

**26<sup>TH</sup> ANNUAL REPORT**  
**2017-2018**



**HINDUSTAN BIO SCIENCES LIMITED**

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

- |                             |                        |
|-----------------------------|------------------------|
| 1) Sri. J.V.R. Mohan Raju   | - Managing Director    |
| 2) Mr. J. Varun Varma       | - Whole-time Director  |
| 3) Smt. J.Uma               | - Director             |
| 4) Sri. B.R.Rao             | - Independent Director |
| 5) Sri K. Rama Chandra Raju | - Independent Director |
| 6) Sri M.Satyanarayana Raju | - Independent Director |

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

Company Identification Number - L26942TG1991PLC013564

Bankers - Axis Bank Ltd,  
Begumpet Branch,  
Hyderabad

Auditors - M/s C Ramachandam & Co.,  
3-6'237, Unit # 600, Lingapur La Builde  
Complex, Himayatnagar  
Hyderabad - 500 029  
Ph : 23264144/45, 23223787

Registrars and Share Transfer Agents - M/s. Venture Capital & Corporate  
Investments Private Limited.  
12-10-167, Bharat Nagar,  
Hyderabad - 500 018.

### NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday the 29<sup>th</sup> September, 2018 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, Telangana 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, 2018 and the Directors and Auditors Report thereon.
2. To appoint a Director in place of J Varun Varma (DIN: 00515430), who retires by rotation and being eligible, offers him-self for re-appointment.
3. To ratify the appointment of M/s.C RAMACHANDRAM & Co., Chartered Accounts Hyderabad (Firm Number 002864S) as approved by the members of the company as statutory auditors of the company, to hold the office till the conclusion the of 30th Annual General Meeting and such remuneration as fixed by the board of directors"

"RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, including statutory modifications thereto or re-enactments thereof for the time being in force, and pursuant to the recommendations of the audit committee of the Board of directors, M/s. C RAMACHANDRAM & Co. chartered Accountants, Hyderabad (Firm Number 002864S) which was made in the AGM held in September 2017 for Five Consecutive Audit-years ending on the conclusion of AGM for the financial year 2021-22 be and is hereby ratified and confirmed for the remaining audit period on such remuneration as fixed by the board of directors"

"RESOLVED FURTHER THAT the directors of the Company jointly and severally be and are hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution and to certify and upload the e-forms.

#### Special Business:

Reduction of Capital to the extent of 80% of the paid-up Equity Share Capital

To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 5 of the Articles of Association of the Company and subject to the Confirmation of the Hon'ble National Company Law Tribunal (hereinafter referred as "NCLT") and other appropriate authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of the concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions and which may be agreed by the Board of Directors of the Company, the issued, subscribed and paid-up Equity share capital of Rs. 10,25,08,000/- (consisting of 10250800 equity shares of Rs.10/- each fully paid up) be reduced to Rs.2,05,01,600/- (consisting of 10250800 issued, subscribed and paid-up equity shares of Rs.2/- each fully paid up), so as to bring back the paid-up capital in purity with and making it representative of the residue of the value of the assets at present held by the company, being the assets as per the valuation made by the Company.."

"RESOLVED FURTHER THAT upon extinguishment of such share capital, the issued, subscribed and paid-up equity share capital of the Company shall stand reduced to the extent of the face of equity shares so extinguished on the Record date."

"RESOLVED FURTHER THAT after reduction of share capital the face value of each share will be Rs.2/- and the Board is authorized to issue revised certificates in lieu of the cancelled certificates.

"RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association and the Articles of Association of the Company after the said reduction becomes operative and effective."

"RESOLVED FURTHER THAT Mr. JVR MohanRaju, Managing Director of the Company be and is hereby authorized to take all necessary steps for effecting the reduction and Consolidation of capital of the Company, including but not limited to:

- a) To appoint advocate(s) in order to file and represent the Company before the Hon'ble National Company Law Tribunal and/or such other authorities and to file the necessary applications, petitions, affidavits, pleadings for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Hon'ble NCLT and/or such other authorities courts and all such other documents as may be required for and on behalf of the Company;
- b) To verify, deal, sign, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and prepare all deeds, declarations, instruments, affidavits, applications, petitions, objections, consents, notices and writings whatsoever as may be usual, necessary, proper or expedite in all manners of documents, petitions, affidavits and applications in relation to the implementation of Reduction and Consolidation of Capital as aforesaid;
- c) To make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required or necessary for complying with the requirements or conditions imposed by the Hon'ble High Court or NCLT and/or any other appropriate authorities and to prepare and execute applications, petitions and file the same with the Hon'ble NCLT and/or any other appropriate authorities and to do all such matters connected therewith, as may be directed by the Hon'ble NCLT and/or other appropriate authorities, if any, and to appoint and retain services of such professionals as may be necessary in connection therewith including and to do all such acts, deeds, matters and things as may be required to bring the Reduction and Consolidation of Capital into effect;
- d) To do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Reduction and Consolidation of Capital;
- e) To accept service of notices or other processes, which may from time to time be issued in connection with the matter aforesaid;
- f) To produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat;
- g) To make, prepare any applications, petitions, appeals and judges summons before any Court, Tribunal or Authorities;
- h) To file, submit with the Registrar of Companies, Regional Director, other statutory/regulatory authorities in India any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same;
- i) To do all such acts, deeds and things, as may be necessary and incidental thereto, to appoint from time to time or generally such person(s) and any such substitute(s) or sub-delegation of powers conferred vide the above to any persons, as may be necessary, and to appoint another or other in his/her or their place, for the better and more effectual doing, effecting and performing all or any such matters and things as aforesaid to all intents and purpose to give effect to this resolution."

"FURTHER RESOLVED THAT the Scheme providing for Reduction of Capital of the Company, as submitted to the Bombay Stock Exchange (BSE) and the Securities and Exchange Board of India, be and is hereby approved."

"FURTHER RESOLVED THAT a copy of this resolution and/or scheme be submitted to the concerned authorities duly certified by the Managing Director of the Company."

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

Place : Hyderabad  
Date : 08-08-2018

**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 Saturday 22nd September, 2018 to Saturday 29th September, 2018(both days inclusive).
4. Members are requested to quote ledger folio number/ De-mat account 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 2018-19 is paid.
7. Voting through electronic means;
  - A. A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - B. **The instructions for members for voting electronically are as under:-**  
**In case of members receiving e-mail:**
    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the Hindustan Bio Sciences Limited from the drop down menu and click on "SUBMIT"
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in De-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in De-mat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both De-mat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your De-mat account or in the company records for the said De-mat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your De-mat account or in the company records for the said De-mat account or folio. <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the De-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Hindustan Bio Sciences Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If De-mat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- (C) The e-voting period commences on 26th September 2018 (9:00 am) and ends on 28th September 2018 (5:00 pm). During this period shareholders' of the company, holding shares either in physical form or in De-materialized form, as on the cut-off i.e. 21.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 21.09.2018.

Mr. V.B.S.S. Prasad, a Practicing Company Secretary (Membership # 4139) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hindustanbiosciences.in](http://www.hindustanbiosciences.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

- (xviii) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (09:00 am to 05:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

#### **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL (DPs) or with the Company to receive the documents in electronic form and physical copies to those shareholders whose email addresses have not been either registered with the Company or with the DPs.

To support this green initiative of the Government, members are requested to register their e-mail addresses and also intimate changes, if any, with the DPs, in case shares are held in De-materialized form and with STA, in case the shares are held in physical form.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

##### **ITEM NO. 2**

Name of the Director	J. Varun Varma
Date of Birth	21-8-1985
Address	H.No.6, Daffodils Block, Nectar Garden, Madhapur, Hyderabad, Telangana
Shareholding	2100
Qualification	MS (Industrial Engineering)
Experience	2 years experience as business Analyst in USA
Other Directorships	4

Except Mr. J.Varun Varma Being Appointee, JVR Mohan Raju, Managing Director and Mrs. J. Uma Director, none of the directors and key managerial personnel of the company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item No.2 this explanatory statement may also be regarded as disclosure under clause 49 of the listing agreement with the stock exchange.

