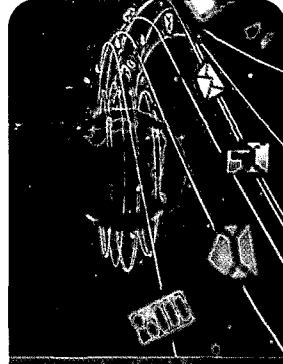
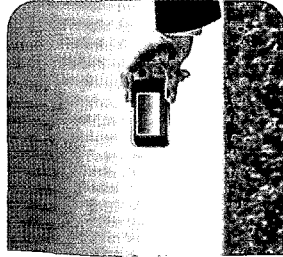
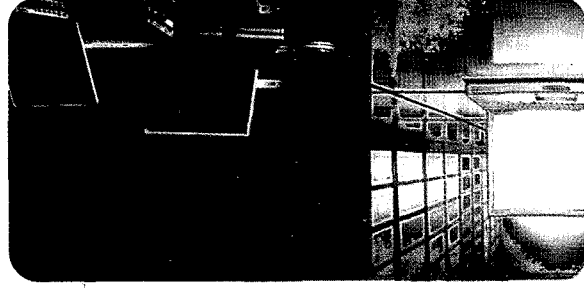
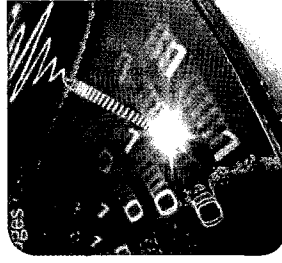
No. of Shares held ; \_\_\_\_\_

Signature : \_\_\_\_\_

Re.1  
Revenue  
Stamp

Note: The proxy from duly Completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

NEEMTEK



NEEMTEK ORGANIC PRODUCTS LTD.

N E E M T E K

**Neemtek Organic Products Ltd.**

304, Maker Chambers V,

Nariman Point,

Mumbai - 400 021

Tel No.2204 2891

Fax No.2288 4834