

21ST ANNUAL REPORT
2012-2013



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) Mr. J. Varun Varma – Whole-time 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

- M/s. VASG & ASSOCIATES
Flat No. 310 & 311
Kubera Towers, Narayanaguda,
Hyderabad – 500 029.

**Share Transfer Agents For
Demat Shares**

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

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Monday, the 30th of September, 2013 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, 2013 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. **Appointment of Director:**
"RESOLVED THAT Mr. JAMPANA VARUN VARMA, who was appointed as an Additional Director and Whole-time Director with effect from 1st October, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

SPECIAL BUSINESS:

- To consider and if thought fit , to pass with or without modification the following Resolution as special Resolution.
5. "RESOLVED THAT pursuant to Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto as amended up to date and all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to such approvals as there is necessary, the Company hereby approved the re appointment of Mr. J.VARUN VARMA, Whole-time Director of the Company for a further period of 5 years with effect from 01-10-2012 To 30-09-2017 on the following terms and conditions and as recommended by the remuneration Committee in its meeting held on 01-10-2012, hereby approved with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force for a period of 5 years.
Salary: Rs. 50,000/- per month (Including Dearness Allowances).

Perquisites:

In addition to salary the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to the Whole-time Director.

A) Housing:

Rent free furnished accommodation along with benefits of gas, fuel, water, electricity, telephone and fax and also upkeep the maintenance of Company's furnished accommodation.

B) Medical Reimbursement:

Reimbursement of Medical for self and family, as per Rules of the company.

C) Leave Travel Allowance:

Leave Travel Allowance will be paid by the Company for himself and his family once in a year subject to ceiling of one and half month salary in a year.

D) Club Fees:

Reimbursement of club fees, subject to maximum of two clubs.

E) Personal Accident Insurance:

Personal Accident Insurance cover as applicable will be provided to him by the company. Premium payable shall not exceed Rs. 4,000/- per annum.

Apart from the above the Managing Director shall also be entitled to the following.

a) Provident Fund / Superannuation Fund:

Contribution to Provident fund / Superannuation Fund is in accordance with the rules of the company.

b) Gratuity:

Gratuity at a rate not exceeding half month salary for each completed year of service.

c) Company Car:

One car with the services of driver to be maintained by the company for official use.

d) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company

e) Leave as per rules of the company.

In the event of loss or inadequacy of profits in any financial year, the managing Director's remuneration shall be governed by the limits prescribed under sec II of Part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or reenactment thereof, as may, for the time being, be in force.

6. To appoint M/s VASG & ASSOCIATES. (formally known as 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 of next Annual General Meeting at a remuneration and out of pocket expenses to be fixed by the Board.

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

Place : Hyderabad
Date : 30.05.2013

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 20th September, 2013 to 30th September, 2013(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 2013-2014 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 and address.

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

Place : Hyderabad
Date : 30.05.2013

J.V.R.Mohan Raju
Chairman

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956
Item No.4 & 5 Mr.Varun Varma who was appointed as Additional Director and Whole time Director has to be confirmed and approved by the Shareholders.

The details of the Directors seeking Appointment/reappointment is as follows:

Name of the Director	J.Varun Varma
Date of Birth	21.08.1985
Address	H.No.6,Daffodil Block, Nectar Garden, Madhapur ,Hyderabad 500 081
Shareholding as on 01/09/2013	2100
Qualification	M.S. (Industrial Engineering)
Experience	2 yrs experience as Business analyst in USA
Other Directorships	1) Basix Infratech India Pvt. Ltd. 2) Nipuna Shelters Pvt. Ltd.

The Directors refer the resolution for your approval as special resolution.
Mr Varun Varma is Son of Mr. JVR Mohan Raju, Managing Director and Mrs. J Uma , Director and thereby they are deemed to be interested in his appointment.

DIRECTOR'S REPORT

To The Members,

Your directors are pleased to present their report along with the Audited accounts for the year ended 31-03-2013.

