

18TH ANNUAL REPORT

2009-2010



HINDUSTAN BIO SCIENCES LIMITED

HINDUSTAN BIO SCIENCES LIMITED**Board Of Directors:**

- 1) Sri. J.V.R. Mohan Raju - Managing Director
- 2) Smt J.Uma - Director
- 3) Kum. J. Tanuja Raju - Director
- 4) Sri. B.R.Rao - Director
- 5) Sri. A.V.V.Satyanarayana - Director
- 6) Sri K. Rama Chandra Raju - Director

Registered &**Administrative Office**

- H.No.8-2-269/S, Plot No.31,
Sagar Co-Operative Housing Society,
Road No.2, Banjara Hills,
Hyderabad - 500 034

Bankers

- HDFC Bank Ltd.,
Punjagutta Branch,
Hyderabad.

Auditors

- Rao & Sridhar
Flat No. 310 & 311
Kubera Towers, Narayanguda,
Hyderabad - 500 0029

**Share Transfer Agents For
Demat Shares**

- M/s. Venture Capital & Corporate
Investments Pvt. Limited.
12-10-167,
Bharat Nagar,
Hyderabad - 500 018.

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Thursday, the 30th September, 2010 at 10.00 A.M at H.No.8-2-269/S, Plot No. 31, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh to transact the following.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss account for the year ended 31st March, 2010 and the Directors and Auditors Report thereon.
2. To appoint a Director in place of Sri B.R. Rao, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Smt. J. Uma, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint M/s. Rao & Sridhar., Chartered Accountants as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion next Annual General Meeting at a remuneration and out of pocket expenses to be fixed the Board.

Special Business:

To consider and if thought fit, to pass with or without modification(s) the following Resolutions as an ordinary resolution.

5. "RESOLVED that, due notice in writing signifying the intention of a member to propose Sri M. Satyanarayana Raju, as a Director having been received pursuant to section 257 of the Companies Act, 1956, Sri M. Satyanarayana Raju, be and is hereby appointed as a Director of the Company liable to retire by rotation with effect from 30th September 2010"

For and on behalf of the Board
For Hindustan Bio Sciences Limited

Place : Hyderabad
Date : 31.05.2010

J.V.R.Mohan Raju
Chairman

Notes:

1. A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of him and the proxy need not be a member of the company.
2. Proxies in order to be effective must be deposited at the registered office of the company at Plot No: 31, Sagar Co-Operative Housing Society, Road No: 2, Banjara Hills, Hyderabad – 500 034 at least 48 hours before the commencement of the meeting.
3. The Register of members and the share transfer books of the company will remain closed from 16th September, 2010 to 30th September, 2010 (both days inclusive).
4. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
5. Members are requested to bring their copy of the Annual Report and the attendance slips with them to the Annual General Meeting.
6. The company shares are listed on Bombay Stock Exchange Limited. The listing fee for the year 2010-2011 is paid.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO.5:**

A notice has been received from a member along with a deposit of rupees five hundred as required by section 257 of the Companies Act, 1956, proposing Sri M. Satyanarayana Raju, as a candidate for the office of Director liable to retire by rotation.

Sri M. Satyanarayana Raju, is Commerce Graduate and Qualified M.B.A., from Pune. He has vast experience in Cement Industry and worked with M/s. Vishnu Cements and M/s. Rasi Cement Ltd. At present he is Director in M/s. Nipuna Shelters Private Limited.

Your Director's recommended the resolution for your approval as Ordinary Resolution.

None of the Directors except the above are interested in the resolution.

INSPECTION OF DOCUMENTS:

The documents pertaining to special business are available for inspection at the Registered Office of the company between 10.30 a.m and 12.30 p.m on any working day prior to the meeting.

For and on behalf of the Board
For Hindustan Bio Sciences Limited

Place : Hyderabad
Date : 31.05.2010

J.V.R.Mohan Raju
Chairman

DIRECTOR'S REPORT

To The Members,

Your directors are pleased to present their report along with the Audited accounts for the year ended 31-03-2010.

1. Financial Results:

Rs. In Lakhs

Particulars	2009-2010	2008-2009
Operating Profit (Loss)	-7.68	34.76
Less: Depreciation	5.44	6.11
Less: Miscellaneous Expenditure Written off	8.25	15.88
Add: Excess Provision of Income Tax in previous year	0.88	0.00
Profit Before Tax	-20.49	12.77
Less: Provision for Taxation		
Income Tax	0.00	1.45
Fringe Benefit Tax	0.00	1.35
Add/Less: Deferred Tax Asset or Liability	0.07	(0.02)
Profit after Tax	-20.42	9.95
Appropriations:		
Proposed Dividend	NIL	NIL
Balance carried forward to Balance Sheet	-4.46	15.96

Note: Previous year figures have been regrouped wherever necessary.

2. Operations:

During the year under review, the company achieved a turnover of Rs. 393.79 lakhs and it is hopeful of achieving better results in the year ahead as the products are well accepted in the market.

3. Directors:

Sri B.R. Rao and Smt. J. Uma, Directors retiring by rotation and being eligible offers themselves for reappointment.

Sri M. Satyanarayana Raju having rich experience in several fields, be and is hereby proposed to be appointed as Director retiring by rotation.

4. Directors Responsibility Statement:

Your Directors would like to inform members that the audited accounts containing the Financial Statements for the year 2009–2010 are in full conformity with requirement of the Companies Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the company's financial condition and result of operations. These financial statements are audited by the statutory Auditors M/s. Rao & Sridhar.

