

20TH ANNUAL REPORT
2011-2012



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
- 7) Sri M.Satyanarayana 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

– Axis Bank Ltd,
Begumpet Branch,
Hyderabad

Auditors

– Rao & Sridhar
Flat No. 310 & 311
Kubera Towers, Narayanaguda,
Hyderabad – 500 0029

**Share Transfer Agents For – M/s. Venture Capital & Corporate
Demat Shares** Investments Private Limited.

12-10-167, Bharat Nagar,
Hyderabad – 500 018.

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Saturday, the 29th September, 2012 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, 2012 and the Directors and Auditors Report thereon.
2. To appoint a Director in place of Sri. AVV Satyanarayana, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri. M. Satyanarayana Raju, who retires by rotation and being eligible, offers himself 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.

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

Place : Hyderabad
Date : 24.05.2012

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 13th September, 2012 to 29th September, 2012(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 2012-2013 is paid.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their mail address to the company along with details such as Folio No, Name of the share holder address.
8. In compliance with the General circular No.17/2011 dt 21-04-2011 issued by Ministry of Corporate affairs, The Annual report of the Company for the year 2011-2012 is sent by email ID available with the depository participants, unless they expressly request for physical copy of the annual report.

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

Place : Hyderabad
Date : 24.05.2012

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 31-03-2012.

1. Financial Results:

Rs. In Lakhs

Particulars	2011-2012	2010-2011
Operating Profit (Loss)	17.76	29.64
Less: Depreciation & Amortisation charges	26.43	26.46
Profit Before Tax	-8.67	3.18
Less: Provision for Taxation Income Tax	0.00	0.65
Add/Less: Deferred Tax Asset or Liability	0.01	-1.70
Profit after Tax	-8.66	0.83
Appropriations:		
Proposed Dividend	NIL	NIL
Balance carried forward to Balance Sheet	-12.29	-3.63

Note: Previous year figures have been regrouped wherever necessary.

2. Operations:

During the year under review, the company achieved a turnover of Rs.270.59 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. A V V Satyanarayana and Sri. M.Satyanarayana Raju, Directors retiring by rotation and being eligible offers themselves for reappointment.

4. Directors Responsibility Statement:

Your Directors would like to inform members that the audited accounts containing the Financial Statements for the year 2011-2012 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. Corporate Governance :

A note on corporate governance is enclosed.

7. Particulars Of Employees :

No employee of the company is in receipt of remuneration of Rs.60 Lakhs per annum, and no employees is in receipt of Rs.5Lakhs 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.

8. 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 : 24.05.2012

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	2011-12
Foreign exchange earnings	NIL
Foreign exchange outgo	108.02

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

The Bio Pharma Industry, especially the r-DNA products being imported to India are facing a tough competition of late. Though our company has got it's standing in selling erythropoietin, we could not sell much quantity, as compared to last year. We could reach only 50% in terms of quantity compared to last year. However, the company did reach a turnover of 67% of that of last year by sticking to our prices to prevent losses.

Opportunities and Threats, Product wise Performance and Outlook :

The Industry is growing exponentially and so is the competition. Heavy competition is a major threat to our business. The management of our company is pursuing various options to overcome this threat. The following are a few steps that the company is taking to face the competition.

- * Increasing the quantity and reducing the prices to compete with others
- * Introducing new formulations (Products) for which there is lesser competition
- * Negotiating with the custom manufacturers for a lesser price

The company is trading cautiously while introducing new products due to the increased cost of launching new product, challenges faced in getting the necessary approvals and complications in conducting clinical trials.

The company is presently importing and marketing 'Recombinant Human Erythropoietin' with the brand names EPOVIN, EPOSINO, TRANSFER & NEPHRODIL. The turnover of the company can be further increased, if we get the approval for higher potencies, which is still pending with DCGI.

Due to heavy competition in the biotech sector, our company is entering into the marketing of Branded Generic Medicines. We have been negotiating for custom manufacturing of some fast moving Branded Generic Medicines to market at affordable prices even to the lower middle class and poor. We have identified the Custom manufacturer and have entered into an agreement. The company will initially be launching dry and liquid injectables, dry/liquid syrups, Eye/Ear/Nasal drops, pre-filled syringes and sterile/ non-sterile ointments and tablets during the 2nd quarter of 2012-13. The company is opening regional offices in Bangalore and Cochin for marketing of our existing Biotech products as well as the newly launched pharma generics.