Your directors recommended the resolution for approval as Ordinary Resolution.

**ITEM NO. 4**
**1. Salient features of the Scheme of Capital Reduction**

- i. As on 31.03.2018 as per the Audited Financial results of the Company, the total accumulated losses and share capital unrepresented by available assets of the Company are Rs. 8,19,71,959/- as against the Paid-up equity share capital of Rs 10,25,08,000/-. Mere infusion of further funds into the Company will not benefit any existing share holder even if the Company registers profits in coming years since no dividend can be paid out of profits unless accumulated losses are wiped out. Under this Scheme the accumulated losses are reduced to the extent of reduction of capital. Under this Scheme, if approved, the Company will represent true financial position which would benefit both the Company, Institutions in general, and share holders in particular as their holding will yield better results and value.
- ii. Hence, after evaluating various alternatives, the Board at its meeting held on 8th August, 2018 decided to reduce 80% of the paid up share capital of the Company by reducing the face value of Rs. 10/- (Rupees Ten only) each to Rs.2/- (Rupees Two- Only) each.
- iii. This resolution is subject to the confirmation of the Hon'ble NCLT as may be applicable.

**2. No-Objection/ Observation Letter from the Stock Exchanges**

In-terms of Clause 24(f) of the Listing Agreement, the Company has to obtain No objection/Observation Letter to the reduction of capital from BSE Limited.

**3. Capital Structure and shareholding pattern of the Company.**

The capital structure and shareholding pattern of the Company pre reduction of capital as on 8th August, 2018 and post reduction & Consolidation of capital are as follows:

Capital Structure:

Particulars	Pre-reduction of capital (in Rs.)		Post-reduction of capital (80%)(in Rs.)	
	Shares	Value	Shares	Value
Authorized capital	11000000 Equity shares of Rs. 10/- each	11,00,00,000/-	5,50,00,000 Equity shares of Rs. 2/- each	11,00,00,000/-
Issued subscribed and paid-up capital	10250800 Equity shares of Rs. 10/- each	10,25,08,000/-	10250800 Equity shares of Rs. 2/- each	2,05,01,600/-

Details of proposed reconstruction / restructuring of Issued, subscribed and paid-up capital by Reduction of capital are as follows:

Particulars	Prior to the Scheme of Arrangement	Proposed Reduction of capital against capital losses as per Scheme	Paid up capital post reduction and prior to consolidation
No of Equity Shares	1,02,50,800	1,02,50,800	1,02,50,800
Value of each share Rs.	10/-	8/-	2/-
Total paid up share Capital Rs.	10,25,08,000	8,20,06,400	2,05,01,600



## Shareholding Pattern :

Particulars	Prior to the Scheme of Arrangement		After the implementation of the Scheme of Arrangement (As on effective date)	
	No. of Shares (Rs.10 each)	% to total	No. of Shares	% to total (Rs.2/-each)
Promoter's & Group	1139715	11.12	1139715	11.12
Institutions/ Mutual Funds etc	0	0	0	0
NRIs /OCBs	136262	1.33	136262	1.33
Bodies Corporates	400124	3.90	400124	3.90
Clearing Member	12602	0.12	12602	0.12
Trusts	500	0.00	500	0.00
Public holding	8561597	83.52	8561597	83.52
<b>Total</b>	<b>10250800</b>	<b>100.00</b>	<b>10250800</b>	<b>100.00</b>

4. As per the requirements of Clause 24 (h) of the Listing Agreement, "fairness opinion" obtained from SEBI registered Category I Merchant Bankers, on valuation of Equity shares Capital done by the valuer M/s. C. Ramachndram & Co., Chartered Accountants.
5. The Registered Office of the Company is situated in Hyderabad, Telangana State, therefore the Company would file an application for the approval of the reduction of capital before the National Company Law Tribunal at Hyderabad on passing the Special Resolution.
6. The Company shall file a certified copy of the order of the Hon'ble NCLT sanctioning the scheme of capital reduction with the Registrar of Companies, Telangana and/or Andhra Pradesh.
7. In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by SEBI, the Company is applying to BSE for its No objection/observations.
8. The copies of the following documents will be open for inspection at the Registered Office of the Company on all working days (Monday to Friday between 11:00 AM to 01:00 PM) till the date of AGM:
  - Memorandum of Association and Articles of Association of the Company.
  - The audited balance sheet and profit and loss account for the year ended 31st March, 2018.
  - Valuation Report submitted by M/s C. Ramachndram & Co, Chartered Accountants.
  - Fairness Opinion by Merchant Bankers.
  - Notice to equity shareholders and the explanatory statement, copies of which may be obtained free of cost.

The Board of Directors of the Company recommends to the shareholders for passing the proposed special resolution.

None of the Directors, key Managerial Personnel or their relatives are directly/indirectly concerned or interested in any manner in the above resolution, except to the extent of their shareholding in the company.

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

Place : Hyderabad  
Date : 08-08-2018

**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 31-03-2018

**Financial Results:**
**Rs. In Lakhs**

Particulars	2017-2018	2016-2017
Income	103.11	101.25
Other Income	9.22	0.00
Operating Profit (PBDIT)	(226.15)	(46.73)
Interest	0.01	0.94
Cash Profit/Loss	(226.16)	(47.67)
Depreciation and Amortization	0.96	1.06
Profit before Exceptional Item	(227.12)	(48.73)
Exceptional Item	0.00	0.00
Profit after Exceptional Item	(227.12)	(48.73)
Provision for Taxation		
i) Current Year	0.00	0.00
ii) Deferred Taxation	(0.40)	(0.42)
Net Profit/Loss before Extraordinary Item	(227.52)	(49.15)
Extraordinary Item	0.00	0.00
Profit after Extraordinary Item	(227.52)	(49.15)

*Note:* Previous year figures have been regrouped wherever necessary.

**Operations:**

During the financial year the sales revenue of the Company is Rs.103.11 lakhs as against Rs.101.25 lakhs, Previous year, with a marginal 1.02% increase. The Management is expecting to get good results for the next year, as we have started export of new pharmaceutical formulations.

**Directors:**

Mrs. J. Varun Varma, Director retiring by rotation and being eligible offers himself for reappointment.

**Directors Responsibility Statement:**

**Pursuant to Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:**

- In the participation of Annual Accounts the applicable accounting standards have been followed and that there have been no material departures.

- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and loss to the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual accounts on a going concern basis and
- The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

**Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee consists of the following Directors namely Mr.B.R.Rao, Chairperson Mr.K.Ramachandra Raju, Member and Mr.M.Satyanarayana Raju Member.

**Brief description of terms of reference:**

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;

Carry on the evaluation of every director's performance;

Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of independent Directors and the Board;

Devising a policy on Board diversity; and

Any other matter as the Board may decide from time to time.

**Nomination and Remuneration policy****The objective of the Policy-**

To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

To determine remuneration based on the Company's size and financial positions and trends and practices on remuneration prevailing in peer companies.

To carry evaluation of the performance of Directors

To provide them rewards linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and to create competitive advantage.

**Particulars of Loans, Guarantees & Investments under Section 186:**

The company has neither issued any Loans, Guarantees nor made any investments during the Financial Year.

**Particulars of Contracts or Arrangements with Related Parties Referred to Sec. 188(1):**

The Company has not entered into any contracts or arrangements with related parties referred pursuant to section 188(1) during the Financial Year except the loan taken by the Company to the extent of Rs. 157.08 Lakhs from Directors and Companies in which Directors are interested.

**Extract Of Annual Return:**

The Extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - A** to this report.

**The conservation of energy, technology absorption, foreign exchange earnings and outgo.**

Information with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Sec. 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is prepared and annexed as **Annexure - B** to this report.

**Statutory Auditors:**

At the Annual General Meeting held on 29th September, 2017 M/s. C RAMACHANDRAM & Co. Chartered Accountants, Hyderabad (Firm Reg.No.002864S), were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022. The Board recommends for conformation of their appointment for the remaining period.