1. Financial Results:

Rs. In Lakhs

Particulars	2012-2013	2011-2012
Operating Profit (Loss)	-44.58	17.76
Less: Depreciation & Amortisation charges	-27.11	26.43
Profit Before Tax	-71.69	-8.67
Less: Provision for Taxation Income Tax	0.00	0.00
Add/Less: Deferred Tax Asset or Liability	-0.03	0.01
Profit after Tax	-71.72	-8.66
Appropriations:		
Proposed Dividend	NIL	NIL
Balance carried forward to Balance Sheet	-84.00	-12.29

Note: Previous year figures have been regrouped wherever necessary.

2. Operations:

During the year under review, the company achieved a turnover of Rs389.07 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 are retiring by rotation and being eligible offers themselves for reappointment.

The Board of Directors placed on their appreciation for the services rendered by Mrs. Tanuja Raju, Director, who resigned to the Directorship on 30.07.2012.

4. Directors Responsibility Statement:

Your Directors would like to inform members that the audited accounts containing the Financial Statements for the year 2012-2013 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 VASG & ASSOCIATES.

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 judgements 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 VASG & ASSOCIATES ., Chartered Accountants, Hyderabad, who has been appointed as 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 : 30.05.2013

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 equipments, 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 has taken place.

(i) Foreign Exchange Earnings and Outgo.

Rs. In Lakhs	
Particulars	2012-13
Foreign exchange earnings	NIL
Foreign exchange outgo	117.86

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. Due to sharp increase in the exchange value of US Dollar, our profit margins of Erythropoietin have gone down.

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 (We could marginally increase the quantity by 16%)
- * Introducing new formulations (Products) for which there is lesser competition (We have initially introduced 20 generic formulations)
- * Negotiating with the custom manufacturers for a lesser price (We have taken a pharmaceutical unit on loan licence to produce the generics).
- * Since it is the first year of operation for the Generic formulations, we could not get much of the anticipated sales. We are planning to increase the sales, controlling the manpower cost at the present level.

The company is treading 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.
- 4) The exchange rate of US Dollar is adversely effecting the Erythropoietin business.
- 5) The increase in the cost of manpower for marketing generics.

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 sales revenue of Rs.389.07 Lakhs as against last year sales revenue of Rs270.59 Lakhs, achieving an increase of about 44% in rupee terms. The management is expecting that the revenues will further increase during this year as we have introduced Generic formulations in addition to Bio-tech products.

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. Mr. J. Varun Varma | - | Whole time 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 25-05-2012, 30-07-2012, 31-10-2012 & 31-01-2013.

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. Varun Varma	NED	2	No	2
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 2012-2013 are:

1. Non Executive Directors: (Sitting Fee only)

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

2. Executive Directors :

Sri J.V.R.Mohan Raju	-	Rs.	24,00,000/-
Mr. J. Varun Varma	-	Rs.	3,00,000/-

The details of the Directors seeking Appointment/reappointment is as follows:

Name of the Director	Mr. J. Varun Varma	Smt. J. Uma	Sri B.R. Rao
Date of Birth	21.08.1985	15-05-1959	01-06-1950
Address	H.No. 6 DAFFODILS BLOCK NECTAR GARDEN MADHAPUR CYBERABAD, 500081. Andhra Pradesh, INDIA	H.No. 6 DAFFODILS BLOCK NECTAR GARDEN MADHAPUR CYBERABAD, 500081. Andhra Pradesh, INDIA	H.No.390, HIG HOUSE, RAJMAHAL VILAS EXTENSION- II, 5TH MAIN, CROSS NO.11, BANGALORE, 560094 Karnataka, INDIA
Shareholding as on 01.09.2013	2100	600	NIL
Qualification	M.S	B.Com	B.Com
Experience	2 yrs experience as Business analyst in USA	She has worked as a Manager - Establishment in M/s Siris Limited for 20 years	He has been working in pharmaceutical industry for the last 35 years. Presently working as Senior Vice President Projects with M/s. Micro Labs Limited and the board felt that his services will be of immense use for the company.
Other Directorships	2	1	-

3. Audit Committee :

The audit committee as on 31st March, 2013 consists of

- 1) Sri B.R.Rao, Chairman
- 2) Mr. J. Varun Varma
- 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, the Audit Committee met on 25-05-2012, 30-07-2012, 31-10-2012 & 31-01-2013.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 investor's 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: 31-10-2012 & 31-01-2013.