Risks and Concerns :

- 1) The competition in the existing product portfolio has increased over the years which are affecting the profits of the company
- 2) The cost & time for getting approvals for new products have become unpredictable and there is no guarantee that the company will get the approvals.
- 3) The DCGI is insisting clinical trials for every product, even though it is marketed in many countries after successful clinical trials in other countries. The conduct of clinical trials involves huge amount of money and time and thus reduces the competitiveness of the product in terms of price.

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.270.59 Lakhs as against last year revenue of Rs.373.49 Lakhs. The management is expecting that the revenues will increase during this year as we are starting the pharma generics in addition to the existing four brands of biotech products, which are already 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 Four 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 |
| 7. Sri M. Satyanarayana Raju | - | Director |

Board Meetings:

The board of directors met 4 (Four) times during the financial year on 30-5-2011, 30-07-2011, 22-10-2011 & 25-01-2012.

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	3
2. J. Uma	NED	4	Yes	1
3. J. Tanuja Raju	NED		No	NIL
4. B.R. Rao	NED	4	Yes	NIL
5. A.V.V. Satyanarayana	NED		No	NIL
6. K. Rama Chandra Raju	NED	4	Yes	NIL
7. M. Satyanarayana Raju	NED	4	Yes	2

Remuneration to Directors

The details of remuneration paid to all the directors for the year 2011-2012 are:

1. Non Executive Directors: (Sitting Fee only)

a. Smt. J. Uma	-	Rs.	8000/-
b. Kum. J.Tanuja Raju	-		Nil
c. Sri B.R.Rao	-	Rs.	8000/-
d. Sri A.V.V.Satyanarayana	-		NIL
e. Sri K. Rama Chandra Raju	-	Rs.	8,000/-
f. Sri M. Satyanarayana Raju	-	Rs.	8,000/-

2. Executive Directors :

Sri J.V.R.Mohan Raju	-	Rs.	24,00,000/-
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3. Audit Committee :

The audit committee as on 31st March, 2012 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 30-05-2011, 30-07-2011, 22-10-2011, and 25-01-2012 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. The Committee met twice during the year. The dates on which the Committee meetings were held are:

Compliance Officer:

Sri JVR Mohan Raju, Managing Director of the Company is the Compliance Officer.

The company has attended to most of the investor's grievances/correspondence within a period of 15 days from the date of receipt. At most all the rest of the grievances was attended within the maximum period of 30 days. All Transfers were completed within the maximum period of 30 days.

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 2011-2012 and the gap between any two successive meetings did not exceed four months.
- 2) The Board has Seven members comprising of One Managing Director and Six 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 2011-2012 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 2012-2013 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 9658694 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 30-09-2011) 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 2011-12

Postal Ballot :

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date : 13.09.2012 to 29.09.2012 (both days inclusive)
2. Date, Time and Venue of the 20th Annual General Meeting : 29.09.2012 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
4. Listing Fee : Listing Fees for the year 2012-13 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: 40205171
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: 40205171
 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
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
Eighteenth Annual General Meeting	30-09-2010	Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034.	Nil
Nineteenth Annual General Meeting	30-09-2011	Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034.	Re Appointment of MD

Market Price Data on Company's Scrip on Bombay Stock Exchange Ltd., for the Financial Year 2011-2012

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April '11	3.45	21-Apr-2011	2.30	01-Apr-2011
May '11	2.97	04-May-2011	1.85	13-May-2011
June '11	5.97	30-Jun-2011	2.05	01-Jun-2011
July '11	6.57	04-Jul-2011	3.33	28-Jul-2011
August '11	3.54	01-Aug-2011	2.18	25-Aug-2011
September '11	2.87	20-Sep-2011	2.17	26-Sep-2011
October '11	2.79	28-Oct-2011	1.93	10-Oct-2011
November '11	2.89	09-Nov-2011	1.67	25-Nov-2011
December '11	2.78	08-Dec-2011	1.51	30-Dec-2011
January '12	2.62	10-Jan-2012	1.66	02-Jan-2012
February '12	2.64	14-Feb-2012	1.96	28-Feb-2012
March '12	2.61	03-Mar-2012	1.73	20-Mar-2012