**Audit Committee:**

Composition Audit Committee included in Corporate Governance report.

**Corporate Governance:**

A separate report on Corporate Governance is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance as **Annexure - C**.

**Whistle Mechanism:**

The Board of Directors have adopted whistle Blower policy. The Whistle Blower policy aims for conducting the affairs in the fair and transparent manner by adopting highest standards of professionalism, honest, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases.

**Company Secretary:**

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

**Secretarial Audit Report:**

As per the provisions of Section 204 of the Companies Act, 2013 the Board of Directors have appointed Sri..V.B.S.S.Prasad, Practicing Company Secretary (C.P. No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended on 31st March, 2018

Secretarial Audit Report issued by Mr. V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as **Annexure - D** to this Annual Report.

There are no qualifications in Secretarial Audit Report.

**Particulars of Employees:**

No employee of the company is in receipt of remuneration in the financial year in excess of the limits specified and whose particulars are required to be disclosed pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Change in Nature of Business:**

There is no change in the Company's nature of business during the financial year ending March 31st, 2018.

**Significant and Material Orders Passed By Regulators:**

No such orders have been received.

**Material Changes and Commitments:**

There are no Material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2018 to the date of signing of the Director's Report.

**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. During the Financial year ended 31st march, 2018, the company has not received any Complaints pertaining to Sexual Harassment.

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 : 08-08-2018

**J.V.R.Mohan Raju**  
**Chairman**

**Annexure 'A' to the Director's Report**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2018**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**
**FORM NO. MGT 9**

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>	
1 CIN	L26942TG1991PLC013564
2 Registration Date	16-12-1991
3 Name of the Company	HINDUSTAN BIO SCIENCES LIMITED
4 Category/Sub-category of the Company	Public Company Limited by Shares
5 Address of the Registered office & contact details	H.No.8-2-269/S, Plot No.31, Sagar Co-Operative Housing Society, Road No.2, Banjara Hills, Hyderabad -500 034. Tel: 040-23555161, 23555181, Email : pharma.hindustanbio@gmail.com
6 Whether listed company	YES
7 Name, Address & contact details of the Share Registrar & Transfer Agents, if any	M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

<b>S.No.</b>	<b>Name and Description of main products/services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Pharmaceuticals	46497	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>SN</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>"% of "shares" "held"</b>	<b>Applicable "Section"</b>
1	NIL	NIL	NIL	NIL	NIL

**IV. SHARE HOLDING PATTERN**
**(Equity share capital breakup as percentage of total equity)**
**(i) Category-wise Share Holding**

Category of Share holders	"No. of Shares held at beginning of the year [As on 31-March-2017]				"No. of Shares held at end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	854,900	-	854,900	8.34%	854,900	-	854,900	8.34%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	284,715	-	284,715	2.78%	284,815	-	284,815	2.78%	0.01%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	1,139,615	-	1,139,615	11.12%	1,139,715	-	1,139,715	11.12%	0.01%
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	<b>1,139,615</b>	<b>-</b>	<b>1,139,615</b>	<b>11.12%</b>	<b>1,139,715</b>	<b>-</b>	<b>1,139,715</b>	<b>11.12%</b>	<b>0.01%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Share holders	"No. of Shares held at beginning of the year [As on 31-March-2016]				"No. of Shares held at end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	469597	0	469,597	4.58%	398098	0	398,098	3.88%	-0.70%
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs. 2 lakhs	6,795,254	7,606	6,802,860	66.36%	6759108	7606	6,766,714	66.01%	-0.35%
ii) Individual share holders holding nominal share capital in excess of Rs 2 lakhs	1,613,240	84,000	1,697,240	16.56%	1789191	0	1,789,191	17.45%	0.89%
c) Others (specify) NRI	118,462		118,462	1.16%	136962		136,962	1.34%	0.18%
CLEARINGMEMBER	23,026		23,026	0.22%	19620		19,620	0.19%	-0.03%
Trust	-		-	0.00%	500		500	0.00%	0.00%
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies-D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	9,019,579	91,606	9,111,185	88.88%	9,103,479	7,606	9,111,085	88.88%	0.00%
Total Public (B)	9,019,579	91,606	9,111,185	88.88%	9,103,479	7,606	9,111,085	88.88%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	10,159,194	91,606	10,250,800	100.00%	10,243,194	7,606	10,250,800	100.00%	0.00%



**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares	No. of Shares Share of the	% of total Shares Pledged / company	% of Shares encumbered to total shares	
1	JVR MOHAN RAJU	852200	8.31%	0	852200	8.31%		0.00%
2	J UMA	600	0.01%	0	600	0.01%		0.00%
4	SUPER SOLUTIONS (I) PVT LTD.	284715	2.78%	0	284815	2.78%		0.04%
5	J VARUN VARMA	2100	0.02%	0	2100	0.02%		0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			1,139,615	11.12%	1,139,715	11.12%
2	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
3	At the end of the year			1,139,615	11.12%	1,139,715	11.12%

**(iv) Shareholding Pattern of top ten Shareholders**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Chintalapati Deepika			140849	1.37%	140849	1.37%
2	Danlaw Systems India Ltd			133732	1.30%	133732	1.30%
3	Punjabhai Keshavbhai Kadchha			105000	1.02%	105000	1.02%
4	K Satya Sai			100000	0.98%	100000	0.98%
5	Vijayadurga Chintalapati			93300	0.91%	93300	0.91%
6	G Arjuna Raju			84900	0.83%	84900	0.83%
7	Uma Lakshmi Guntapalli			77700	0.76%	77700	0.76%
8	Boddedula Nagireddy			74800	0.73%	74800	0.73%
9	Subba Rao Guntapalli			71900	0.70%	71900	0.70%
10	Prakash Babulal Mutha			51000	0.50%	51000	0.50%
	At the end of the year			933,181	9.10%	933,181	9.10%

## (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each key managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	J V R MOHAN RAJU (Managing Director)			852,200	8.31%	852,200	8.31%
2	J UMA (Director)			600	0.01%	600	0.01%
3	J VARUN VARMA (Director)			2,100	0.02%	2,100	0.02%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		12,952,792		12,952,792
ii) Interest due but not paid		-		-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	12,952,792	-	12,952,792
Change in Indebtedness during the financial year				
* Addition		4,370,000		4,370,000
* Reduction		1,614,198		1,614,198
Net Change	-	2,755,802	-	2,755,802
Indebtedness at the end of the financial year				
i) Principal Amount		15,708,594		15,708,594
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
Total (i+ii+iii)	-	15,708,594	-	15,708,594

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs)
		Name : J V R MOHAN RAJU Desig : Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600,000.00	600,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		-
5	Others, please specify		-
	Total (A)	600,000.00	600,000.00
	Ceiling as per the Act		

**B. Remuneration to other Directors**

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		J UMA	B R RAO, M S RAJU	K R C RAJU	
1	Independent Directors Fee for attending board/ committee meetings	-	20,000.00	10,000.00	40,000.00
	Commission		-	-	-
	Others, please specify		-	-	-
	Total (1)	-	20,000.00	10,000.00	40,000.00
2	Other Non-Executive Directors Fee for attending board committee meetings	10,000.00	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	10,000.00	-	-	-
	Total (B)=(1+2)	10,000.00	20,000.00	10,000.00	40,000.00
	Total Managerial Remuneration Overall Ceiling as per the Act				640,000.00

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		CEO	CFO	CS	
	Name Designation				
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS					
IN DEFAULT					
Penalty					
Punishment					
Compounding					

### Annexure 'B' to the Director's Report

The conservation of energy, Technology absorption, Foreign Exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### 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.

Particulars	Rs. In Lakhs	
	2017-18	2016-17
Foreign exchange earnings	11.32	NIL
Foreign exchange outgo	45.96	36.59

### 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 good quantity, as compared to last year, as were facing a very tough competition from domestic manufacturers. The quantity and sale price of imported formulations have come down; quantity-wise 70% and value-wise 75% of last year sales.