Reconciliation of Share capital Audit

As required by the Regulations of the Securities and Exchange Board of India (SEBI), the issued and listed capital of the company is reconciled with the aggregate of the number of shares held by investors in physical mode and in the demat mode. A Certificate is being obtained on a quantity basis to this effect from a Practicing Company Secretary and submitted to the Stock Exchanges where the Company's shares are listed. No discrepancies were found or reported by the Secretarial Auditor between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories for the financial year 2012-13.

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. Almost 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 2012-2013 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 2012-2013 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 2013-2014 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 30-09-2012) 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) J. Varun Varma
- 3) Smt J.Uma

The committee had met on 01-10-2012 during the financial year 2012-13.

Postal Ballot :

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

GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date : 20.09.2013 to 30.09.2013 (both days inclusive)
 2. Date, Time and Venue of the 21st Annual General Meeting : 30.09.2013 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 2013-14 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 |
|-----------------------------------|------------|---------------------------------------------------------------------------|---------------------------|
| 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 |
| Twentieth Annual General Meeting | 29-09-2012 | Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034. | Nil |

Market Price Data on Company's Scrip on Bombay Stock Exchange Ltd., for the Financial Year 2012-2013

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April'12	2.39	11-04-2012	1.90	23-04-2012
May'12	2.40	03-05-2012	1.42	31-05-2012
June'12	2.20	14-06-2012	1.40	06-06-2012
July'12	2.00	02-07-2012	1.40	10-07-2012
August'12	1.87	22-08-2012	1.24	30-08-2012
September'12	1.89	27-09-2012	1.22	19-09-2012
October'12	2.00	11-10-2012	1.40	31-10-2012
November'12	1.71	02-11-2012	1.35	09-11-2012
December'12	1.74	17-12-2013	1.44	10-12-2012
January'13	1.79	11-01-2013	1.22	31-01-2013
February'13	1.51	04-02-2013	0.92	26-02-2013
March'13	1.28	19-03-2013	0.91	28-03-2013

Pattern of Shareholding as on 31.03.2013

Description	No. of Shareholders	%	No. of Shares	%
Individual	6884	97.31	9041665	88.20
FI	-	-	-	-
Fill	-	-	-	-
NRI	29	0.41	123121	1.20
Bodies Corporate	139	1.96	1037989	10.13
Clearing Member	22	0.31	48025	0.47
Mutual Funds	-	-	-	-
Trustees	-	-	-	-
Bank	-	-	-	-
TOTAL	7074	100	10250800	100

Distribution of Shareholding as on 31.03.2013

Range	No. of Shareholders	%	No. of Shares	%
Up to 500	4203	59.41	1111795	10.85
501 to 1000	1358	19.19	1226882	11.97
1001 to 2000	721	10.19	1194736	11.66
2001 to 3000	294	4.16	786573	7.67
3001 to 4000	107	1.51	392263	3.83
4001 to 5000	124	1.75	602667	5.88
5001 to 10000	161	2.29	1235041	12.05
10001 & Above	106	1.50	3700843	36.10
Total	7074	100	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, 2013.

J.V.R. Mohan Raju

Chairman & Managing Director

Place : Hyderabad
Date : 30-05-2013

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, 2013.

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 in violation 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 : 30-05-2013

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 31-03-2013 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 VASG & ASSOCIATES
Chartered Accountants
FRN 006070S**

Place : Hyderabad
Date : 30-05-2013

**(A. Viswanatha Rao)
Partner
Membership No. 029597**

Independent Auditor's Report
To the Members of
Hindustan Bio-Sciences Limited.

Report on Financial Statements

We have audited the accompanying financial statements of Hindustan Bio-Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Report on Other Legal and Regulatory Requirements

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For VASG & ASSOCIATES
Chartered Accountants
FRN 006070S**

Place : Hyderabad
Date : 30-05-2013

**(A. Viswanatha Rao)
Partner
Membership No. 029597**

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Hindustan Bio-Sciences Limited. On the accounts of the company for the year ended 31st March, 2013.

