

AUDITOR'S REPORT

We have audited the attached Balance Sheet of Institute for Stemcell Biology and Regenerative Medicines, Bangalore as at 31st March, 2011 and also the Income & Expenditure Account of the Institute along with the Receipt and Payment Accounts for the year ended on that date.

These financial statements are the responsibility of Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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. We believe that our audit provides a reasonable basis for our opinion and we report that:

- (1) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- (2) The said financial statements are in agreement with the books of accounts maintained by the Institute.



- (3) In our opinion, proper books of accounts have been kept by the Institute so far as it appears from our examinations of the books.
- (4) In our opinion and to the best of our information and according to explanation given to us, the said accounts read together with the Accounting Policies and Notes thereon, give a true and fair view in case of:
- (i) the Balance Sheet, of the state of affairs of the Institute as at 31st March, 2011;
 - (ii) Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date;
 - (iii) the Receipts and Payments Account for the year ended on that date

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN 000038N


(V. Rajaraman)
Partner
M.No.02705

Place : New Delhi
Date : 07-12-2011



INSTITUTE FOR STEMCELL BIOLOGY AND REGENERATIVE MEDICINE
(Registered Under The Karnataka Societies Registration Act, 1960)
GKVK, BELLARY ROAD, BANGALORE 560065

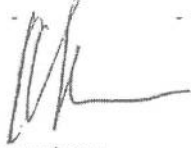
BALANCE SHEET AS AT 31st MARCH 2011

LIABILITIES	Sch	(Amt. in Rs.)	
		As at 31/03/2011	As at 31/03/2010
CAPITAL RESERVES	1	194,384,376.44	36,930,040.44
UNUTILISED GRANT/PROJECT FUNDS:-			
CAPITAL GRANT	2	156,210,001.00	220,717,691.00
REVENUE GRANT	3	-	-
PROJECTS	4	<u>5,466,491.00</u>	34,372,294.00
CURRENT LIABILITIES AND PROVISIONS	5	4,347,349.00	3,256,524.00
TOTAL		<u>360,408,217.44</u>	<u>295,276,549.44</u>
ASSETS			
FIXED ASSETS	6	194,276,409.44	37,413,817.44
CURRENT ASSETS, LOANS AND ADVANCES	7	166,131,808.00	257,862,732.00
TOTAL		<u>360,408,217.44</u>	<u>295,276,549.44</u>
Significant Accounting Policies and Notes on Accounts	12		

vide our report of even date
For Thakur, Valdyanath Aiyar
Chartered Accountants
Firm Reg.No 000038N

V. Rajaraman
Partner
M.No. 02705
Place: Bangalore
Date :


Pradip Pyne
Head, Administration & Finance


K. Vijayaraghavan
Officiating Director

INSTITUTE FOR STEMCELL BIOLOGY AND REGENERATIVE MEDICINE:
(Registered Under The Karnataka Societies Registration Act, 1960)
GKVK, BELLARY ROAD, BANGALORE 560065

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

(Amt in Rs.)

INCOME	Schedule	Current Year	Previous year
Grants/Subsidies	8	29,954,336.00	38,070,669.00
Receipts towards Projects (To the extent amount spent)	4	2,891,835.00	-
Other Income	9	347,885.00	-
TOTAL		33,194,056.00	38,070,669.00
EXPENDITURE	Schedule	Current Year	Previous Year
Establishment Expenses	10	12,826,022.00	4,587,761.00
Operational & Maint. Expenses	11	66,565,650.12	31,544,438.00
Depreciation on Fixed Assets	6	10,166,698.00	2,172,683.56
Less: Transferred from Capital reserve		(10,166,698.00)	(2,172,683.56)
TOTAL		79,391,672.12	36,132,199.00
Excess of Expenditure over Income		(46,197,616.12)	1,938,470.00
Balance transferred to Unutilised Revenue Grant Account	3	(46,197,616.12)	1,938,470.00
Significant Accounting Policies and Notes on Accounts	12		

vide our report of even date
For Thakur, Vaidyanath Aliyar
Chartered Accountants
Firm Reg.No 000038N

V.Rajaraman
Partner
M.No. 02705
Place: Bangalore
Date :