Pattern of Shareholding as on 31.03.2012

Description	No. of Shareholders	%	No. of Shares	%
Individual	7086	97.12	9091908	88.69
FI	-	-	-	-
FII	-	-	-	-
NRI	32	0.44	129154	1.26
Bodies Corporate	144	1.97	938718	9.16
Clearing Member	34	0.47	91020	0.89
Mutual Funds	-	-	-	-
Trustees	-	-	-	-
Bank	-	-	-	-
TOTAL	7296	100.00	10250800	100.00

Distribution of Shareholding as on 31.03.2012

Range	No. of Shareholders	%	No. of Shares	%
Up to 500	4367	59.85	1159744	11.31
501 to 1000	1402	19.22	1266368	12.35
1001 to 2000	737	10.10	1229354	11.99
2001 to 3000	299	4.10	797520	7.78
3001 to 4000	111	1.52	408930	3.99
4001 to 5000	113	1.55	549994	5.37
5001 to 10000	157	2.15	1196988	11.68
10001 & Above	110	1.51	3641902	35.53
TOTAL	7296	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 2012.

J.V.R. Mohan Raju

Chairman & Managing Director

Place : Hyderabad
Date : 24-05-2012

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 31st, 2012.

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 are 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.

J.V.R. Mohan Raju

Chairman & Managing Director

Place : Hyderabad
Date : 24-05-2012

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 31-03-2012 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**

**(A.Viswanatha Rao)
FCA**

Place : Hyderabad
Date : 24-05-2012

**Member Ship No. 029597
Firm Reg. No. 0060705**

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 LTD as on 31st March, 2012 and also the Profit & 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 :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) 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.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) 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 (3C) of section 211 of the Companies Act, 1956.

- (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) 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 2012; and
 - (b) in the case of the Profit and Loss account, of the Loss for the year ended on that data :

**For RAO & SRIDHAR
Chartered Accountants**

**(A.Viswanatha Rao)
FCA**

**Member Ship No. 029597
Firm Reg. No. 0060705**

Place : Hyderabad
Date : 24-05-2012

ANNEXURE TO THE AUDITORS REPORT

As required by the Companies (Auditors 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 proper 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 granted loans, secured or unsecured to 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 (1 B) 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 purchases of the 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, 2012 for the period of more than six months from the date they became payable.
- x) The Company had an accumulated losses of Rs. 1228697/- as 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 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.

- xvii) 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 has 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**

**(A.Viswanatha Rao)
FCA**

**Member Ship No. 029597
Firm Reg. No. 0060705**

**Place : Hyderabad
Date : 24-05-2012**

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	As on 31-03-2012 Rs.	As on 31-03-2011 Rs.
I. EQUITY AND LIABILITIES :			
(1) Shareholder's funds			
(a) Share Capital	1	102,508,000	102,508,000
(b) Reserves and Surplus	2	-1,228,697	-363,161
Non Current Liabilities			
(1) Long Term Borrowings	3	1,000,000	1,040,500
(2) Current Liabilities			
(a) Short Term Borrowings	4	454,709	200,000
(b) Trade Payables	5	1,279,260	481,950
(c) Short-Term Provisions	6	805,405	432,948
Total Equity & Liabilities:		104,818,677	104,300,237
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Gross Block	7	25,786,253	25,002,541
(ii) Depreciation		3,565,043	3,149,628
(iii) Net Block		22,221,210	21,852,913
(b) Deferred Tax Asset	8	504,136	503,055
(c) Long Term Loans and Advances	9	68,383,472	64,995,754
(2) Current Assets			
(a) Trade receivables	10	5,420,993	3,767,969
(b) Cash and cash equivalents	11	885,300	5,056,024
(c) Short-term loans and advances	12	1,669,273	162,985
Miscellaneous expenditure not written off		5,734,293	7,961,537
Total Assets		104,818,677	104,300,237

Notes to Accounts
19
*Schedules referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.*
For RAO & SRIDHAR
Chartered Accountants