Having regard to the nature of Company's Business/activities/results during the year, Clause (v),(vi),(viii),(xii),(xiii),(xiv),(xv),(xvi),(xvii),(xviii),(xix) and (xx) of paragraph 4 of the Order are not applicable to the company.

1.
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2.
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate

with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
6. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amounts payable with respect to income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
7. The Company have accumulated loss and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For VASG & ASSOCIATES
Chartered Accountants
FRN 006070S**

Place : Hyderabad
Date : 30-05-2013

**(A. Viswanatha Rao)
Partner
Membership No. 029597**

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	As on 31-03-2013 Rs.	As on 31-03-2012 Rs.
I. EQUITY AND LIABILITIES :			
(1) Shareholder's funds			
(a) Share Capital	1	102,508,000	102,508,000
(b) Reserves and Surplus	2	-8,400,470	-1,228,697
Non Current Liabilities			
(1) Long Term Borrowings	3	1,108,000	1,000,000
(2) Current Liabilities			
(a) Short Term Borrowings	4	600,000	454,709
(b) Trade Payables	5	4,861,471	1,279,260
(c) Short-Term Provisions	6	1,534,918	805,405
Total Equity & Liabilities:		102,211,919	104,818,677
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Gross Block	7	26,160,108	25,786,253
(ii) Depreciation		4,048,359	3,565,043
(iii) Net Block		22,111,749	22,221,210
(b) Deferred Tax Asset	8	501,578	504,136
(c) Long Term Loans and Advances	9	54,249,347	68,383,472
(2) Current Assets			
(a) Inventory		3,325,884	-
(b) Trade receivables	10	14,820,059	5,420,993
(c) Cash and cash equivalents	11	783,487	885,300
(d) Short-term loans and advances	12	2,912,764	1,669,273
Miscellaneous expenditure not written off		3,507,051	5,734,293
Total Assets		102,211,919	104,818,677

Notes to Accounts

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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 VASG & ASSOCIATES

For HINDUSTAN BIO SCIENCES LIMITED

Chartered Accountants

FRN: 006070S

(A.Viswanatha Rao)

J.V.R.Mohan Raju

J.Uma

Partner

Chairman & Managing Director

Director

Member Ship No. 029597

Place: Hyderabad

Date : 30-05-2013

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2013

Sr. No	Particulars	Notes	ASON 31-3-2013 Rs.	ASON 31-3-2012 Rs.
I	Revenue from operations	13	38,906,832	27,059,168
II	Total Revenue		38,906,832	27,059,168
III	Expenses:			
	Cost of materials consumed	14	22,736,470	12,724,888
	Employee Benefit Expense	15	9,905,767	4,683,355
	Financial Costs	16	244,422	238,886
	Depreciation and Amortization Expense	17	2,710,558	2,642,658
	Other Administrative Expenses	18	4,657,854	2,631,910
	Selling Expenses	19	5,820,976	5,004,087
	Total Expenses (IV)		46,076,047	27,925,784
IV	Profit/(Loss) before exceptional and extraordinary items and tax	(I - III)	-7,169,215	-866,616
V	Exceptional Items		-	-
VI	Profit/(Loss) before extraordinary items and tax	(VI - VII)	-7,169,215	-866,616
VII	Extraordinary Items		-	-
VIII	Profit/(Loss) before tax	(V - VI)	-7,169,215	-866,616
IX	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-2,558	1,080
X	Profit(Loss) for the period from continuing operations	(VIII-IX)	-7,171,773	-865,536
XI	Profit/(Loss) from discontinuing operations		-	-
XII	Tax expense of discontinuing operations		-	-
XIII	Profit/(Loss) from Discontinuing operations	(X-XI-XII)	-	-
XIV	Profit/(Loss) for the period	(XI+XIV)	-7,171,773	-865,536
XV	Earning per equity share:			
	(1) Basic		-0.70	-0.08
	(2) Diluted		-0.70	-0.08

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 VASG & ASSOCIATES
Chartered Accountants
FRN: 006070S