However, we could able to do some exports during the year and achieved a little more revenue when compared to last year.

#### 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.
- The company has applied for license from DCGI, to import ready to fill Bulk drug of "Recombinant Human Erythropoietin". We are expecting the License during this financial year; once we receive the license, we are confident of increasing our market share giving a tough competition to other competitors.
- 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.

We have started exporting a few pharmaceutical formulations to neighboring countries, thus increasing our turnover.

The company is presently importing and marketing 'Recombinant Human Erythropoietin'.

#### Risks & 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, for new products.

- 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) In the Present year sales have come down drastically and we have to decrease the price to attract the customers which resulted in further loss.

**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 had sales revenue of Rs. 103.11 Lakhs as against of Rs. 101.25 Lakhs of previous year with a marginal increase of about 1.02% in rupee terms. The Company had incurred a loss of Rs.227.12 Lakhs due to the following reasons:

- 1) Advances amounting to Rs.184.62 Lakhs paid by the company during the earlier years shown as loans and advances have been return of as bad debts as the chances of the recovery of the same are remote.
- 2) An amount of Rs.50.34 Lakhs due from parties towards sale consideration have been return off as bad debts.

**ANNEXURE -C****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, one Whole Time Director, One Non Executive Non Independent Director and Three Independent Directors. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year, there was no pecuniary relationship or business transaction by the Company with any non-executive Director, other than the sitting fee for attending the Board/Committee meetings.

1. Sri J.V.R.Mohan Raju	-	Chairman & Managing Director
2. Mr. J Varun Varma	-	Whole time Director
3. Smt. J.Uma	-	Non-Executive Director
4. Sri B.R.Rao	-	Independent Director
5. Sri K.Rama Chandra Raju	-	Independent Director
6. Sri M. Satyanarayana Raju	-	Independent Director

**Board Meetings:**

The board of directors met 4 (Four) times during the financial year on 30-05-2017, 31-07-2017, 25-10-2017 & 31-01-2018

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	ED	4	Yes	4
4. B.R.Rao	ID	4	Yes	NIL
5. K.Rama Chandra Raju	ID	4	Yes	NIL
6. M.Satyanarayana Raju	ID	4	Yes	2

MD - Managing Director, NED - Non-Executive Director, ED - Executive Director, ID - Independent Director

#### Remuneration to Directors

The details of remuneration paid to all the directors for the year 2017-2018 are:

#### Non Executive Directors: (Sitting Fee only)

a. Smt. J. Uma	-	Rs.	10,000/-
b. Sri B.R.Rao	-	Rs.	10,000/-
c. Sri K. Rama Chandra Raju	-	Rs.	10,000/-
d. Sri M. Satyanarayana Raju	-	Rs.	10,000/-

#### Executive Directors :

Sri J.V.R.Mohan Raju	-	Rs.	6,00,000/-
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#### Audit Committee :

The audit committee as on 31st March, 2018 consists of

1) Sri B.R.Rao	-	Chairperson
2) Sri M Satyanarayana Raju	-	Member
3) Sri K Ramachandra Raju	-	Member

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

In accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and also Section 177 of the Companies Act 2013, 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 30-05-2017, 31-07-2017, 25-10-2017 & 31-01-2018 all the members attended the meeting.

The audit committee reviewed the concurrent audit reports and follow up including internal control systems prevailing in the company. Committee expressed its satisfaction on Accounts.

**Stakeholders Relationship, Grievance and Share Transfer 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: 25-10-2017 & 31-01-2018.

**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 De-mat mode. A Certificate is being obtained on a quarterly 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 2017-18.

**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 were 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 2017-2018 and the gap between any two successive meetings in not more than 120 days.
- 2) The Board has six members comprising of one Managing Director and one Executive Director and four 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 2017-2018 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 2018-2019 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 Common Agency De-mat and Physical share transfers. So far 10243194 shares have been De-materialized.
- 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 30-09-2017) and sent a copy of the same to the stock exchanges as stipulated in the Listing Agreement with the stock exchanges.

**Nomination Remuneration Committee:**

The remuneration committee consists of the following Directors.

- 1). Sri. B.R.Rao - Chairman
- 2). Sri K.Ramachandra Raju - Member
- 3). Sri M.Satyanarayana Raju - Member

The committee had met on 25-10-2017 during the financial year 2017-18.



**Postal Ballot :**

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

**GENERAL SHAREHOLDER INFORMATION:**

1. Book Closure Date : 22.09.2018 to 29.09.2018 (Both days Inclusive)
2. Date, Time and Venue of the 26<sup>th</sup> Annual General Meeting : 29.09.2018 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 : BSE Limited
4. Listing Fee : Listing Fees for the year 2018-19 has  
been paid to the BSE 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. Registrar and Share Transfer Agent : M/s. Venture Capital & Corporate  
Investments Private Limited.,  
12-10-167,  
Bharat Nagar,  
Hyderabad – 500 018.
7. Company's ISIN No. : INE597C01013
8. Trading in shares (Electronic Form) : Compulsory De-mat
9. Dividend Declared in earlier years : The Company has not declared dividend so far
10. Publication of Unaudited/Audited Financial Results in the press : Normally Published
11. **Date & Venue of the last Three Annual General Meetings**

No. of AGM	Date	Venue	Special Resolution passed
Twenty Third Annual General Meeting	30-09-2015	Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034.	Nil
Twenty Fourth Annual General Meeting	30-09-2016	Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034.	Reduction of Share Capital
Twenty Fifth Annual General Meeting	29-09-2017	Plot No.31, Sagar Society Road No: 2, Banjara Hills, Hyderabad - 500 034.	Nil

**Market price data on company's scrip on BSE Ltd for the Financial Year 2017-2018**

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
Apr-17	1.90	05-04-2017	1.56	27-04-2017
May-17	1.71	04-05-2017	1.38	23-05-2017
Jun-17	1.60	15-06-2017	1.39	05-06-2017
Jul-17	1.45	04-07-2017	1.02	31-07-2017
Aug-17	0.97	01-08-2017	0.72	31-08-2017
Sep-17	0.72	01-09-2017	0.49	28-09-2017
Oct-17	0.52	27-10-2017	0.48	06-10-2017
Nov-17	0.53	24-11-2017	0.45	14-11-2017
Dec-17	0.49	08-12-2017	0.37	29-12-2017
Jan-18	0.70	31-01-2018	0.38	01-01-2018
Feb-18	0.70	16-02-2018	0.70	16-02-2018
Mar-18	0.70	09-03-2018	0.70	09-03-2018

**Pattern of Shareholding as on 31.03.2018**

Description	No. of Shareholders	%	No. of Shares	%
Promoters	4	0.06	1139715	11.12
Resident Individuals	6429	98.03	8555905	83.46
Bodies Corporate	78	1.20	398098	3.88
Non-Resident Indians	32	0.49	136962	1.34
Clearing Members	14	0.21	19620	0.20
Trust	1	0.01	500	0.00
<b>TOTAL</b>	<b>6558</b>	<b>100.00</b>	<b>10250800</b>	<b>100.00</b>

**Distribution of Shareholding As on 31.03.2018**

Range	No. of Shareholders	%	No. of Shares	%
Up TO 500	3900	59.46	1029259	10.04
501 TO 1000	1224	18.66	1103465	10.76
1001 TO 2000	669	10.20	1097046	10.70
2001 TO 3000	271	4.13	718295	7.01
3001 TO 4000	118	1.80	430378	4.20
4001 TO 5000	116	1.78	569273	5.55
5001 TO 10000	144	2.20	1119074	10.92
10001 & ABOVE	116	1.77	4184010	40.82
<b>TOTAL</b>	<b>6558</b>	<b>100.00</b>	<b>10250800</b>	<b>100.00</b>

**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, 2018.

Place : Hyderabad  
Date : 08-08-2018

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

**ANNEXURE -D**  
**SECRETARIAL AUDIT REPORT**

Secretarial Audit Report as per Section 204 of the Companies Act, 2013:  
FOR THE FINANCIAL YEAR ENDED 31.03.2018