For HINDUSTAN BIO SCIENCES LIMITED
A.Viswanatha Rao
FCA
Membership No. 029597
Firm Reg. No. 006070
Place : Hyderabad
Date : 24-05-2012

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

J.Uma
Director

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012

Sr. No	Particulars	Notes	ASON 31-3-2012 Rs.	ASON 31-3-2011 Rs.
I	Revenue from operations	13	27,059,168	37,349,100
	Total Revenue		27,059,168	37,349,100
II	Expenses:			
	Cost of materials consumed	14	12,724,888	23,832,328
	Employee Benefit Expense	15	4,683,355	3,183,741
	Financial Costs	16	238,886	223,264
	Depreciation and Amortization Expense	17	2,642,658	2,646,524
	Other Administrative Expenses	18	7,635,997	7,144,429
	Total Expenses		27,925,784	37,030,286
III	Profit before exceptional and extraordinary items and tax	(I - II)	-866,616	318,814
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax	(III - IV)	-866,616	318,814
VI	Extraordinary Items		-	-
VII	Profit before tax	(V - VI)	-866,616	318,814
VIII	Tax expense:			
	(1) Current tax		-	65,049
	(2) Deferred tax		1,080	170,490
IX	Profit(Loss) for the period from continuing operations	(VII-VIII)	-865,536	83,275
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations	(X-XI)	-	-
XIII	Profit/(Loss) for the period	(IX+XII)	-865,536	83,275
XIV	Earning per equity share:			
	(1) Basic		-0.08	0.008
	(2) Diluted		-0.08	0.008

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement
This is the Profit & Loss Statement referred to in our Report of even date.

For RAO & SRIDHAR
Chartered Accountants

For HINDUSTAN BIO SCIENCES LIMITED

A.Viswanatha Rao
FCA
Membership No. 029597
Firm Reg. No. 006070
Place : Hyderabad
Date : 24-05-2012

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

J.Uma
Director

Notes Forming Integral part of the Balance Sheet as at 31st March, 2012
Notes : 1 Share Capital

Sr. No.	Particulars	31-Mar-2012 Rs.	31-Mar-2011 Rs.
1.	AUTHORIZED CAPITAL (1,10,00,000 Equity Shares of Rs. 10/- each)	110,000,000	110,000,000
		110,000,000	110,000,000
2.	ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL 10250800 Equity shares of Rs. 10/- each)	102,508,000	102,508,000
	Total ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL	102,508,000	102,508,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31-Mar-12		31-Mar-11	
	No.of shares	Amount Rs.	No.of shares	Amount Rs.
At the beginning of the period	10250800	102508000	10250800	102508000
Issued during the year	----	-----	----	-----
Outstanding at the end of the period	10250800	102508000	10250800	102508000

A. Terms \Rights attached to Equity Shares

The company has only one class of Equity Shares having a par value of Rs. 10/- each. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B. Details of shareholders holding more than 5% Shares in the company

Sl.No.	Particulars	No.of shares	% of share holding
1.	JVR Mohan Raju	852200	8.31

Notes : 2 Reserves & Surplus

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	-363,161	-446,436
	Less : Tax on Regular Assessment Paid	(1,080)	235,539
	Add : Profit / (Loss) for the period	-866,616	318,814
	Total Reserves & Surplus	-1,228,697	-363,161

Notes : 3 Long Term Borrowings

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Loans - Others	1,000,000	1,040,500
	Total Long Term Borrowings	1,000,000	1,040,500

The Loan-others included unsecured loan taken from V. Rangaiah during the year 2011-12 and carries interest @18% pa.

Notes : 4 Short Term Borrowings

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Axis Bank - Vehicle Loan	254,709	-
2.	HES Infra Private Limited	200,000	200,000
	Total Short Term Borrowings	454,709	200,000

The company had taken vehicle Loan during the financial year 2011-12 and carries interest @11.50% p.a. The Loan is repayable in 12 monthly instalments of Rs.43887 along with interest from the date of Loan. The Loan is secured by hypothecation of vehicle purchased.