Your Directors further confirm that:

- (i). In the preparation of the annual accounts, applicable accounting standards have been followed.
- (ii). The accounting policies are consistently applied and reasonable, prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the company at the end of the financial year.
- (iii). That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv). That the directors had prepared the annual accounts on a going concern basis.

5. Auditors:

M/s. Rao & Sridhar., Chartered Accountants, Hyderabad, who has been appointed as an auditors of the company in the last Annual General Meeting retire at the conclusion of this Annual General Meeting and being eligible and have conveyed their consent to be reappointed.

The company is not making sufficient profits and hence not able to appoint a company secretary but utilizing the service of Sri. V.B.S.S.Prasad practicing Company Secretary to look after legal compliances.

6. Demolition of assets :

The Share holders of the Company approved the resolution for sale of the assets of the Company in its Annual General Meeting held on 30-09-2009. The Company sold the Land pertaining to Cement Division on 22nd March, 2010, as it not usable. As the Building along with Plant and Machinery on the said land, which is not serviceable, has been demolished. The value of Demolished Property value was Rs. 56.54 laksh.

7. Corporate Governance :

A note on corporate governance is enclosed.

8. Particulars Of Employees :

No employee of the company is in receipt of remuneration of Rs.24 Lakhs per annum, and no employees is in receipt of Rs.2 Lakhs per month, for any part of the financial year whose particulars are required to be disclosed pursuant to section 217 (2A) of the Companies Act, 1956 and the companies (particulars of Employees) rules, 1975 as amended.

9. Acknowledgements :

The board wishes to place its deep sense of gratitude to all the employees for their valuable co-operation and contribution. The board also thanks all Government/statutory organizations for their support extended to the company.

The board is also grateful to Banks and all those associated with the company for their co-operation and help.

For and on behalf of the Board
For Hindustan Bio Sciences Limited

Place : Hyderabad
Date : 31.05.2010

J.V.R.Mohan Raju
Chairman

Annexure 'A' to the Director's Report

Particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Details of Conservation of Energy :

The operations of the Company are not energy intensive. However, adequate measure have been taken to conserve and reduce the energy consumption by using energy efficient computer monitors and other equipment's, air-conditioners are used only when required and air-conditioned areas have been treated with heat resistant material like sun control film to reduce heat absorption. We believe energy saved is energy produced.

B. Technology Absorption, Adaptation and Innovation

The company is taking up only marketing activity of certain biotechnology products. So no specific technology absorption is took place.

(i) Foreign Exchange Earnings and Outgo.

Rs. In Lakhs	
Particulars	2009-10
Foreign exchange earnings	NIL
Foreign exchange outgo	256.29

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:**Industry Structure and Development :**

The Bio Pharma Industry has registered a growth of 18% during the financial year. Though there is a decline in the growth rate when compared to previous year. Our company has achieved a growth of 5.24% more compare to previous year. We are hoping to get a more turnover.

Opportunities and Threats, Product wise Performance and Outlook :

The growth of the sector has opened a very good opportunity to our company to expand the Product portfolio of it. The company has identified certain products in Nephrology and Oncology segments and having negotiations with reputed manufactures for custom manufacturing exclusively for the Indian market.

The threats perceived by the company are two fold in nature. The growth of Indigenous companies is giving threat to imports of the similar products. Due to this reason the price competition is increasing and to face this problem the company is negotiating further with the custom manufactures to be on par with the market or better. The other threat being perceived by the company is the delays in getting the Government approvals and the costs involved in getting the approvals. The Genetic Engineering Approval Committee (GEAC) and Drug Controller General of India (DCGI) insisting clinical trial in India for almost every product, even though the product is fully approved in other countries for marketing. This is causing delay in implementing the projects and involving higher costs.

We are Importing and marketing 'Recombinant Human Erythropoietin' with brand names EPOVIN, EPOSINO, TRANSFER & NEPHRODIL, EPOREC. We hope to have a good turnover for this product in the year 2010-11.

The approval for higher potencies is still awaited from DCGI for the above product, which are used for the treatment of Leukemia and we are trying to obtain licenses for other Recombinant & Oncology Products.

Risks and Concerns :

Now many Chinese manufacturer have registered and registering Erythropoietin in India because of this the competition is very high there are 15 companies offering this product in India this has become a major threat to us apart from the

time required to get the approval is increasing due to the fact that the number of additional conditions are growing. Before applying for registration a lot of work is to be done, like market potential estimation, competition, cost verses availability etc. To complete all these activities requires a lot of spending in addition to time. There is no guarantee of getting the approvals even after completing all these things. There is a risk of rejection from regulatory bodies, which will result in loss of time and money. That is the reason the company is treading cautiously.

Internal Control systems and their adequacy :

The internal control systems are adequate to the size and nature of operations of the company.

Discussion on financial performance with respect to operational performance :

During the year the company has revenue of Rs.393.79 Lakhs as against last year revenue of Rs.374.18 lakhs. The management is expecting that the revenues will increase during this year as we have four brands now in the market.

ANNEXURE -B

Report On Corporate Governance

The following is a report on the steps taken by the company for implementation of Corporate Governance.

Adoption of Code of Corporate Governance by the Company

Corporate Governance is the road map, which guides and directs the Board of Directors to govern the affairs of the Company in a manner most beneficial to all the shareholders, the Creditors, the Government and the Society at large. It ensures the accountability of the Board in its decisions.

Corporate Governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection.

Corporate Governance, in its true sense, is deeply embedded in the corporate Philosophy of your company.

BOARD OF DIRECTORS:

The Board Of Directors comprising One Managing Director Two Non Executive Non Independent Directors and Three Independent Directors. The composition of the board is in conformity with clause 49 of the listing agreement. The details are given below.