(A.Viswanatha Rao)
Partner
Member Ship No. 029597
Place: Hyderabad
Date : 30-05-2013

For HINDUSTAN BIO SCIENCES LIMITED

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

J.Uma
Director

Notes Forming Integral part of the Balance Sheet as at 31st March, 2013

Notes : 1 Share Capital

Sr. No.	Particulars	31-Mar-2013 Rs.	31-Mar-2012 Rs.
1.	AUTHORIZED CAPITAL (1,10,00,000 Equity Shares of ₹ 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 ₹ 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

	31st March 2013		31st March 2012	
	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	852,200	8.31

Notes : 2 Reserves & Surplus

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	-1,228,697	-363,161
	Add : Loss for the period	-7,171,773	-865,536
	Total Reserves & Surplus	-8,400,470	-1,228,697

Notes : 3 Long Term Borrowings

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Loans - Others	1,108,000	1,000,000
	Total Long Term Borrowings	1,108,000	1,000,000

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

Notes : 4 Short Term Borrowings

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Axis Bank - Vehicle Loan	-	254,709
2.	Super Solutions India Pvt. Ltd.,	400,000	
3.	HES Infra Private Limited	200,000	200,000
	Total Short Term Borrowings	600,000	454,709

Notes : 5 Trade Payable

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Selling expenses payable	-	1,279,260
2.	Sundry Creditors	4,861,471	
	Total Trade Payables	4,861,471	1,279,260

Notes : 6 Short Term Provision

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1	CST Payable	78,940	-
2	Salaries Payable	643,943	233,416
3	Rent Payable	48,600	-
4	Professional Tax Payable	4,800	1,400
5	TDS Payable	274,845	515,994
6	Audit Fee payable	54,595	54,595
7	Outstanding Expenses	197,161	-
8	Professional charges payable	18,000	-
9	Vat Payable	15,624	-
10	TDS on Salaries	198,410	-
	Total Short Term Provisions	1,534,918	805,405

Schedules Forming Integral Part of the Balance Sheet as at 31ST MARCH, 2013

Notes : 7 Fixed Assets

Sr. No.	Particulars	Rate	Gross Block			Depreciation			Net Block			
			Value at the beginning	Addition during the period	Deduction during the period	Value at the end	Value at the beginning	Addition during the period	Deduction during the period	WDV as on 31.03.2013	WDV as on 31.03.2012	
Tangible Assets												
1	COMPUTERS	40.00%	92,350	101,933	-	194,283	56,478	41,159	-	97,637	96,646	35,872
2	FURNITURE & FIXTURES	18.10%	510,905	202,881	-	713,786	350,410	51,988	-	402,398	311,388	160,495
3	OFFICE EQUIPMENT	18.10%	415,809	-	-	415,809	343,632	13,064	-	356,696	59,113	72,177
4	VEHICLES	25.89%	2,702,736	-	-	2,702,736	1,636,295	276,102	-	1,912,397	790,339	1,066,441
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	101,347	10,809	-	112,156	66,896	77,705
7	REFRIGERATOR	13.91%	86,098	10,541	-	96,639	49,267	6,212	-	55,479	41,160	36,831
8	NETWORKING(LAN)	13.91%	45,614	-	-	45,614	36,360	1,287	-	37,647	7,967	9,254
9	ELECTRICAL INSTALLATION	13.91%	25,500	43,000	-	68,500	7,206	5,940	-	13,146	55,354	18,294
10	TELEVISION	13.91%	115,300	-	-	115,300	23,937	12,709	-	36,646	78,654	91,363
11	WEBSITE	13.91%	40,000	15,500	-	55,500	31,677	1,932	-	33,609	21,891	8,323
12	EPBX	13.91%	42,800	-	-	42,800	34,343	1,176	-	35,519	7,281	8,457
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	108,761	14,500	-	123,261	89,739	104,239
15	FITNESS EQUIPMENT	13.91%	590,000	-	-	590,000	256,156	46,438	-	302,594	287,406	333,844
			25,786,253	373,855	-	26,160,108	3,565,043	483,316	-	4,048,359	22,111,749	22,221,210
	Total		25,786,253	373,855	-	26,160,108	3,565,043	483,316	-	4,048,359	22,111,749	22,221,210
	(Previous year)		25,002,541	783,712	-	25,786,253	3,149,628	415,415	-	3,565,043	22,221,210	21,857,913