Notes : 5 Trade Payable

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Selling expenses payable	1,279,260	481,950
	Total Trade Payables	1,279,260	481,950

Notes : 6 Short Term Provision

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Provision for Tax	-	65,049
2.	CST Payable	-	72,184
3.	Salaries Payable	233,416	135,480
4.	Rent Payable	-	23,400
5.	Professional Tax Payable	1,400	1,000
6.	TDS Payable	515,994	81,240
7.	Audit Fee Payable	54,595	54,595
	Total Short Term Provisions	805,405	432,948

Schedules Forming Integral part of the Balance Sheet as at 31st March, 2012
Notes : 7 Fixed Assets

Sl. No.	Particulars	Rate	Gross Block			Depreciation			Net Block			
			Value at the beginning Rs.	Addition during the year Rs.	Deduction during the year Rs.	Value at the end Rs.	Value at the beginning Rs.	Addition during the year Rs.	Deduction during the year Rs.	WDV as on 31.03.2012 Rs.	WDV as on 31.03.2011 Rs.	
	Tangible Assets											
1	COMPUTERS	40.00%	92,350	-	-	92,350	32,564	23,914	-	56,478	35,872	59,786
2	FURNITURE & FIXTURES	18.10%	510,905	-	-	510,905	314,941	35,469	-	350,410	160,495	195,964
3	OFFICE EQUIPMENT	18.10%	402,019	13,790	-	415,809	328,864	14,768	-	343,632	72,177	73,155
4	VEHICLES	25.89%	2,028,814	673,922	-	2,702,736	1,401,074	235,221	-	1,636,295	1,066,441	627,740
5	CAPITAL WIP	0.00%	19,229,514	-	-	19,229,514	-	-	-	-	19,229,514	19,229,514
6	AIR CONDITIONER	13.91%	179,052	-	-	179,052	88,792	12,555	-	101,347	77,705	90,260
7	REFRIGERATOR	13.91%	86,098	-	-	86,098	43,316	5,951	-	49,267	36,831	42,782
8	NETWORKING(LAN)	13.91%	45,614	-	-	45,614	34,865	1,495	-	36,360	9,254	10,749
9	ELECTRICAL INSTALLATION	13.91%	25,500	-	-	25,500	4,250	2,956	-	7,206	18,294	21,250
10	TELEVISION	13.91%	19,300	96,000	-	115,300	14,345	9,592	-	23,937	91,363	4,955
11	WEBSITE	13.91%	40,000	-	-	40,000	30,332	1,345	-	31,677	8,323	9,668
12	EPBX	13.91%	42,800	-	-	42,800	32,977	1,366	-	34,343	8,457	9,823
13	LABORATORY EQUIPMENT	13.91%	1,497,575	-	-	1,497,575	529,174	-	-	529,174	968,401	968,401
14	WALK IN COOLER	13.91%	213,000	-	-	213,000	91,919	16,842	-	108,761	104,239	121,081
15	FITNESS EQUIPMENT	13.91%	590,000	-	-	590,000	202,215	53,941	-	256,156	333,844	387,785
			25,002,541	783,712	-	25,786,253	3,149,628	415,415	-	3,565,043	22,221,210	21,852,913
	Total		25,002,541	783,712	-	25,786,253	3,149,628	415,415	-	3,565,043	22,221,210	21,852,913
	(Previous Year)		33,878,105	216,444	9,092,008	25,002,541	8,696,107	415,281	5,965,760	3,149,628	21,852,913	25,181,998

A. Vehicle purchased is hypothecated for the loan taken during the year.

Notes : 8 Deferred Tax Asset

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Timing difference of depreciation on Assets	504,136	503,055
	Total Deferred Tax Asset	504,136	503,055

Being the Impact of difference between tax depreciation and Depreciation charged for the financial reporting on Fixed Assets as per AS-22.

Notes : 9 Long Term Loans and Advances

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Capital Assets		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2.	Security Deposit		
	a) Secured, Considered Good :		
	Earnest Money Deposit	-	-
	Other Deposit	301,512	313,797
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
3.	Loans & Advances to related parties		
	Unsecured, Considered good	14,974,525	10,974,522
4.	Advances recoverable in cash or kind		
	Unsecured Considered good	2,800,000	3,400,000
5.	Other Loans & Advances	50,307,435	50,307,435
	Total Long Term Loans and Advances	68,383,472	64,995,754

9(3).Loans & Advances to related parties

31-Mar-2012 31-Mar-2011
(Amount in Rs.) (Amount in Rs.)