**FORM NO. MR.3**

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members,

M/s. Hindustan Bio Sciences Limited

Hyderabad.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. Hindustan Bio Sciences Limited (hereinafter called as "the Company") during the financial year from 1st April, 2017 to 31st March, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the trading of Pharmaceuticals.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. WE have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Hindustan Bio Sciences Limited (hereinafter called as "the Company") for the financial year from 1st April 2017 and ended with 31st March, 2018 ("Audit Period") according to the provisions of :
  - i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') AND THE Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 1992;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

- f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;
- i) The following other laws as specifically applicable in the view of the Management.
  - (i) Income Tax act, 1961
  - (ii) Central Sales Tax Act, 1956 / GST Act, 2017
  - (iii) Telangana Value Added Tax
  - (iv) The payment of bonus Act, 1965
  - (v) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
  - (vi) Customs Act, 1962
  - (vii) Finance Act, 1994 (Service Tax)
  - (viii) Factories Act, 1948
  - (ix) Industrial Disputes Act, 1947
  - (x) Minimum Wages Act, 1948
  - (xi) The Payment of Gratuity Act, 1972
  - (xii) The Payment of Wages Act, 1936
  - (xiii) The Maternity Benefit Act, 1961
  - (xiv) Telangana Shops & Establishment Act, 1988
  - (xv) The National and Festival Holidays Act, 1963
  - (xvi) The Employees Provident fund and Miscellaneous provisions act, 1952
  - (xvii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956.

The Company do not have any factory and no production activity is being carried out.

Hence several Industrial and Labour Laws are not applicable. Applicable Statutory provisions have been verified and found satisfactory.

5. We have also examined compliance of applicable clauses of :
- a) the applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
  - b) the applicable Secretarial Standards
  - c) We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. Mentioned above. However, please note for the Audit period the Company being a closely held Limited company following Acts, Rules and Regulations are not applicable.
    - (i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
    - (ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.

- (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as there being no debt securities, which are listed on any of the recognized stock exchange.
  - (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being not instances of delisting of equity Shares except de-recognition of Delhi Stock Exchange by the SEBI.
  - (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares
  - (vi) The Ministry of Corporate Affairs has not notified applicable Secretarial Standards under the Companies Act 2013, therefore, the same was not considered in the Audit.
  - (vii) The compliance of other specific applicable laws as listed in 4 (V) (i) above, were relied on the basis of representations and compliance certificates issued by the Managing Director compliance officers and other officials of respective / concerned Departments of the company.
- (i) We further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.
  - b. Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
  - c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - d. Majority decision is carried through and there were not instances of dissenting members in the Board of Directors.
  - e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
  - f. Required forms were filed with MCA, additional fee paid wherever required.
- (ii) We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (iii) We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

Place : Hyderabad  
Date : 25-07-2018

**VBSS Prasad**  
**Company Secretary**  
M.No. : F4139  
CP No. : 4605

**Annexure to the Secretarial Audit Report**

To  
The Members,  
M/s HINDUSTAN BIO SCIENCES LIMITED  
Hyderabad - 500 016

Our Secretarial Audit Report of even date is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
3. We believe that audit evidence and information obtained from the company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representations about the compliance of laws, rules and regulations and happening of events etc.
5. The secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place : Hyderabad  
Date : 25-07-2018

**VBSS Prasad**  
**Company Secretary**  
M.No. : F4139  
CP No. : 4605

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

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, it is hereby certified that for the financial year ended march 31, 2018:

- A. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief, these statements:
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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 violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - 1) Significant changes in internal control over financial reporting during the year;
  - 2) Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud, if any, of which we 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 over financial reporting.

Place : Hyderabad  
Date : 30-05-2018

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



**Auditor's Certificate on compliance of conditions of Corporate Governance as per  
SEBI (LODR) Regulations 2015.  
INDEPENDENT AUDITORS' CERTIFICATE**

To  
The Members of  
Hindustan Bio Sciences Limited

1. We, C Ramachandram & Co., Chartered Accountants, the Statutory Auditors of Hindustan Bio Sciences Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

**For C. RAMACHANDRAM & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 002864S**

Place : Hyderabad  
Date : 30-05-2018

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**

### **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 comprises the balance sheet as at 31st March 2018, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting standards and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March 2018 and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- i) i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss including other Comprehensive Income, Statement of Changes in Equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For C. RAMACHANDRAM & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 002864S**

Place : Hyderabad  
Date : 30-05-2018

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**

**Annexure -A to the Independent Auditors' Report:**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2018, 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 at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
c. As per the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.
- ii) The inventory of the company contains stock of pharmaceutical drugs. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were observed.
- iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv) According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) a. According to information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.  
b. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
- viii) The Company has not taken any loans or borrowings from financial Institutions, Banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the Company.
- ix) The Company has not raised any money by way of initial public offer including debt Instruments or term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xii) According to the information and explanations given to us and on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C. RAMACHANDRAM & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 002864S**

Place : Hyderabad  
Date : 30-05-2018

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**

#### **Annexure - B -to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hindustan Bio Sciences Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C. RAMACHANDRAM & CO.  
Chartered Accountants  
Firm Reg. No. 002864S**

Place : Hyderabad  
Date : 30-05-2018

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

Particulars	Notes	As on 31-03-2018 Rs.	As on 31-03-2017 Rs.	As on 31-03-2016 Rs.
<b>I. ASSETS</b>				
<b>(1) Non Current Assets</b>				
<b>(a) Fixed Assets</b>	1			
(i) Gross Block		5,351,613	5,303,064	5,273,064
(ii) Depreciation		4,767,731	4,672,032	4,566,272
(iii) Net Block		583,882	631,032	706,792
(b) Deferred Tax Asset	2	300,646	341,117	382,890
(c) Long Term Loans and Advances	3	31,946,899	52,672,405	52,688,053
Sub Total - Non Current Assets		32,247,545	53,013,522	53,070,943
<b>(2) Current Assets</b>				
(a) Inventory		792,718	0	10,975
(b) Trade Receivables	4	3,176,858	4,680,248	4,725,400
(c) Cash and cash Equivalents	5	180,025	369,575	251,201
(d) Short Term Loans and Advances	6	129,117	0	11,667
Sub Total - Current Assets		4,278,718	5,049,823	4,999,243
<b>Total Assets</b>		<b>37,110,146</b>	<b>58,694,377</b>	<b>58,776,978</b>
<b>2. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	7	102,508,000	102,508,000	102,508,000
(b) Reserves and Surplus	8	(81,971,959)	(59,219,517)	(54,304,280)
Sub Total - Share Holders Funds		20,536,041	43,288,483	48,203,720
<b>Non Current Liabilities</b>				
(1) Long Term Borrowings	9	7,642,032	5,491,344	3,635,692
Sub Total - Non Current Liabilities		7,642,032	5,491,344	3,635,692
<b>(2) Current Liabilities</b>				
(a) Short Term Borrowings	10	8,066,562	7,461,448	5,775,988
(b) Trade Payables	11	654,393	2,118,214	906,168
(c) Short Term Provisions	12	211,119	334,888	255,410
Sub Total - Current Liabilities		8,932,073	9,914,550	6,937,566
<b>Total Equity &amp; Liabilities</b>		<b>37,110,146</b>	<b>58,694,377</b>	<b>58,776,978</b>
Notes to Accounts	20			
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 <b>C. RAMACHANDRAM &amp; CO</b> Chartered Accountants FRN: 002864S		For <b>HINDUSTAN BIO SCIENCES LIMITED</b>		
<b>(C. RAMACHANDRAM)</b> Partner <b>M. No. 025834</b> Place: Hyderabad Date: 30-05-2018		<b>J.V.R.Mohan Raju</b> Chairman & Managing Director		<b>J.Uma</b> Director