Notes : 8 Deferred Tax Asset

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Timing difference of depreciation on Assets	501,578	504,136
	Total Deferred Tax Asset	501,578	504,136

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-2013	31-Mar-2012
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	506,512	301,512
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
3.	Loans & Advances to related parties		
	Unsecured, Considered good	635,400	14,974,525
4.	Advances recoverable in cash or kind		
	Unsecured Considered good	2,800,000	2,800,000
5.	Other Loans & Advances	50,307,435	50,307,435
	Total Long Term Loans and Advances	54,249,347	68,383,472

9(iii).Loans & Advances to related parties

	31-Mar-2013	31-Mar-2012
	(Amount in Rs.)	(Amount in Rs.)

Due from Nipuna Shelters Private Limited in which Managing Director is a Director	-	9,901,635
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Due from Basix Infratech India Private Limited in which Managing Director is a Director	942,135	3,849,767
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Due to Hindustan Overseas corporation in which Managing Director is Proprietor	-306,735	1,223,123
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(9v) 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-2013	31-Mar-2012
1.	Outstanding for more than six months		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2.	Others		
	a) Secured, Considered Good	14,820,059	5,420,993
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	Total Trade Receivables	14,820,059	5,420,993

Notes : 11 Cash & Cash Equivalent

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Cash-in-hand		
	Cash Balance	273,234	202,167
	Petty Cash Balance	-	-
	Sub Total (A)	273,234	202,167
2.	Bank Balance		
	with Axis Bank, Begumpet Br, Hyd.	467,663	672,418
	with Axis Bank, Bangalore Br.	29,752	-
	with HDFC Bank	12,839	10,715
	Sub Total (B)	510,254	683,133
3.	Cheques on hand		
	(c)	-	-
	Total (A+B+C)	783,487	885,300

Notes : 12 Short Term Loans and Advances

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Loans & Advances to related parties		
	a) Secured, Considered Good	-	-
	Advance to Associate concerns	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2.	Others	2,872,497	1,658,000
	Advance recoverable in cash or in kind or for value to be considered good		
	Prepaid Expenses	40,267	11,273
	Total Short Term Loans and Advances	2,912,764	1,669,273

Schedules Forming part of the Profit & Loss Account as at 31st March, 2013

Notes : 13 Revenue from Operations

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Sales- Imported materials	23,277,330	27,056,080
	Sales Domestic Direct	3,123,954	
	Sales Domestic -Consignment	12,502,620	
2.	Other Income	2,929	3,088
	Total Revenue from Operations	38,906,832	27,059,168

Notes : 14 Cost of Material Consumed

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Purchases	22,736,470	12,724,888
	Total Cost of Material Consumed	22,736,470	12,724,888

DETAILS OF PURCHASES

A	Opening Stock	-	-
	Purchases-Indigenous	9,959,218	1,247,300
	Carriage Inwards	152,788	
	Packing Materials	318,307	
	Cylinder Charges	46,623	
		10,476,936	1,247,300
	Less: Closing Stock	3,320,325	-
		7,156,611	1,247,300
B	Purchases-Imports		
	Material-Erythropoietin	14,689,478	10,801,675
	Customs Duty	769,467	571,449
	Handling & Demurrage	91,361	66,688
	Service Charges	35,112	37,776
		15,585,418	11,477,588
	Less: Closing Stock	5,559	-
		15,579,859	11,477,588
	(A+B)	22,736,470	12,724,888

Notes : 15 Employment Benefit Expenses

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Salaries, Bonus, PF & ESIC	6,910,119	1,978,259
2.	Directors Remuneration	2,700,000	2,400,000
3.	Staff Medical Bags	40,450	-
4.	Staff Welfare	255,198	305,096
	Total Employment Benefit Expenses	9,905,767	4,683,355

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

Notes : 16 Financial Cost

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Bank Charges	29,437	33,180
2.	Interest	214,985	205,706
	Total Financial Cost	244,422	238,886