- | | | |
|-----------------------------|---|------------------------------|
| 1. Sri J.V.R.Mohan Raju | - | Chairman & Managing Director |
| 2. Kum. J. Tanuja Raju | - | Director |
| 3. Sri B.R.Rao | - | Director |
| 4. Sri A.V.V.Satyanarayana | - | Director |
| 5. Smt. J.Uma | - | Director |
| 6. Sri K. Rama Chandra Raju | - | Director |

Board Meetings:

The board of directors met 4 (Four) times during the financial year on 30-6-2009, 31-07-2009, 31-10-2009 & 31-01-2010.

Name of the Director	Category	No. of Board Meetings Attended	Attendance at Last AGM	No. of out side Directorships held
1. J.V.R.Mohan Raju	MD	4	Yes	1
2. J. Uma	NED	4	Yes	1
3. J. Tanuja Raju	NED	4	Yes	NIL
4. B.R. Rao	NED	4	Yes	NIL
5. A.V.V. Satyanarayana	NED	1	No	NIL
6. K. Rana Chandra Raju	NED	1	No	NIL

Remuneration to Directors

The details of remuneration paid to all the directors for the year 2009-2010 are:

1. Non Executive Directors: (Sitting Fee only)

a. Snt. J. Uma	-	Rs. 8000/-
b. Kum. J.Tanuja Raju	-	Rs. 8000/-
c. Si B.R.Rao	-	Rs. 8000/-
d. Si A.V.V.Satyanarayana	-	NIL
e. Si K. Rama Chandra Raju	-	Rs. 2,000/-

2. Executive Directors :

a. Si J.V.R.Mohan Raju	-	Rs. 12,00,000/-
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3. Audit Committee :

The audit committee as on 31st March, 2010 consists of

- 1) Sri B.R.Rao, Chairman
- 2) Kum. J. Tanuja Raju
- 3) Smt J.Uma.

All the above members are non-executive directors. Sri B.R.Rao possess expert knowledge in the area of finance and accounting

In accordance with Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956, the terms of reference stipulated by the Board to the Audit Committee are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement (s)/are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the annual financial statements before submissions to the Board.
- Reviewing with the management, external auditors and the adequacy of internal control systems.
- Discussions with external auditors before the audit commences regarding the nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.

During the year, audit committee met on 30-06-2009, 31-07-2009, 30-10-2009, and 31-01-2010 and all the members attended the meeting under the chairmanship of Sri B.R.Rao

The audit committee has not made any specific recommendations.

4. Investor Grievance Committee :

All the directors of the board are the members of investors grievance committee, Sri B.R.Rao is the chairman of the committee.

In view of SEBI's new regulations, a series of steps have been taken to put in place appropriate corporate governance policies for your Company as reported below:

- 1) The Board of Directors had met 4 times during the year 2009-2010 and the gap between any two successive meetings did not exceed four months.
- 2) The Board has Six members comprising of one Managing Director and five Non Executive Directors.
- 3) Share transfer/Transmissions are being processed and approved promptly through Circular Resolutions of the Share Transfer Committee ratified subsequently by the Board at its regular meetings.

- 4) There are no outstanding major complaints received from the share holders.
- 5) The Board is pleased to inform that during the financial year 2009-2010 no penalties/strictures have been imposed on the company by the stock exchanges, Registrar of companies, SEBI or any statutory authority in any manner related to capital market.
- 6) The Listing fees to Bombay Stock Exchange Limited, Mumbai for the year 2010-2011 is paid.
- 7) The Company has complied with the requirements of allowing shareholders to hold the shares in electronic form and appointed M/s. Venture Capital & Corporate Investments Ltd., as Registrars for Demat shares. So far 9658095 shares have been dematerialized.
- 8) The Company has complied with the requirements of the stock exchanges like holding Board meetings for consideration of Un-Audited Financial Results, obtaining a limited review report from the auditors and the half yearly accounts (Un-Audited for the half year ended 30-09-2009) and sent a copy of the same to the stock exchanges as stipulated in the Listing Agreement with the stock exchanges.

5. Remuneration Committee:

The remuneration committee consists of the following Directors.

- 1) Sri B.R.Rao, Chairman
- 2) Kum. J. Tanuja Raju
- 3) Smt J.Uma

The committee had no occasion to meet during the financial year 2009-10

Postal Ballot :

No special Resolutions were required to be passed through postal ballot last year.

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date : 16.09.2010 to 30.09.2010 (both days inclusive)
2. Date, Time and Venue of the 18th Annual General Meeting : 30.09.2010 at 10.00 A.M. at H.No. 8-2-269/S, Plot No. 31 Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034.
3. Listing On Stock Exchanges : Bombay Stock Exchange Limited
Stock Code : BSE-532041
4. Listing Fee : Listing Fees for the year 2010-11 has been paid to the Bombay Stock Exchange Ltd.
5. Registered Office : H.No: 8-2-269/S, Plot No: 31, Sagar Co-Operative Housing Society, Road No: 2, Banjara Hills, Hyderabad - 500 034.
Ph.No: 23555161, Fax: 23549411
Email: pharma.hindustanbio@gmail.com
6. Place Where Share Transfers are to be lodged' : Secretarial Dept. at Regd Office.
7. Investors' Correspondence & Share Transfers (in Physical Form) : Compliance Officer.
HINDUSTAN BIO SCIENCES LIMITED
H.No: 8-2-269/S, Plot No: 31, Sagar Co-Operative Housing Society, Road No: 2, Banjara Hills, Hyderabad - 500 034.
Ph.No: 23555161, Fax: 23549411
Email: pharma.hindustanbio@gmail.com
(Share transfers in physical form are processed In house by Secretarial Department of the Company)
- For Electronic Mode : M/s. Venture Capital & Corporate Investments Pvt. Limited.,
12-10-167,
Bharat Nagar,
Hyderabad - 500 018.
8. Company's ISIN No. : INE 597C01013