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH, 2018**

Sr. No	Particulars	Notes	As on 31-3-2018 Rs.	As on 31-3-2017 Rs.
I	Revenue from Operations	13	10,311,357	10,125,000
II	Other Income		921,607	-
III	Total Revenue		11,232,964	10,125,000
IV	Expenses			
	Purchases of Stock in Trade	14	6,468,507	7,261,803
	Changes in Stock in Trade	14	(792,718)	10,975
	Employee Benefit Expenses	15	2,203,400	2,678,220
	Financial costs	16	37,725	110,445
	Depreciation and Amortization Expenses	17	95,699	105,760
	Other Administrative Expenses	18	25,807,458	4,713,312
	Selling Expenses	19	124,865	117,949
V	Total Expenses		33,944,935	14,998,464
VI	Profit/Loss before Exceptional and extraordinary items and tax		(22,711,971)	(4,873,464)
VII	Exceptional items		-	-
VIII	Profit/Loss before Extraordinary items and tax		(22,711,971)	(4,873,464)
IX	Extraordinary items		-	-
X	Profit /Loss before tax		(22,711,971)	(4,873,464)
XI	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		(40,471)	(41,773)
XII	Profit /Loss for the period from continuing operations		(22,752,442)	(4,915,237)
XIII	Profit/Loss from Discontinuing Operations		-	-
XIV	Tax Expenses of discontinuing operations		-	-
XV	Profit/Loss from Discontinuing Operations		-	-
XVI	Profit/(Loss) for the period		(22,752,442)	(4,915,237)
XVII	Other Comprehensive Income			
	A (1) Items that will not be reclassified to profit or loss		-	-
	(2) Income tax relating to items that will not be re-classified to profit or loss		-	-
	B (1) Items that will be reclassified to profit or loss		-	-
	(2) Income tax relating to items that will be reclassified to profit or loss		-	-
XVIII	Total Comprehensive Income(Comprising Profit & Loss and other Comprehensive income)		(22,752,442)	(4,915,237)
XIX	Earning per Equity Share			
	(1) Basic		(2.22)	(0.48)
	(2) Diluted		(2.22)	(0.48)

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 **C. RAMACHANDRAM & CO**  
Chartered Accountants  
FRN: 002864S

For **HINDUSTAN BIO SCIENCES LIMITED**

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**  
Place: Hyderabad  
Date : 30-05-2018

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

**J.Uma**  
Director



**Schedules Forming integral part of the Balance Sheet as at 31st March, 2018**
**Notes; 1 Fixed Assets (Amount in Rs.)**

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Additions during the period	Deductions during the period	Value at the end	Value at the beginning	Additions during the period	Deductions during the period	Value at the end	W.D.V. as on 31.03.2018	W.D.V. as on 31.03.2017
	<b>TANGIBLE ASSETS</b>										
1	COMPUTERS	182350	48549	0	230899	156379	12485	0	168864	62035	25971
2	FURNITURES & FIXTURES	510905	0	0	510905	485360	0	0	485360	25545	25545
3	OFFICE EQUIPMENT	423809	0	0	423809	395705	1520	0	397225	26584	28104
4	VEHICLES	2702736	0	0	2702736	2425861	46329	0	2472190	230546	276875
5	AIR CONDITIONER	250652	0	0	250652	169877	10878	0	180755	69897	80775
6	REFRIGERATOR	86098	0	0	86098	81793	0	0	81793	4305	4305
7	NET WORKINGS(LAN)	45614	0	0	45614	43333	0	0	43333	2281	2281
8	ELECTRICAL INSTALLATION	99800	0	0	99800	38737	8643	0	47380	52420	61063
9	TELEVISION	115300	0	0	115300	75522	8503	0	84025	31275	39778
10	WEBSITE	40000	0	0	40000	40000	0	0	40000	0	0
11	EPBX	42800	0	0	42800	40660	0	0	40660	2140	2140
12	WALK IN COOLER	213000	0	0	213000	158305	7341	0	165646	47354	54695
13	FITNESS EQUIPMENT	590000	0	0	590000	560500	0	0	560500	29500	29500
	<b>Total</b>	<b>5303064</b>	<b>48549</b>	<b>0</b>	<b>5351613</b>	<b>4672032</b>	<b>95699</b>	<b>0</b>	<b>4767731</b>	<b>583882</b>	<b>631032</b>
	<b>Previous Year</b>	<b>5273064</b>	<b>30000</b>	<b>0</b>	<b>5303064</b>	<b>4566272</b>	<b>105760</b>	<b>0</b>	<b>4672032</b>	<b>631032</b>	<b>706792</b>



**Notes : 4 Trade Receivables**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	Outstanding for more than six months a) Secured, Considered Good: b) Unsecured, Considered Good: c) Doubtful Less: Written Off during the year	2,794,748 2,794,748 --	2,794,748	4,725,400
2	Others a) Secured, Considered Good: b) Unsecured, Considered Good: c) Doubtful	3,176,858	1,885,500	--
	<b>Total Trade Receivables</b>	<b>3,176,858</b>	<b>4,680,248</b>	<b>4,725,400</b>

**Notes : 5 Cash and Cash Equivalent**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	<b>Cash-in-Hand</b> Cash Balance	145,385	54,884	205,151
	<b>Sub Total (A)</b>	145,385	54,884	205,151
2	Bank Balance with Axis Bank with HDFC Bank	7,691 26,949	286,097 28,594	23,439 22,611
	<b>Sub Total (B)</b>	34,640	314,691	46,050
3	Cheques on Hand (c)	--	--	--
	<b>Total (A+B+C)</b>	180,025	369,575	251,201

**Notes : 6 Short Term Loan and Advances**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	Loans & Advances to Related Parties a) Secured, Considered Good: b) Unsecured, Considered Good: c) Doubtful			
2	Others Advance Recoverable in cash or in kind or for value to be considered good (prepaid Insurance) GST	129,117	--	11,667
	<b>Total Short Term Loans and Advances</b>	<b>129,117</b>	<b>0</b>	<b>11,667</b>

**Notes Forming Integral part of the Balance Sheet as at 31st March, 2018**
**Notes : 7 Share Capital**

Sr. No.	Particulars	31-Mar-2018 Rs.	31-Mar-2017 Rs.	31-Mar-2016 Rs.
1.	<b>AUTHORIZED CAPITAL</b> (1,10,00,000 Equity Shares of Rs. 10/- each)	110,000,000	110,000,000	110,000,000
		110,000,000	110,000,000	110,000,000
2.	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 10250800 Equity shares of Rs. 10/- each)	102,508,000	102,508,000	102,508,000
		<b>Total ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>	102,508,000	102,508,000

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
**Equity Shares**

	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the period	10250800	102508000	10250800	102508000	10250800	102508000
Issued during the year	----	-----	----	-----	-----	-----
Outstanding at the end of the period	10250800	102508000	10250800	102508000	10250800	102508000

**A. Terms \Rights attached to Equity Shares**

The Company has only one class of Equity Shares having at 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 of holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders

**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 : 8 Reserves & Surplus**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1.	Surplus (Profit & Loss Account)			
	Balance brought forward from previous year	(59,219,517)	(54,304,280)	(33,426,450)
	Add: Loss for the period	(22,752,442)	(4,915,237)	(20,877,830)
	<b>Total Reserves &amp; Surplus</b>	<b>(81,971,959)</b>	<b>(59,219,517)</b>	<b>(54,304,280)</b>

**Notes : 9 Long Term Borrowings**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	Nipuna Shelters Pvt. Ltd.,	5,307,082	4,962,144	1,831,692
2	Super Solutions India Pvt. Ltd.,	2,334,950	529,200	-
3	V.Rangaiah	-	-	1,054,000
4	G.Harshada	-	-	750,000
	<b>Total Long Term Borrowings</b>	<b>7,642,032</b>	<b>5,491,344</b>	<b>3,635,692</b>

**Notes : 10 Short Term Borrowings**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	J.V.R.Mohan Raju	7,366,562	6,761,448	5,775,988
2	J.Uma	700,000	700,000	0
	<b>Total short Term Borrowings</b>	<b>8,066,562</b>	<b>7,461,448</b>	<b>5,775,988</b>