Notes : 17 Depreciation & Amortised Cost

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1.	Depreciation	483,316	415,415
2.	Preliminary Expenses W/O	2,227,242	2,227,243
	Total Depreciation & Amortised Cost	2,710,558	2,642,658

Notes : 18 Other Administrative Expenses

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1	Audit Fee	60,665	60,665
2	Office maintenance	60,007	39,000
3	Printing & stationery	226,267	64,860
4	Rent Rates & Taxes	675,628	404,854
5	Telephone, Postage & Telegrams	278,177	199,467
6	General Expenses	59,810	38,580
7	Director's sitting fee	32,000	32,000
8	Repairs & Maintenance	259,394	24,732
9	Vehicle Maintenance	393,729	219,299
10	Professional Charges	189,680	165,150
11	Bad Debts Written Off	15,688	59,974
12	Testing Charges	34,719	22,722
13	Travelling & conveyance	1,364,792	1,044,429
14	Advertisement	83,050	33,200
15	Electricity Charges	44,060	39,373
16	Business Promotion	740,794	174,605
17	Donations	5,000	9,000
18	M.R.Reporting Software	85,050	-
19	Commission paid	18,000	-
20	Account Software Charges	31,345	-
	Total Other Administrative Expenses	4,657,854	2,631,910

Notes : 19 Selling Expenses

Sr.No.	Particulars	31-Mar-2013	31-Mar-2012
1	Carriage Outwards	248,953	120,335
2	Cash Discount	270	-
3	Sales Commission	3,459,755	4,870,821
4	Conv.& other Allowances to M.R's & ABM's	2,111,998	-
5	Handling & Insurance charges		12,931
	Total Selling Expenses	5,820,976	5,004,087

Schedule: 20

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:

The Closing stock is valued at cost or net realisable value whichever is lower.

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:

a) Imports

Pre Filled Syringes	Op. Stock	Purchase Units	Sales Units	Samples Units	Closing Stock Units
2000IU	-	59100	59088	1	11
4000IU	-	39000	38938	37	25
6000IU	-	6000	6000	0	0

b) Domestic

Product	RECEIPTS	ISSUES				Closing Stock
	Purchases	Net Sales	Stock Transfer	Free & Samples	Total Dispatches	
AROMYCIN 250MG	15050	3480	9050	86	12616	2434
AROMYCIN 500MG	15060	2463	7710	9	10182	4878
BYCLOX	23680	7284	7940	1078	16302	7378
CB TOUCH	25704	3440	12096	2075	17611	8093
CLEARFAST DROPS	38958	3762	20000	32	23794	15164
EDINIL 10MG	30690	1982	14940	3	16925	13765
EDINIL D	36590	5222	20840	23	26085	10505
GESIC GEL	31240	4142	16380	2052	22574	8666
CESIC MR	35655	3676	9880	14	13570	22085
KORYL	58297	7793	29777	24	37594	20703
LIVOHIN	29410	4828	14260	64	19152	10258
MAXION	63040	6031	32290	196	38517	24523
OWAX	24198	3231	10097	1011	14339	9859
PANTOREST	29920	5773	15000	7	20780	9140
PANTOREST D	30580	10973	15580	34	26587	3993
PANTOUCH PLUS	21792	2135	8064	1146	11345	10447
SALFAST	77165	4300	56035	2	60337	16828
VASORIN SYRUP	78455	4645	38155	29	42829	35626
VERFORTE 16	35150	2150	19150	51	21351	13799
VERFORTE 8	34170	3252	18170	5	21427	12743

Product	RECEIPTS	ISSUES				Closing Stock
	Purchases	Net Sales	Stock Transfer	Free & Samples	Total Dispatches	
PHYSICIAN SAMPLES						
AROMYCIN 250MG PS	7810			7810		0
EDINIL 10MG PS	10050			10050		0
EDINIL D PS	10170			10170		0
GESIC MR PS	9150			9150		0
PANTOREST D PS	6820			6820		0
PANTOREST TAB PS	9310			9310		0
LIVOHIN PS	9828			7028		2800
MAXION PS	22655			12655		10000
VERFORTE 8 PS	21680			11540		10140
CLEARFAST DROPS PS	9635			7153		2482
OWAX PS	6225			5179		1046
KORYL PS	22653			12390		10263
SALFAST PS	11100			8130		2970
VASORIN SYRUP PS	17323			9523		7800