Pradip Pyne
Head, Administration & Finance

K.Vijayaraghavan
Officiating Director

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Balance Sheet

	As at 31/03/2011	(Amt. in Rs.) As at 31/03/2010
SCHEDULE-1 CAPITAL RESERVE		
Opening Balance	36,930,040.44	-
Add:- Capital Grant/Project fund Utilised transferred from Unutilised Capital Grant/Project fund	167,621,034.00	39,102,724.00
	<u>204,551,074.44</u>	<u>39,102,724.00</u>
Less: Depreciation on assets acquired out of Grants & Project fund transferred to Income & Expenditure Account	10,166,698.00	2,172,683.56
	<u>194,384,376.44</u>	<u>36,930,040.44</u>
 SCHEDULE-2 UNUTILISED CAPITAL GRANT	As at 31/03/2011	As at 31/03/2011
Opening Balance	220,717,691.00	204,433,824.00
Less:- Unutilised Grant on 1.04.09 transferred to- Unutilised Revenue Grant of last year	-	32,433,824.00
Less:- Utilised during the year transferred to Capital Reserve	167,029,290.00	39,102,724.00
	<u>53,688,401.00</u>	<u>132,897,276.00</u>
Add:- Grant Received during the year	95,000,000.00	79,013,000.00
Add:- Interest on Capital Grants	7,521,600.00	8,807,415.00
	<u>156,210,001.00</u>	<u>220,717,691.00</u>
 SCHEDULES 3- UNUTILISED REVENUE GRANT	As at 31/03/2011	As at 31/03/2011
Balance as on 01.04.2010	34,372,294.00	-
Add:- Transferred from balance Utilised	-	32,433,824.00
Add:- Transferred from Income & Expenditure Account	(46,197,616.12)	1,938,470.00
	<u>(11,825,322.12)</u>	<u>34,372,294.00</u>
Less:- Transferred to Recoverable Grants Account	11,825,322.12	
	<u>-</u>	<u>34,372,294.00</u>

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Balance Sheet

SCHEDULE 4-PROJECT FUNDS

SL No.	Project Title	Funding Agency	Grant Received	Expenditure		Total Expenditure	Balance As at 31/03/2011
				Capital	Revenue		
1	Characterization of Guanylyl Cyclase in Hydra	Department of Science & Technology	812,000.00	275,760.00	224,642.00	500,402.00	311,598.00
2	The mechanisms of RNA -Mediated regulations of Stemcell function in planarian schmidtea Mediterranea	WT-DBT Alliance			20,800.00	20,800.00	(20,800.00)
3	Welcome Trust DBT Alliance KNAI screen for novel genes regulating self-renewal & pluripotency	WT-DBT Alliance	6,030,829.00	315,984.00	1,470,335.00	1,786,319.00	4,244,510.00
4	of embryonic stem(ES) CELLS.	WT-DBT Alliance	1,426,053.00	-	386,974.00	386,974.00	1,039,079.00
5	ICMR DBT Meeting	ICMR	89,444.00	-	21,340.00	21,340.00	68,104.00
6	CSIR Fellowship	CSIR	-	-	98,000.00	98,000.00	(98,000.00)
7	CSIR Fellowship	CSIR	-	-	78,000.00	78,000.00	(78,000.00)
			8,358,326.00	591,744.00	2,300,091.00	2,891,835.00	5,466,491.00

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Balance Sheet

	(Amt. in Rs.)	
	As st	As st
SCHEDULE 5-CURRENT LIABILITIES AND PROVISIONS	31/03/2011	31/03/2010
A) CURRENT LIABILITIES		
1.Sundry Creditors		
a)For Goods	5,423.00	395,313.00
b)Others	3,865,410.00	2,848,319.00
2.Statutory Liabilities	249,299.00	12,892.00
3.Deductions from Salary other than Tax	227,217.00	-
	<u>4,347,349.00</u>	<u>3,256,524.00</u>