9. Trading in shares (Electronic Form) : Compulsory Demat
10. Dividend Declared in earlier years : The Company has not declared dividend so far
11. Publication of Unaudited/Audited Financial Results in the press : Normally Published

12. Date & Venue of the last Three Annual General Meetings	Date	Venue	Special Resolution passed
Fifteenth Annual General Meeting	29-09-2007	Pride Inn, H.No. 8-2-289/8/1, Road No. 14, Banjara Hills, Hyderabad - 500 034.	Increase of MD Remuneration
Sixteenth Annual General Meeting	27-09-2008	Pride Inn, H.No. 8-2-289/8/1, Road No: 14, Banjara Hills, Hyderabad - 500 034.	Nil
Seventeenth Annual General Meeting	30-09-2009	Pride Inn, H.No. 8-2-289/8/1 Road No: 14, Banjara Hills, Hyderabad - 500 034.	Authorisation to sell, lease or dispose of the land pertaining to Cement Division

Market Price Data on Company's Scrip on Bombay Stock Exchange Ltd., for the Financial Year 2009-2010

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April 09	2.43	23-04-2009	1.32	02-04-2009
May 09	3.04	29-05-2009	2.05	04-05-2009
June 09	4.04	08-06-2009	2.40	23-06-2009
July 09	3.07	06-07-2009	2.21	13-07-2009
August 09	3.80	17-08-2009	2.45	04-08-2009
September 09	3.93	11-09-2009	3.08	01-09-2009
October 09	3.99	21-10-2009	3.27	28-10-2009
November 09	3.47	03-11-2009	2.93	17-11-2009
December 09	3.93	10-12-2009	2.93	02-12-2009
January 10	5.21	13-01-2010	3.53	06-01-2010
February 10	4.18	02-02-2010	3.29	11-02-2010
March 10	3.65	03-03-2010	2.83	30-03-2010

Pattern of Shareholding as on 31.03.2010

Description	No. of Shareholders	%	No. of Shares	%
Individual	7016	98.07	9200452	89.75
FI	-	-	-	-
FII	-	-	-	-
NRI	29	0.41	39602	0.39
Bodies Corporate	100	1.40	998946	9.75
Clearing Member	9	0.13	11800	0.12
Mutual Funds	-	-	-	-
Trustees	-	-	-	-
Bank	-	-	-	-
TOTAL	7154	100.00	10250800	100.00

Distribution of Shareholding as on 31.03.2010

Range	No. of Shareholders	%	No. of Shares	%
Up to 500	4288	59.94	1158026	11.30
501 to 1000	1373	19.19	1242866	12.12
1001 to 2000	729	10.19	1206769	11.77
2001 to 3000	254	3.55	679894	6.63
3001 to 4000	124	1.73	457679	4.46
4001 to 5000	120	1.68	585956	5.72
5001 to 10000	161	2.25	1229848	12.00
10001 & Above	105	1.47	3689762	35.99
TOTAL	7154	100.00	10250800	100.00

Declaration on compliance with code of conduct

I declare that the Company has received affirmation of compliance with the "Code of Business conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st March 2010.

J.V.R. Mohan Raju

Chairman & Managing Director

Place : Hyderabad
Date : 31-05-2010

Chairman & Managing Director's (CMD) Certification & Declaration

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended March 31, 2010.

A) We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief,

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There is, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violate of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls and they have evaluated the effectiveness of internal control systems of the company and they have disclosed to the Auditor's and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take, to rectify these deficiencies.

D) We have indicated to the Auditors and the Audit Committee:

- i) Significant changes in internal control over financial reporting during the year;
- ii) Significant change in accounting policies during the year and that the same *have been disclosed in the notes to the financial statements; and*
- iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

E) We affirm that all Directors and Senior Management have complied with the code of Conduct for the year.

Place : Hyderabad
Date : 31-05-2010

J.V.R. Mohan Raju
Chairman & Managing Director

Auditor's Certificate on compliance of conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the stock exchanges.

To
The Members of
Hindustan Bio Sciences Limited

We have examined the compliance of conditions of corporate governance by Hindustan Bio Sciences Limited, for the year ended 31-03-2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Mumbai Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause.

It is neither an audit nor an expression of opinion on the financial statements of the company.

No investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RAO & SRIDHAR
Chartered Accountants
FRN 006070S**

Place : Hyderabad
Date : 31-05-2010

**A.Viswanatha Rao
Partner
Member Ship No. 29597**

AUDITOR'S REPORT

Auditor's Report to the Members of Hindustan Bio Sciences Ltd.

We have audited the attached Balance Sheet of **Hindustan Bio Sciences Limited** as on 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereon. These financial statements are the responsibility of the Company'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.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-Section (3 C) of section 211 of the Companies Act, 1956.

5. On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said account 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:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - b. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

**For RAO & SRIDHAR
Chartered Accountants
FRN 006070S**

Place : Hyderabad
Date : 31-05-2010

**A.Viswanatha Rao
Partner
Member Ship No. 29597**

ANNEXURE TO THE AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of Companies Act, 1956, we report that.