Due from Nipuna Shelters Private Limited in which
Managing Director is a Director

9,901,635 8,241,430

Due from Basix Infratech India Private Limited in which
Managing Director is a Director

3,849,767 1,050,000

Due from Hindustan Overseas corporation in which
Managing Director is Proprietor

1,223,123 1,683,092

(b) The other Loans and Advances relates to the amount received during the tenure of previous management, which are subject to confirmation.

Notes : 10 Trade Receivables

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Outstanding for more than six months		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2.	Others		
	a) Secured, Considered Good	5,420,993	3,767,969
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	Total Trade Receivables	5,420,993	3,767,969

Notes : 11 Cash & Cash Equivalent

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Cash-in-hand		
	Cash Balance	202,167	4,178,134
	Petty Cash Balance	-	-
	Sub Total (A)	202,167	4,178,134
2.	Bank Balance		
	with Axis Bank	672,418	865,484
	with HDFC Bank	10,715	7,174
	with Oriental Bank of Commerce	-	5,232
	Sub Total (B)	683,133	877,890
3.	Cheques on hand		
	(c)	-	-
	Total (A+B+C)	885,300	5,056,024

Notes : 12 Short Term Loans and Advances

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Loans & Advances to related parties		
	a) Secured, Considered Good	-	-
	Advance to Associate concerns	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2.	Others	1,658,000	150,000
	Advance recoverable in cash or in kind or for value to be considered good		
	Prepaid Expenses	11,273	12,985
	Total Short Term Loans and Advances	1,669,273	162,985

Schedules Forming part of the Profit & Loss Account as at 31st March, 2012
Notes : 13 Revenue from Operations

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Sales - Finished Goods	27,056,080	37,349,100
2.	Other Income	3,088	-
	Total Revenue from Operations	27,059,168	37,349,100

Notes : 14 Cost of Material Consumed

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Purchases	12,724,888	23,832,328
	Total Cost of Material Consumed	12,724,888	23,832,328

DETAILS OF PURCHASES

A	Opening Stock	-	2,615,203
	Purchases-Indigenous	1,247,300	-
		1,247,300	2,615,203
B	Purchases-Imports		
	Material-Erythropoietin	10,801,675	19,504,192
	Customs Duty	571,449	1,455,085
	Handling & Demurrage	66,688	182,455
	Service Charges	37,776	75,393
		11,477,588	21,217,125
	(A+B)	12,724,888	23,832,328

Notes : 15 Employment Benefit Expenses

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Salaries, Bonus, PF & ESIC	1,978,259	1,870,652
2.	Directors Remuneration	2,400,000	1,200,000
3.	Staff Welfare	305,096	113,089
	Total Employment Benefit Expenses	4,683,355	3,183,741

Remuneration paid to Managing Director Mr. J.V.R. Mohan Raju

Notes : 16 Financial Cost

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Bank Charges	33,180	31,706
2.	Interest	205,706	191,558
	Total Financial Cost	238,886	223,264

Notes : 17 Depreciation & Amortised Cost

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1.	Depreciation	415,415	419,281
2.	Preliminary Expenses W/O	2,227,243	2,227,243
	Total Depreciation & Amortised Cost	2,642,658	2,646,524

Notes : 18 Other Administrative Expenses

Sr.No.	Particulars	31-Mar-2012	31-Mar-2011
1	Audit Fee	60,665	60,665
2	Office maintenance	39,000	32,084
3	Printing & stationery	64,860	69,674
4	Rent Rates & Taxes	404,854	476,954
5	Telephone, Postage & Telegrams	199,467	180,853
6	General Expenses	38,580	44,132
7	Director's sitting fee	32,000	26,000
8	Repairs & Maintenance	24,732	53,533
9	Vehicle Maintenance	219,299	171,669
10	Professional Charges	165,150	34,000
11	Selling Expenses	5,004,087	636,785
12	Loss on sale of Assets	-	2,851,248
13	Bad Debts Written Off	59,974	96,000
14	Testing Charges	22,722	34,083
15	Travelling & conveyance	1,044,429	1,868,751
16	Advertisement	33,200	33,000
17	Electricity Charges	39,373	52,251
18	Business Promotion	174,605	391,747
19	Donations	9,000	31,000
	Total Other Administrative Expenses	7,635,997	7,144,429

Notes : 19

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 no closing stock as on 31-03-2012

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) Pre-operative Expenses are written off in equal installments over a period of five 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) Taxes on Income:

Tax expense comprises of both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income-tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods.