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Balance Sheet

SCHEDULE 6 - FIXED ASSETS

DESCRIPTION	As on 1st April 2010	GROSS BLOCK		Balance as on 31st March 2011	Rate	As on 1st April 2010	DEPRICIATION Additions	Upto 31st March 2011	NET BLOCK	
		Additions	Deductions						As at 31st March 2011	As at 31st March 2010
(A) Own Funds										
Laboratory Equipment	26,087,476.00	27,530,802.00	-	53,618,278.00	15%	1,939,422.93	9,429,472.00	11,368,894.93	42,249,383.07	24,148,053.07
Computer Equipment	507,138.00	328,829.00	-	835,967.00	60%	145,211.78	478,081.00	623,292.78	212,674.22	361,926.22
Office Equipment	587,669.00	656,427.00	-	1,244,096.00	15%	72,562.23	188,980.00	261,542.23	982,553.77	515,106.77
Furniture & Fixture	416,373.00	36,207.00	-	452,580.00	10%	15,486.62	67,245.00	82,731.62	369,848.38	400,886.38
Capital/ Building under work in progress	11,987,845.00	145,017,740.00	7,132,459.00	149,873,126.00		-	-	-	149,873,126.00	11,987,845.00
(B) Project Funds										
Furniture & Fixture	-	315,984.00	-	315,984.00	10%	-	1,472.00	1,472.00	314,512.00	-
Laboratory Equipment	-	275,760.00	-	275,760.00	15%	-	1,448.00	1,448.00	274,312.00	-
Total	39,586,501.00	174,161,749.00	7,132,459.00	206,615,791.00		2,172,683.56	10,166,698.00	12,339,381.56	194,276,409.44	37,413,817.44

** Includes Rs 14,04,08,203/- (PV Rs.69,54,867/-) advance paid towards Building and Equipment.

Institute for Stemcell Biology and Regenerative Medicine

(Amt in Rs)

Schedules forming part of Balance Sheet

SCHEDULE 7- CURRENT ASSETS, LOANS, ADVANCES ETC.

A. CURRENT ASSETS:

Bank Balances:

With Scheduled Bank:

	As at 31/03/2011	As at 31/03/2010
-in Current Account	122,905,124.38	5,538,663.00
-in Fixed Deposit Accounts (includes margin money)	18,000,000.00	140,905,124.38
	140,905,124.38	253,738,663.00

(A)

B. LOANS, ADVANCES AND OTHER ASSETS

Interest accrued on Deposits	2,341,814.00	831,591.00
Advances to staff	133,290.00	1,150,885.00
Advances for Expenses	778,884.50	983,785.00
Advance to Supplier	5,000,000.00	-
Other Recoverable	2,447,488.00	-
Tax Deducted At Source on Interest	869,885.00	177,808.00
Security Deposit	1,830,000.00	980,000.00
Recoverable Grant from Dept. of Biotechnology	11,825,322.12	-
	25,226,683.62	4,124,069.00

(B)

(A) + (B)

166,131,808.00 **257,862,732.00**

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Income & Expenditure Account

SCHEDULE 8 - REVENUE GRANTS	(Amt in Rs)	
	Current Year	Previous Year
From Department of Biotechnology- Government of India	28,783,000.00	35,831,000.00
Add:- Interest received on the above Grants	<u>1,171,336.00</u>	<u>2,239,669.00</u>
Total	<u>29,954,336.00</u>	<u>38,070,669.00</u>

SCHEDULE-9 Other Income

Provision No Longer Required
Sale of Tender forms

Total

Current Year	Previous Year
345,625.00	-
<u>2,260.00</u>	<u>-</u>
<u>347,885.00</u>	<u>-</u>

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Income & Expenditure Account

SCHEDULE 10 - ESTABLISHMENT EXPENSES	(Amt in Rs)	
	Current Year	Previous Year
Salaries & Wages	12,248,443.00	4,555,761.00
Honorarium	100,468.00	32,000.00
Group Gratuity	214,168.00	-
Group Leave Encashment	93,028.00	-
Leave Salary Contribution	48,024.00	-
Pension Contribution	121,891.00	-
	12,826,022.00	4,587,761.00