- i)
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) These fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of the assets.
 - c) None of the fixed assets have been revalued during the year under review.
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The discrepancies noticed on verification between the physical stocks and the book records, which are not significant, have been properly dealt with the books of account.
- iii) The company has neither granted nor has it taken any loans, secured or unsecured from Companies, firms or other parties listed in the registers maintained under section 301 or from companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
- iv) 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 stores raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
- v) In our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.

- vi). The company has not accepted any deposits from the public governed by section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 do not apply to this company.
- vii) The company does not have a formal internal audit department but we are of the opinion that the Company's internal control procedures together with the internal checks conducted by the management during the year can be considered as an adequate internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix) a) The company is regular in depositing undisputed statutory dues with the appropriate authorities including Income Tax, Sales Tax, Wealth Tax and other statutory dues applicable to it.
b) According to the information and explanations given to us no undisputed amounts payable by the company in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March 2010 for the period of more than six months from the date they became payable.
- x) The company does not have any accumulated losses at the end of the financial year under reference. The company has not incurred any cash losses in the financial year under reference.
- xi) The company has not defaulted in repayment of its dues to financial institutions or banks.
- xii) The company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures, and other securities.
- xiii) In our opinion, the company is not a Chit Fund or Nidhi/ Mutual Benefit Fund/Society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xiv) In our opinion, The company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The company has not given any guarantee for loans taken by other from banks or financial institutions.
- xvi) In our opinion, the company has not taken any term loans during the year under review.

- ^vii) In our opinion, and according to explanations and information give to us, funds raised on short - term basis have not been used for long - term investment and vice versa.
- xviii) The company has not made any preferential allotment of shares during the year under reference.
- xix) The company had not issued any debentures.
- xx) The company, during the year, has not raised money by public issues.
- xxi) In our opinion and according to explanations and information given to us, no fraud on or by the company has been noticed or reported during the year.

For RAO & SRIDHAR
Chartered Accountants
FRN 006070S

Place : Hyderabad
Date : 31-05-2010

A.Viswanatha Rao
Partner
Member Ship No. 29597

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Sch. No.	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
I. SOURCES OF FUNDS:			
(1) Shareholder's funds			
(a) Capital	1	102,508,000	102,508,000
(b) Reserves and Surplus	2	-446,436	1,595,643
(2) Loans funds			
Secured Loans	3	0	325,514
Un-Secured Loans		1,000,000	0
Total :		103,061,564	104,429,157
II. APPLICATION OF FUNDS:			
(1) Fixed Assets	4		
(a) Gross Block		42,655,732	49,239,732
(b) Less: Depreciation		8,706,107	8,162,047
(c) Net Block		33,949,625	41,077,685
(2) Deferred tax asset		673,545	666,622
(3) Current Assets, Loans & Advances.	5		
(a) Sundry debtors		3,784,707	3,096,000
(b) Cash and bank balances		2,224,107	2,284,846
(c) Loans and advances		64,762,806	62,667,797
(d) Stocks		2,615,203	0
		73,386,823	68,048,643
Less: Current liabilities and provisions	6		
(a) Liabilities		5,730,744	6,500,774
(b) Provisions		638,838	1,109,288
		6,369,582	7,610,062
Net Current Assets		67,017,241	60,438,581
(4) Miscellaneous expenditure to the extent not written off or adjusted	7	1,421,153	2,246,269
Significant Accounting Policies and Notes on Accounts	11		
Total :		103,061,564	104,429,157
As per our report of even date For RAO & SRIDHAR Chartered Accountants FRN 006070S		For and on behalf of the board	
A.Viswanatha Rao Partner Membership No. 29597 Place : Hyderabad Date : 31-05-2010		J.V.R.Mohan Raju Chairman & Managing Director	J.Uma Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Sch. No.	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
INCOME :			
Net Revenue	8	39,379,000	37,417,550
Total (a) :		39,379,000	37,417,550
EXPENDITURE :			
Material Cost and allied expenses		23,518,885	23,376,147
Personnel Expenses		2,632,983	2,151,200
Administrative and Selling Expenses	9	13,735,703	8,290,653
Financial Charges	10	259,485	123,103
Depreciation	4	544,060	611,247
Misc. Expenses to the extent written off		825,116	1,588,249
Total (b) :		41,516,232	36,140,599
Profit / (-) Loss for the year (a-b)		-2,137,232	1,276,951
Excess Provision I.Tax in previous year		88,230	0
Provision for Taxation		0	144,680
Provision for Fringe Benefit Tax		0	135,420
Profit(+) Loss(-) after Current Tax		-2,049,002	996,851
Provision for Deferred Tax		6,923	-2,303
Profit (Loss) for the year		-2,042,079	994,548
Profit brought forward from previous year		1,595,643	601,095
Balance carried to Balance Sheet		-446,436	1,595,643
Significant accounting policies and notes on accounts	11		
Earning per equity share (Basic & Diluted)		-0.20	0.10

As per our report of even date

For **RAO & SRIDHAR**
Chartered Accountants
FRN 0060705

For and on behalf of the board

A.Viswanatha Rao
Partner
Membership No. 29597

J.V.R.Mohan Raju
Chairman & Managing Director

J.Uma
Director

Place : Hyderabad
Date : 31-05-2010

Schedules Forming Part Of Balance Sheet

Particulars	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
SCHEDULE 1		
Authorised Share Capital 11,000,000 Equity shares of Rs. 10 each	110,000,000	110,000,000
Issued, Subscribed and paid up 10,250,800 Equity shares of Rs. 10 each	102,508,000	102,508,000
SCHEDULE 2		
Reserves & Surplus		
Surplus in Profit & Loss A/c	-446,436	1,595,643
	-446,436	1,595,643
SCHEDULE 3		
(a) Secured Loans		
Kotak Mahindra Prime Limited	0	325,514
(b) UnSecured Loans		
Jyothi Chits & Finance	1,000,000	0
	1,000,000	325,514