8) 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.

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

Pre Filled Syringes	Purchase Units	Sold Units	Closing Stock Units
2000IU	58000	58000	Nil
4000IU	27000	27000	Nil
6000IU	5000	5000	Nil

10) Previous year figures have been regrouped wherever necessary.

Vide our report of even date

For RAO & SIRDHAR
Chartered Accountants

For HINDUSTAN BIO SCIENCES LIMITED

(A.Viswanatha Rao)
FCA
Member Ship No. 029597
Firm Reg. No. 0060705

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

J.Uma
Director

Place: Hyderabad

Date : 24-05-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	2011-2012 Rs.	2010-2011 Rs.
Cash Flow From Operating Activities		
Profit before tax from continuing operations	-866616	318814
Profit before tax from discontinuing operations	0	0
Profit before tax	-866616	318814
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	2642658	2646524
(Profit)/loss on sale of fixed assets	0	2851248
Interest expense	238886	
Operating profit before working capital changes	2014928	5816586
Movements in working capital :		
Increase/(decrease) in trade payables	797310	-
Increase/(decrease) in short-term provisions	372457	-
Increase/(decrease) in other current liabilities		-5319733
Decrease/(increase) in Trade receivables	-1653024	16738
Decrease/(increase) in inventories		2615203
Decrease/(increase) in long-term loans and advances	-3387718	-395933
Decrease/(increase) in short-term loans and advances	-1506288	-
Decrease/(increase) in other current assets	-	-
Cash generated from /(used in) operations	-3362335	2732861
Direct taxes paid (net of refund)	0	0
Net cash flow from/(used in) operating activities (A)	-3362335	2732861
Cash flows from investing activities		
Purchase of fixed assets, including tangible assets, CWIP and	-783712	-216444
Proceeds from sale of fixed assets		275000
Interest received	-	-
Net cash flow from/(used in) Investing activities (B)	-783712	58556
Cash flows from financing activities		
Proceeds from long-term borrowings	214209	40500
Interest paid	-238886	-
Net cash flow from/ (used in) financing activities (C)	-24677	40500
Net increase/(decrease) in cash and cash equivalents(A+B+C)	-4170724	2831917
Cash and cash equivalents at the beginning of the year	5056024	2224107
Cash and cash equivalents at the end of the year	885300	5056024

For RAO & SRIDHAR
Chartered Accountants

For Hindustan Bio Sciences Limited

(A.Viswanatha Rao)
FCA
Member Ship No. 29597
Firm Reg. No. 0060705
Place : Hyderabad
Date : 24-05-2012

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 31, 2012. 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**

**(A.Viswanatha Rao)
FCA**

**Member Ship No. 029597
Firm Reg. No. 0060705**

**Place : Hyderabad
Date : 24-05-2012**

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 : 31-03-2012

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 : -1229
Secured Loans : 0 Unsecured Loans : 1000

Current Liabilities : 2539

Application of Funds

Net Fixed Assets : 22221 Long Term Loans : 68384
Current Assets : 7975 Misc. Expenditure : 5734
Accumulated Losses : Nil Deferred Tax (Asset) : 504

4) Performance of Company (Amount in Thousands)

Turnover : 27059 Total Expenditure : 27926
Profit/Loss before Tax : -867 Profit/Loss after Tax : -866
Earnings per share in Rs : -0.08 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 Hindustan Bio Sciences Limited

Place : Hyderabad.
Date : 24-05-2012

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 20th Annual General meeting of the shareholders of the Company, held on Saturday, the 29th day of September, 2012 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 20th Annual General

Meeting of the shareholders of the company, to be held on Saturday the 29th day of

September, 2012 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 2012

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.

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.