**Notes : 11 Trade Payables**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	Sundry Creditors	654,393	2,118,214	906,168
	<b>Total Trade Payables</b>	<b>654,393</b>	<b>2,118,214</b>	<b>906,168</b>

**Notes : 12 Short Term Provisions**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.	As at 31-Mar-2016 Rs.
1	CST Payable	0	60,500	0
2	Salaries Payable	104,500	134,090	153,430
3	Rent Payable	28,799	43,318	24,300
4	Professional Tax Payable	900	1,200	1,250
5	TDS Payable	6,570	13,970	0
6	Audit Fee Payable	57,750	57,750	56,430
7	TDS on Salaries	12,600	24,060	20,000
	<b>Total short Term Provisions</b>	<b>211,119</b>	<b>334,888</b>	<b>255,410</b>

**Schedules Forming part of the Profit & Loss Account as at 31st March, 2018**
**Notes : 13 Revenue from Operations**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Sales	10,311,357	10,125,000
	<b>Total Revenue from Operations</b>	<b>10,311,357</b>	<b>10,125,000</b>

**Notes : 14 Cost of Material Consumed**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Purchases	6,468,507	7,261,803
	<b>Total Cost of Material Consumed</b>	<b>6,468,507</b>	<b>7,261,803</b>
	<b><u>DETAILS OF PURCHASES</u></b>		
	<b>Purchases of Stock in Trade</b>		
	Material -Erythroprieten (Imports)	3,826,215	4,850,195
	Customs Duty	393,924	2,285,981
	Carriage Inwards	11,500	1,650
	Handling & Demurrage	130,293	105,748
	Service charges	13,750	18,229
	Difference in Foreign Currency	0	0
	Material -Ciprocidal & Cloze (Export)	2,046,600	0
	Bill of lading & other exp. - Export	46,226	0
		<b>6,468,507</b>	<b>7,261,803</b>
	Changes in Stock in Trade		
	Opening Stock	0	10,975
	Less Closing Stock	792,718	0
	<b>Changes in Stock in Trade</b>	<b>(792,718)</b>	<b>10,975</b>

**Notes : 15 Employee Benefit Expenses**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Salaries, Bonus, PF & ESIC	1,503,894	1,909,860
2	Directors Remuneration	600,000	600,000
3	Staff Welfare	99,506	168,360
	<b>Total Employment Benefit Expenses</b>	<b>2,203,400</b>	<b>2,678,220</b>

**Notes : 16 Financial Cost**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Bank Charges	36,480	16,423
2	Interest	1,245	94,022
	<b>Total Financial Cost</b>	<b>37,725</b>	<b>110,445</b>

**Notes : 17 Depreciation & Amortization Expenses**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Depreciation	95,699	105,760
	<b>Total Depreciation</b>	<b>95,699</b>	<b>105,760</b>

**Notes : 18 Other Administrative Expenses**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Audit Fee	55,000	63,250
2	Office Maintenance	53,770	61,361
3	Printing & Stationery	63,088	75,075
4	Rent Rates & Taxes	812,930	689,775
5	Telephone ,Postage & Telegrams	169,555	209,599
6	General Expenses	20,491	34,679
7	Directors Sitting Fee	40,000	40,000
8	Repairs & Maintenance	40,330	29,222
9	Vehicle Maintenance	98,683	262,976
10	Professional Charges	111,500	807,619
11	Bad Debts Written Off	23,496,180	1,976,104
12	Travelling & Conveyance	491,470	96,302
13	Advertisement	42,928	43,000
14	Electricity Charges	34,665	31,124
15	Subscription	19,300	42,206
16	Samples Testing Charges	257,568	251,020
	<b>Total Other Administrative Expenses</b>	<b>25,807,458</b>	<b>4,713,312</b>

**Notes : 19 Selling Expenses**

Sr. No.	Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
1	Carriage Outwards	124,865	117,949
	<b>Total Selling Expenses</b>	<b>124,865</b>	<b>117,949</b>

**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, 2013
- 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 up to the date of acquisition /installation and expenses incidental to acquisition and installation but exclude recoveries.

**3) Depreciation:**

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives.

**4) Stock In Trade:**

The Closing stock is valued at cost or net realizable 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.

During the year under review, an amount of Rs.234.96 Lakhs is written off as bad debts and same is shown under head other expenses.

During the year under review, an amount of Rs.9.22 Lakhs has been shown as other income representing write off of credit balances in the books.



**6) 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.

7) 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.

**8) Quantitative Details of purchases and sales during the year are as follows:**
**a) Imports**

Injections	Opening Stock Units	Purchase Units	Sales Units	Sample Units	Expired Units	Closing Stock
2000IU Eposino	0	12000	11970	30	0	0
4000IU Eposino	0	30000	25140	30	0	4830
4000IU Epovin	0	5000	1280	20	0	3700

**b) Exports**

Description of Goods	Opening Stock Units	Purchase Units	Sales Units	Sample Units	Expired Units	Closing Stock Units
Oxina	0	60000	60000	0	0	0
Oxina- P	0	60000	60000	0	0	0
Cloze	0	120000	120000	0	0	0
Ciprocidal	0	60000	60000	0	0	0

For **C. RAMACHANDRAM & CO**  
Chartered Accountants  
FRN: 002864S

For **HINDUSTAN BIO SCIENCES LIMITED**

**(C. RAMACHANDRAM)**  
Partner

**M. No. 025834**  
Place: Hyderabad  
Date: 30-05-2018

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

**J.Uma**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	31st March 2018 Rs.	31st March 2017 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	(22,711,971)	(4,873,464)
Adjustments for:		
Depreciation	95,699	105,760
Interest & Finance Charges	1,245	94,022
Operating Profit before Working Capital Changes	(22,615,027)	(4,673,682)
Movements in Working Capital		
Increase/(Decrease) in Trade Payables	(1,463,821)	1,212,046
Increase/(Decrease) in Short Term Provisions	(123,770)	79,478
Increase/(Decrease) in Other Current Liabilities	605,114	1,685,460
Increase/(Decrease) in Trade Receivables	1,503,390	45,152
Increase/(Decrease) in Inventories	(792,718)	10,975
Increase/(Decrease) in Long Term Loans & Advances	20,725,506	15,648
Increase/(Decrease) in Short Term Loans & Advances	(129,117)	11,667
Cash generated from operations	(2,290,443)	(1,613,256)
Less: Income Tax paid	-	-
Net Cash flow from Operating activities	(2,290,443)	(1,613,256)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(48,549)	(30,000)
Net Cash used in Investing activities	(48,549)	(30,000)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Borrowings	2,150,688	1,855,652
Interest paid	(1,245)	(94,022)
Net Cash used in financing activities	2,149,443	1,761,630
Net increase in cash & Cash Equivalents	(189,549)	118,374
Cash and Cash equivalents at the beginning of the year	369,575	251,201
Cash and Cash equivalents at the end of the year	180,025	369,575

The above cash flow statement has been prepared using the indirect method as set out in accounting standards 3 on cash flow statement.