Schedule : 4 Statement Of Consolidated Depreciation

Particulars of Assets	Gross Block				Depreciation Block				W. D. V.	
	As on 01.04.2009	Deductions	Additions During the Year	Balance as on 31.03.2010	As on 01.04.2009	Deductions	For the Period	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	5,654,000	5,654,000	-	-	-	-	-	-	-	5,654,000
Computers	8,077,763	-	-	8,077,763	5,363,394	-	-	5,363,394	2,714,369	2,714,369
Computers 1	20,000	-	-	20,000	12,537	-	2,985	15,522	4,478	7,463
Furniture & Fixtures	510,905	-	-	510,905	218,754	-	52,879	271,633	239,272	292,151
Land	930,000	930,000	-	-	-	-	-	-	-	930,000
Office Equipment	402,019	-	-	402,019	292,957	-	19,740	312,697	89,322	109,062
Plant & Machinery	10,000	-	-	10,000	-	-	10,000	10,000	-	10,000
Vehicles	2,991,965	-	-	2,991,965	1,428,880	-	342,723	1,771,603	1,220,362	1,563,085
Capital Work-in-Progress	19,229,514	-	-	19,229,514	-	-	-	-	19,229,514	19,229,514
Pre Operative Expenditure	8,767,627	-	-	8,767,627	-	-	-	-	8,767,627	8,767,627
Air Conditioner	111,552	-	-	111,552	71,342	-	5,593	76,935	34,617	40,210
Refrigerator	86,098	-	-	86,098	28,374	-	8,029	36,403	49,695	57,724
Net Workings (LAN)	45,614	-	-	45,614	31,110	-	2,018	33,128	12,486	14,504
Television	19,300	-	-	19,300	12,614	-	930	13,544	5,756	6,686
Web Site	40,000	-	-	40,000	26,956	-	1,814	28,770	11,230	13,044
EPBX Model No. 308	42,800	-	-	42,800	29,546	-	1,844	31,390	11,410	13,254
Laboratory Equipment	1,497,575	-	-	1,497,575	529,174	-	-	529,174	968,401	968,401
Walk in Cooler	213,000	-	-	213,000	49,630	-	22,725	72,355	140,645	163,370
Fitness Equipment	590,000	-	-	590,000	66,779	-	72,780	139,559	450,441	523,221
	49,239,732	6,584,000	-	42,655,732	8,162,047	-	544,060	8,706,107	33,949,625	41,077,685

HINDUSTAN BIO SCIENCES LIMITED

ANNUAL REPORT 2009-2010

SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
SCHEDULE : 5		
Current Assets, Loans And Advances		
A) Sundry Debtors		
(Unsecured and considered good)		
Debtors more than 6 months	955,907	0
Debtors Less than 6 months	2,828,800	3,096,000
Total A	3,784,707	3,096,000
B) Cash & Bank Balances		
Cash in hand	1,378,670	1,469,651
HDFC Bank Ltd., Punjagutta Branch	11,739	792,398
Axis Bank, Begumpet Branch	537,098	0
Axis Bank, Jubilee Hills Branch	287,986	0
Standard Chartered Bank	3,382	10,000
HSBC Ltd.,	0	0
Oriental Bank of Commerce, Srinagar Cly Branch	5,232	12,797
Total B	2,224,107	2,284,846
C) Loans & Advances :		
(Recoverable in cash or Kind or for value to be received)		
01. Advance to suppliers	64,666,690	62,493,078
02. Rent Deposit	60,000	60,000
03. Telephone Deposit	14,413	14,413
04. Prepaid Insurance	14,263	17,306
05. Advance FBT Paid	0	83,000
06. Prepaid Expenses	7,440	0
Total C	64,762,806	62,667,797
D Closing Stocks as on 31.03.2010	2,615,203	0
Total Current Assets (A+B+C)	73,386,823	68,048,643

SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
SCHEDULE 6 :		
Current Liabilities (A) Liabilities		
01. Bioniche INC	0	7,880
02. Shandong Kexing Bioproducts Co. Ltd.,	0	1,987,294
03. Selling Expenses Payable	1,794,000	4,305,600
04. C.S. Narendar & Co.,	4,437	0
05. Vinod Kumar	201,825	0
06. Girish Arora (HUF)	150,337	0
07. Manish Juneja	201,825	0
08. Vorus Bio Sciences	750,000	0
09. Bioniz Technologies	1,820,000	0
10. Bioniche Life Sciences Ltd.,	608,320	0
11. HES Infra Pvt. Ltd.,	200,000	200,000
	5,730,744	6,500,774
(B) Provisions		
01. Finge Benefit Tax Payable	0	135,420
02. C.S.T 2008-09	0	62,000
03. C.S.T 2009-10	70,480	0
04. Provision for Taxation	0	144,680
05. Audit Fee Payable	54,415	54,415
06. Salaries Payable	157,400	82,940
07. Rent Payable	23,322	21,980
08. Professional Tax Payable	1,260	640
09. TDS Payable	331,941	504,670
10. TDS on Salaries	20	0
11. Directors Remuneration Payable	0	101,670
12. Professional Charges Payable	0	873
	638,838	1,109,288
Total Current Liabilities (A+B)	6,369,582	7,610,062
SCHEDULE 7 :		
Miscellaneous Expenditure		
(To the Extent not written off or adjusted)		
a) Preliminary Expenses	0	37,421
b) Public Issue Expenses	0	313,977
d) Clinical Trail Expenses	1,421,153	1,894,871
	1,421,153	2,246,269
SCHEDULE 8 :		
Income		
Sales	39,004,000	37,417,550
Profit on sale of Land	375,000	0
	39,379,000	37,417,550