11. Previous year figures have been regrouped reclassified, rearranged & recast wherever necessary.

Vide our report of even date
For VASG & ASSOCIATES
Chartered Accountants
FRN: 006070S

For HINDUSTAN BIO SCIENCES LIMITED

(A.Viswanatha Rao)
Partner

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

J.Uma
Director

Member Ship No. 029597

Place: Hyderabad
Date : 30-05-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
Cash Flow From Operating Activities		
Profit before tax from continuing operations	-7169215	-866616
Profit before tax from discontinuing operations	0	0
Profit before tax	-7169215	-866616
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	2710558	2642658
(Profit)/loss on sale of fixed assets	0	0
Interest expense	244422	238886
Operating profit before working capital changes	-4214235	2014928
Moovements in working capital :		
Increase/(decrease) in trade payables	3582211	797310
Increase/(decrease) in short-term provisions	729513	372457
Increase/(decrease) in other current liabilities	145291	
Decrease/(increase) in Trade receivables	-9399066	-1653024
Decrease/(increase) in inventories	-3325884	
Decrease/(increase) in long-term loans and advances	14134125	-3387718
Decrease/(increase) in short-term loans and advances	-1243491	-1506288
Decrease/(increase) in other current assets	0	-
Cash generated from /(used in) operations	408465	-3362335
Direct taxes paid (net of refund)	0	0
Net cash flow from/(used in) operating activities (A)	408465	-3362335
Cash flows from investing activities		
Purchase of fixed assets, including tangible assets, CWIP and	-373855	-783712
Proceeds from sale of fixed assets	-	-
Interest received	-	-
Net cash flow from/(used in) Investing activities (B)	-373855	-783712
Cash flows from financing activities		
Proceeds from long-term borrowings	108000	214209
Interest paid	-244422	-238886
Net cash flow from/ (used in) financing activities (C)	-136422	-24677
Net increase/(decrease) in cash and cash equivalents(A+B+C)	-101813	-4170724
Cash and cash equivalents at the beginning of the year	885300	5056024
Cash and cash equivalents at the end of the year	783487	885300

For VASG & ASSOCIATES

For HINDUSTAN BIO SCIENCES LIMITED

Chartered Accountants

FRN: 0060705

(A.Viswanatha Rao)

J.V.R.Mohan Raju

J.Uma

Partner

Chairman & Managing Director

Director

Member Ship No. 029597

Place: Hyderabad

Date : 30-05-2013

AUDITORS CERTIFICATE

We have examined the above cash flow statement of Hindustan Bio Sciences Limited for the year ended March 31st, 2013. 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 VASG & ASSOCIATES
Chartered Accountants
FRN 006070S

(A.Viswanatha Rao)
Partner
Member Ship No. 029597

Place : Hyderabad
Date : 30-05-2013

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 : 31-03-2013

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 : -8400
Secured Loans : 0 Unsecured Loans : 1108
Current Liabilities : 6996
Application of Funds
Net Fixed Assets : 22112 Long Term Loans : 54249
Current Assets : 21842 Misc. Expenditure : 3507
Accumulated Losses : Nil Deferred Tax (Asset) : 502

4) Performance of Company (Amount in Thousands)

Turnover : 38907 Total Expenditure : 46076
Profit/Loss before Tax : -7169 Profit/Loss after Tax : -7172
Earnings per share in Rs : -0.70 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 & Generic Medicines.

For and on behalf of the Board

Place : Hyderabad.
Date : 30-05-2013

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 21st Annual General meeting of the shareholders of the Company, held on Monday, the 30th day of September, 2013 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 21st Annual General Meeting of the

shareholders of the company, to be held on Monday the 30th day of September, 2013 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 2013

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.

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HINDUSTAN BIO SCIENCES LIMITED

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