For **C. RAMACHANDRAM & CO**  
Chartered Accountants  
FRN: 002864S

For **HINDUSTAN BIO SCIENCES LIMITED**

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**  
Place: Hyderabad  
Date : 30-05-2018

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

**J.Uma**  
Director

**Reconciliation of Statement of Profit & Loss as previously reported under IGAAP to Ind AS**

Particulars	Note	Profit & Loss Account for the Period ended March 31st, 2017		
		IGAPP	Effect of transition to Ind As	Ind As
<b>A Revenue</b>				
Revenue from Operations		10,125,000	-	10,125,000
Other Income		-	-	-
<b>Total Income</b>		<b>10,125,000</b>	<b>-</b>	<b>10,125,000</b>
<b>B Expenses</b>				
Purchase of Stock in Trade		7,261,803	-	7,261,803
(Increase)/ Decrease in Inventory		10,975	-	10,975
Employee Benefit Expense		2,678,220	-	2,678,220
Finance Cost		110,445	-	110,445
Depreciation and Amortisation Expenses		105,760	-	105,760
Other Expenses		4,831,261	-	4,831,261
<b>Total Expenses</b>		<b>14,998,464</b>	<b>-</b>	<b>14,998,464</b>
<b>C Profit / (Loss) Before Exceptional Items and Tax</b>				
Exceptional Items - Income / (Expense)		-	-	-
Prior Period Adjustments (Net)		-	-	-
<b>D Profit / (Loss) Before Tax</b>		<b>(4,873,464)</b>	<b>-</b>	<b>(4,873,464)</b>
<b>E Tax Expense</b>				
- Current Tax				
- Deferred Tax (Asset) / Liability		(41,773)	-	(41,773)
- Income Tax Relating To Previous Years		(41,773)	-	(41,773)
<b>F Profit / (Loss) for the period</b>		<b>(4,915,237)</b>	<b>-</b>	<b>(4,915,237)</b>
<b>G Other Comprehensive Income (Net)</b>				
Items that will not be reclassified to Profit or Loss Remeasurement of defined benefit plans Deferred Tax				
<b>H Total Comprehensive Income/ (Expense) for the period</b>		<b>(4,915,237)</b>	<b>-</b>	<b>(4,915,237)</b>

Notes to Accounts 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 **C. RAMACHANDRAM & CO**  
Chartered Accountants  
FRN: 002864S

For **HINDUSTAN BIO SCIENCES LIMITED**

**(C. RAMACHANDRAM)**  
Partner  
**M. No. 025834**  
Place: Hyderabad  
Date: 30-05-2018

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

**J.Uma**  
Director

**Reconciliation of Equity as previously reported under IGAAP to Ind AS**

Particulars	Note	Opening Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
		IGAPP	Effect of transition to Ind As	Ind AS	IGAPP	Effect of transition to Ind As	Ind AS
<b>I. ASSETS</b>							
<b>(1) Non Current Assets</b>							
(a) Property, Plant and Equipment		706,792	-	706,792	631,032	-	631,032
(b) Intangible Assets		-	-	-	-	-	-
		<b>706,792</b>	<b>-</b>	<b>706,792</b>	<b>631,032</b>	<b>-</b>	<b>631,032</b>
(c) Financial Assets							
(i) Investments		-	-	-	-	-	-
(ii) Other Financial Assets		-	-	-	-	-	-
(d) Other Non Current Assets		53,070,943	-	53,070,943	53,013,522	-	53,013,522
		<b>53,070,943</b>	<b>-</b>	<b>53,070,943</b>	<b>53,013,522</b>	<b>-</b>	<b>53,013,522</b>
<b>(2) Current Assets</b>							
(a) Inventories		10,975	-	10,975	-	-	-
(b) Financial Assets							
(i) Trade Receivables		4,725,400	-	4,725,400	4,680,248	-	4,680,248
(ii) Cash and cash equivalents		251,201	-	251,201	369,575	-	369,575
(iii) Other Bank Balances		-	-	-	-	-	-
(iv) Others		-	-	-	-	-	-
(c) Current Tax Assets (Net)		-	-	-	-	-	-
(d) Other Current Assets		11,667	-	11,667	-	-	-
		<b>4,999,243</b>	<b>-</b>	<b>4,999,243</b>	<b>5,049,823</b>	<b>-</b>	<b>5,049,823</b>
<b>Total</b>		<b>58,776,978</b>	<b>-</b>	<b>58,776,978</b>	<b>58,694,377</b>	<b>-</b>	<b>58,694,377</b>
<b>2. EQUITY AND LIABILITIES</b>							
<b>(1) Equity</b>							
(a) Equity Share Capital		102,508,000	-	102,508,000	102,508,000	-	102,508,000
(b) Reserves & Surplus		(54,304,280)	-	(54,304,280)	(59,219,517)	-	(59,219,517)
		<b>48,203,720</b>	<b>-</b>	<b>48,203,720</b>	<b>43,288,483</b>	<b>-</b>	<b>43,288,483</b>
<b>(2) Non Current Liabilities</b>							
(a) Provisions		-	-	-	-	-	-
(b) Deferred Tax Liabilities (Net)		-	-	-	-	-	-
(c) Other Non Current Liabilities		3,635,692	5,775,988	9,411,680	5,491,344	7,461,448	12,952,792
		<b>3,635,692</b>	<b>5,775,988</b>	<b>9,411,680</b>	<b>5,491,344</b>	<b>7,461,448</b>	<b>12,952,792</b>
<b>(2) Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings							
(ii) Trade Payables		906,168	-	906,168	2,118,214	-	2,118,214
(iii) Other Financial Liabilities		-	-	-	-	-	-
(iv) Others		-	-	-	-	-	-
(b) Other Current Liabilities		5,775,988	(5,775,988)	-	7,461,448	(7,461,448)	-
(c) Provisions		255,410	-	255,410	334,888	-	334,888
		<b>6,937,566</b>	<b>(5,775,988)</b>	<b>1,161,578</b>	<b>9,914,549</b>	<b>(7,461,448)</b>	<b>2,453,102</b>
<b>Total</b>		<b>58,776,978</b>	<b>-</b>	<b>58,776,978</b>	<b>58,694,377</b>	<b>-</b>	<b>58,694,377</b>

**Notes to Accounts**

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.

**C.RAMACHANDRAM & CO**

Chartered Accountants

Firm Reg No. 002864S

**For HINDUSTAN BIO SCIENCES LIMITED**
**C.RAMACHANDRAM**

Partner

M.No:025834

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

J.Uma  
Director

**PLACE: Hyderabad**
**DATE : 30.05.2018**

**AUDITORS CERTIFICATE**

We have examined the above cash flow statement of Hindustan Bio Sciences Limited for the year ended March 31<sup>st</sup> 2018. The statement has been prepared by the company in accordance with the requirements of the SEBI (LODR) Regulations 14 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 C.RAMACHANDRAM & CO.**  
Chartered Accountants  
**Firm Reg. No. 002864S**

**(C.RAMACHANDRAM)**  
Partner  
**M. No. 025834**

Place : Hyderabad  
Date : 30-05-2018

**ATTENDANCE SLIP**

Name of the Company : **HINDUSTAN BIO SCIENCES LIMITED**

**CIN: L26942TG1991PLC013564**

Registered office: H.No.8-2-269/S, Plot No.31, Sagar Co-Operative Housing Society, Road No.2, BanjaraHills, Hyderabad - 500 034

**26<sup>th</sup> Annual General Meeting, Saturday, 29<sup>th</sup> September, 2018 at 10.00AM.**

Regd. Folio No. /DP ID \_\_\_\_\_ Client ID/Ben. A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company on **Saturday, 29<sup>th</sup> September, 2018 at 10.00AM.**

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

**Form No. MGT-11**

**PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company : **HINDUSTAN BIO SCIENCES LIMITED**

**CIN: L26942TG1991PLC013564**

Registered office: H.No.8-2-269/S, Plot No.31, Sagar Co-Operative Housing Society, Road No.2, BanjaraHills, Hyderabad - 500 034

Name of the Member	Email ID
Registered Address	Folio No./Client ID
No.of shares held	DP ID

I/ We being the member of ....., holding ..... shares, hereby appoint

1. Name : .....

Address: .....

E-mail Id: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 26<sup>th</sup> Annual General Meeting of members of the Company, to be held on Saturday, 29<sup>th</sup> September, 2018 at registered office of the Company at 10.00AM, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
1	Adoption of Audited Annual Accounts for the Financial year 2017-18		
2	Re appointment of Sri. J Varun Varma, Director retiring by rotation		
3	Appointment of Statutory Auditors.		
4	Reduction of Share Capital		

Signed this ..... day of..... 2018

Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**BOOK POST  
PRINTED MATTER**

*If undelivered please return to :*

**HINDUSTAN BIO SCIENCES LIMITED**

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