Schedules Forming Part Of Profit & Loss Account

Particulars	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
SCHEDULE 9 :		
Administrative & Selling Expenses		
Advertisement	30,000	35,000
Audit Fee	60,665	60,665
Conveyance Charges	25,648	24,109
Electricity Charges	34,585	37,340
Licenses & Taxes Fees	73,460	75,486
Listing Fee	33,090	33,251
Misc. Expenses	24,495	21,545
Office Maintenance	28,103	19,067
Car Maintenance charges	1,60,620	2,79,387
Motor Cycle Maintenance charges	18,607	24,784
Postage	34,607	33,557
Printing & Stationery	84,468	71,566
Professional Charges	36,000	37,875
Rent	3,12,000	3,12,000
Staff welfare Expenses	1,80,670	5,59,864
Telephone Charges	1,60,216	1,39,349
Travelling Expenses – In Land	75,622	1,64,022
– Foreign	4,80,292	4,65,658
Director Sitting Fee	26,000	8,000
Repairs & Maintenance	8,53,060	6,755
Subscriptions	10,515	10,000
Selling Expenses	5,302,600	4,800,000
Computer Maintenance Charges	14,450	0
Cost of Building Demolished	5,654,000	0
Carriage Outwards	21,930	5,900
Debit Balances Written Off	0	1,057,550
Service Charges – LC Discounting	0	7,923
	13,735,703	8,290,653
SCHEDULE10 :		
Financial Charges		
Bank Charges	53,607	66,327
Interest	190,918	4,354
Car Loan Finance Charges	14,960	52,422
	2,59,485	1,23,103

Schedule : 11

Notes forming part of accounts

A) Significant Accounting Policies:**1) Basis of preparation of Financial Statements:**

- i. The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
- ii. Financial Statements are based on historical cost and are prepared on accrual basis.

2) Fixed Assets

Fixed Assets are stated at original cost less accumulated depreciation. Cost includes invoice price and wherever applicable freight, duties and taxes, related interest on specific borrowings upto the date of acquisition / installation and expenses incidental to acquisition and installation but exclude recoveries.

3) Depreciation:

Depreciation on fixed assets is provided on written down value method at the rates prescribed in schedule XIV of the Companies Act 1956. An asset whose written down value falls below Rs.5000/- is fully depreciated for the remaining balance.

4) Stock In Trade:

There is closing stock as on 31-03-2010 Rs. 26,15,203/-.

5) Revenue Recognition:

The income from activities is recognized as income on the date of sale. The Company Provides for all expenses on accrual basis. Expenditure, the benefit of which accrues over a number of years are treated as deferred revenue expenses and is written off equally over the number of years during which such benefits accrued in installments over a period of ten years during which such benefits accrued to the Company.

6) Miscellaneous Expenditure:

- a) Preliminary and Public issue expenses are written off in equal installments over a period of ten years.
- b) It has been decided that clinical trial expenses to be write off over a period of six years commencing from the year of generation of revenue from the clinical study of the product developed.

7) Provision For Taxation:

Since there is no profit for this financial year, provision for income tax is not made during the financial year.

8) Un Secured Loans :

Loans obtained from M/s. Jyothi Chits & Finances.

9) Remuneration of Auditors :

Statutory Audit Fee	-	Rs. 40,000
Tax Audit Fee	-	Rs. 15,000
Service Tax	-	Rs. 5,665

Total	-	Rs. 60,665

10) Quantitative details of purchases and sales during the year are as follows:

Pre Filled Syringes	Purchase Units	Sales Units	Closing Stock Units
2000IU	122000	116000	6000
4000IU	66000	57280	8720
6000IU	9000	6000	3000

11) During the year under review, Building worth Rs. 56,54,000.00 has been demolished.

B. NOTES TO ACCOUNTS:

1. Retirement Benefits:

At present, there is no liability towards retirement benefits.

2. Executive Directors Remuneration:

Sri J.V.R.Mohan Raju -

2009-10 Rs.	2008-09 Rs.
12,00,000	12,00,000

3. As per requirements of Accounting Standard (AS 22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company, in the books of accounts has recognized the net deferred tax in respect of depreciation and accumulated losses under Income tax Laws, to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred asset can be realised.

1. Quantitative Details and the information required under paragraphs 3 and 4C of part ii of schedule VI of the Companies Act, 1956.

	2009-10 Rs.	2008-09 Rs.
Licensed Capacity	NA	NA
Installed Capacity	NA	NA
Actual Production	NA	NA
2. CIF Value of Imports. : US\$	5,40,380	4,40,267
3. Expenditure in Foreign Currency. :	NIL	NIL
4. Earning in foreign Exchange :	NIL	NIL
5. Estimated amount of Contracts remaining to be executed on capital account and not provided for	NIL	NIL
6. Related Party Transactions: Key Management Personnel: Sri. J.V.R. Mohan Raju, Managing Director Transactions carried out with related parties Managerial remuneration	12,00,000	12,00,000
7. Earnings per Share (EPS)		
a) Net profit/(Loss) as per Profit & Loss Account Rs.	(2042078.72)	994548
b) Weighted Average number of equity shares used as denominator for calculating EPS Nos.	10250800	10250800
c) Basic and Diluted Earnings per share of Rs.10 each	-0.20	0.10

8. The advances and deposits include an amount of Rs. 503.07 lakhs advanced during the tenure of previous management, which are subject to confirmation.
9. The Company operates in only one business segment of pharmaceuticals and there is no geographical segment to be reported
10. Current liabilities include Rs. NIL payable to small scale and Ancillary industrial undertakings to the extent such parties have been identified from the available documents.
11. Previous year figures have been regrouped wherever necessary.