SCHEDULE 11 - OTHER ADMINISTRATIVE EXPENSES		
	Current Year	Previous Year
Laboratory Consumables & Expenses	43,352,801.62	14,483,165.00
Computer Consumables	42,409.00	185,122.00
Printing Stationery	292,511.00	140,182.00
Bank Charges	66,777.00	5,411.00
Communication Charges	148,227.00	97,382.00
Meetings and Workshop	5,619,986.00	5,369,384.00
Advertisement Charges	78,744.00	29,642.00
Consultancy Fees	347,571.00	70,991.00
Contingency	1,658,928.50	1,938,631.00
Repair & Maintenance Charges	4,080,258.00	2,735,462.00
Rent including Lease Rent	1,843,329.00	1,088,833.00
Security Charges	602,453.00	94,203.00
Audit Fees	53,605.00	35,000.00
Travel Expenses	5,486,215.00	5,271,030.00
Project Fund Expenditure:-		
Fellowship	1,338,400.00	
Travel Expenses	29,974.00	
Assets Purchased	591,744.00	
Laboratory consumables	910,177.00	
Contingency	21,540.00	
	2,891,835.00	
TOTAL	66,565,650.12	31,544,438.00

Institute for Stemcell Biology and Regenerative Medicine

Schedules forming part of Accounts

SCHEDULE 12 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Preparation of Financial Statements

The Financial Statements have been prepared on historical cost convention basis following the accounting policies as applicable to charitable organisations

Significant Accounting Policies/Notes

Income from Interest on Bank deposits and expenses are accounted on accrual basis.

Fixed Assets & Depreciation:

- Fixed Assets are valued at Cost less Depreciation. Cost includes all attributable cost in bringing the assets to its working condition for the intended use.
- The depreciation has been charged on Written Down Value basis at the applicable Income Tax rates at the prorata basis
- The cost of the fixed assets acquired out of the utilisation of project funds are credited to Capital Reserve by debit to the asset account concerned. Depreciation charged on these assets are met out of an equal amount transferred from Capital Reserve.

NOTES ON ACCOUNTS

i. Grant

Capital Grant and Revenue Grant mentioned in the accounts represents Non recurring and Recurring Grant received from Department of Bioechnology (Govt of India).

ii. Lease Rent

University of Agriculture Science has allotted 20 acres of land on lease. As per the terms of letter, the Institute has to pay a lease amount of Rs.5 Lacs annually and the same has been accounted as Lease Rent.

iii. Taxation:

The Society is registered under Section 12A of the Income Tax Act, 1956 as a Trust and hence no provision for tax is made since the Society has no taxable income.

iv. Receipts from Project Funds

Out of the amount of Rs.83,58,326/- received towards Project Funds, a sum of Rs.28,91,835/- has been spent both on capital and revenue account and the same amount is recognised as income. The balance unutilised amount has been shown as "Project Funds" under liabilities.

v. Depreciation

Includes reversal of Rs.8,09,956/- excess charged during the previous year.

vi.Recoverable Revenue Grant

"Rs.1,12,33,578/- Recoverable Revenue Grant " shown under Current Assets, Loans and Advances represents amount spent over and above the Grant which is recoverable from Department of Biotechnology(Govt of India).

vii.Fixed Deposit

Includes deposit of Rs.90,00,000/- placed as Margin Money under loan to the bank for opening of Letter of Credit

viii.Employee Benefits

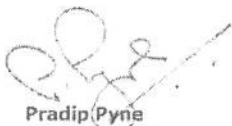
Group Gratuity & Leave Encashment

This is covered under a scheme framed under group gratuity and leave encashment policy with Life Insurance Corporation of India. Based on the demand received from the said LIC, the payment has been made.

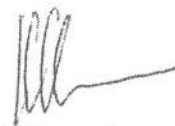
ix.Previous years have been regrouped wherever necessary.

vide our report of even date
For Thakur, Vaidyanath Aiyar
Chartered Accountants
Firm Reg.No 000038N

V.Rajaraman
Partner
M.No. 02705
Place: Bangalore
Date :



Pradip Pyne
Head, Administration & Finance



K.Vijayaraghavan
Officiating Director

GKVK, BELLARY ROAD, BANGALORE 560065

(Amt. in Rs.)

[illegible]

V. Rajaraman
Partner

M.No. 02705

Place: Bangalore

Date :

Pradip Pyne
Head, Administration & Finance

K. Vijayaraghavan
Officiating Director