Vide our report of even date

For **RAO & SIRDHAR.,**
Chartered Accountants

FRN 006070S

For and on behalf of the Board

A.Viswanatha Rao
Partner

J.V.R.Mohan Raju
Chairman & Managing Director

J.Uma
Director

Member Ship No. 29597
Place: Hyderabad
Date : 31-05-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
A.Cash Flow From Operating Activities		
Net Profit /Loss (-) before Taxation	-2,137,232	1,276,951
Depreciation	544,060	611,247
Cost of buildings Demolished	5,654,000	0
Misc.Expenses to the extent Written Off	825,116	1,588,249
Operating profit before working capital changes	4,885,944	3,476,447
Adjustments for :		
Sundry Debtors	-688,707	-3,096,000
Loans & Advances	-2,178,009	-5,350,063
Stock	-2,615,203	0
Income -Tax paid/ Fringe Benefit Tax paid	-108,870	-83,000
Current Liabilities & Provisions	-960,380	4,500,653
Net Cash from operating activities (A)	-1,665,225	-551,963
B.Cash Flow From Investing Activities :		
Purchase of Fixed Assets	0	-794,000
Sale of Land	930,000	0
Net Cash used investing activities (B)	930,000	-794,000
C.Cash Flow From Financing Activities :		
Payment of Secured Loans	-325,514	-416,554
Borrowal of Unsecured Loans	1,000,000	0
Net cash used in financing activities (C)	674,486	-416,554
<i>Net Increase/Decrease in cash and bank balances</i>		
(A+B+C)	-60,739	-1,762,517
Cash and cash equivalents at the beginning of the year	2,284,846	4,047,364
Cash and cash equivalents at the end of the year	2,224,107	2,284,846
<p>As per our report of even date For RAO & SRIDHAR Chartered Accountants FRN 006070S</p>		
For and on behalf of the board		
A.Viswanatha Rao Partner Member Ship No. 29597 Place : Hyderabad Date : 31-05-2010	J.V.R.Mohan Raju Chairman & Managing Director	J.Uma Director

AUDITORS CERTIFICATE

We have examined the above cash flow statement of Hindustan Bio Sciences Limited for the year ended March 31st, 2010. The statement has been prepared by the company in accordance with the requirements of the listing agreement clause 32 with stock exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report date to the members of the Company.

For RAO & SRIDHAR
Chartered Accountants
FRN 006070S

Place : Hyderabad
Date : 31-05-2010

A.Viswanatha Rao
Partner
Member Ship No. 29597

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As per schedule VI, part IV of the Companies Act, 1956).

1) Registration Details:

Registration No : 01 – 13564 State Code : 01
 Balance Sheet Date : 31-03-2010

2) Capital Raised During the year (Amount in Rs. Thousands)

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

3) Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : Total Assets :

Source of Funds

Paid up Capital : 102508 Reserves & Surplus : -446
 Secured Loans : 0 Unsecured Loans : 1000

Application of Funds

Net Fixed Assets : 33950 Investments : NIL
 Net Current Assets : 67017 Misc. Expenditure : 1421
Accumulated Losses : Nil Deferred Tax (Asset) : 674

4) Performance of Company (Amount in Thousands)

Turnover : 39379 Total Expenditure : 41516
 Profit/Loss before Tax : -2137 Profit/Loss after Tax : -2042
 Earnings per share in Rs : 0.00 Dividend Rate % : NIL

5) Generic Names of principal products /services of company (as per Monetary terms)

Item Code No (ITC CODE) – 3004 50 10
 Product Description – Recombinant Human Erythropoietin

for and on behalf of the Board

Place : Hyderabad.
 Date : 31-05-2010

J.V.R.Mohan Raju
 Chairman & Managing Director

J.Uma
 Director

ATTENDANCE SLIP

HINDUSTAN BIO SCIENCES LIMITED

Plot No. 31, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034.

- 1. Please fill this attendance slip and hand it over at the entrance of the meeting hall.
- 2. Only shareholders of the company or their proxies will be allowed to attend the meeting.

I hereby record my presence at the Eighteenth Annual General meeting of the shareholders of the Company, held on Thursday, the 30th day of September, 2010 at 10.00 A.M. at H.No. 8-2-269/S, Plot No. 31, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.

Shareholder's/Proxy's signature

Shareholder's/Proxy's full Name

(in Block Letters)

Folio No./ Client ID.....DPID

No. of shares held

.....

PROXY FORM

HINDUSTAN BIO SCIENCES LIMITED

Plot No. 31, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034.

I/We
of.....

.....being a member of HINDUSTAN BIO SCIENCES LIMITED , hereby
appoint ofor
failing him / her as my / our proxy to vote for me / us behalf at the Eighteenth Annual
General Meeting of the shareholders of the company, to be held on Thursday the 30th day of
September, 2010 at 10.00 A.M. at H.No. 8-2-269/S, Plot No. 31, Sagar Society, Road No.2,
Banjara Hills, Hyderabad – 500 034.

As witness signed this day of 2010

Signed by the said

Folio No./ Client ID DPID

No. of shares held

Affix a
Revenue
Stamp

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

**BOOK POST
PRINTED MATTER**

If undelivered please return to :

HINDUSTAN BIO SCIENCES LIMITED

H.No. 8-2-269/S, Plot No. 31,
Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034.