

BOARD OF DIRECTORS

VENKATR. KALAVAKOLANU	<i>Chairman & Managing Director</i>
Dr. M.C. SRINIVASAN	<i>Director</i>
K.N. GUHA	<i>Director</i>
RUDOLF H. TANNER	<i>Director</i>

AUDITORS

A.G.V. REDDY & Co., Chartered Accountants
15-570-33, 1st Floor
Pallavi Towers
Subhash Road, Opp. Canara Bank
Anantapur – 515 001.
Andhra Pradesh.

BANKERS

Industrial Development Bank of India
ING Vysya Bank
Central Bank of India
Karur Vysya Bank

Registrar & Share Transfer Agents

XL Softech Systems Ltd.
3, Sagar Society
Road No. 2, Banjara Hills
Hyderabad - 500 034.

REGISTERED OFFICE

24, Kolhar
I.D.A.
Bidar – 585 401.
Karnataka.

CORPORATE OFFICE

10-2-71 & 72/1, Road No. 3
West Marredpally
Secunderabad – 500 026.
Andhra Pradesh.

WORKS

24, Kolhar
I.D.A., Bidar – 585 401
Karnataka.

Survey No. 111
Cheriyal Village
Sangareddy Mandal
Medak District
Andhra Pradesh.

Survey No. 10 & 10/E2/A2
Gaddapotharam Village
Jinnaram Mandal
Medak District
Andhra Pradesh.

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Chairman's Speech.....

We are happy to inform you that Jupiter Bioscience Limited has completed 25 years of its existence on 21st February, 2010.

The past financial year, FY 2009-10, has been another exciting year for your company, where we have continued to pursue the twin objectives of growth and profitability and we have been successful in that. We are proud about this, since the last financial year was very challenging for most economies across the world.

Your company has exhibited sound growth on several financial parameters during FY 2009-10, as compared to FY 2008-09. The consolidated sales for FY 2009-10 are Rs.2325 Million and as compared to sales of Rs.1775 Million for FY 2008-09, achieving a growth of 31 percent. The consolidated PBT for FY 2010 is Rs.490.6 Million as compared to Rs.377.5 Million for FY 2009, an increase of 30 percent. The consolidated PAT for FY 2010 is Rs.424.8 Million as compared to PAT of Rs.330.4 Million for FY 2009, an increase of 29 percent.

We continue to focus on in-house R&D and technology alliances. Our recurring R&D expenditure for FY 2010 was Rs.152 Million. To reiterate, the R&D initiatives are the key differentiators for this company. During the year your company developed several new peptide building blocks and several processes for manufacturing APIs, of which we were successfully stabilized.

Our operations in Switzerland continue to gain traction and they will be key components of the integrated business platform, which we are in the process of building. We continue to invest in global marketing initiatives and one of the focus areas for marketing last financial year was Japan and we hope to reap rewards from this in the coming years.

We thank you for your continued support and would like to convey to you, that the management at Jupiter is doing its utmost to enhance all the stakeholders' value on a continuous basis.

Warm regards

Venkat R. Kalavakolanu
Chairman & Managing Director

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2010

To
Jupiter Bioscience Limited
24, Kolhar, IDA,
Bidar, Karnataka – 585 401.

I have examined the registers, records, books and papers of **JUPITER BIOSCIENCE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act), the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company (requirements) for the year ended March 31, 2010. Based on my examination as well as information and explanation furnished by the Company to me and the records made available to me, I report that:

1. The Company is a Listed Public Company and has complied with all the requirements of the Listing Agreement and Company has paid the Listing Fees.
2. All the registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the requirements.
3. All the requisite forms, returns and documents required under the Act and the Rules made thereunder have been filed with the Registrar and other Authorities as per Statutory requirements.
4. All the requirements relating to the meetings of Board of Directors, Shareholders, Creditors and others (wherever applicable) as well as relating to the Minutes of the proceedings thereat have been complied with.
5. All the appointments of Directors and other Officers of the Company have been made in accordance with the requirements.
6. Due disclosures under the Act have been made by the Company and its Directors.
7. Certificates of the shares have been issued and delivered and transfers and transmissions thereof have been registered as per requirements.
8. Statutory requirements in connection with NSDL and CDSL have been complied with.
9. Requirements relating to declaration and payment of dividend have been complied with.
10. Particulars of creation, modification and satisfaction of charges conferring security on the Company's property or undertaking have been filed with the Registrar of Companies as per requirements.
11. Loans and Investments have been made by the Company in accordance with requirements.
12. All necessary approvals of Directors, Shareholders, Central Government and other Authorities (wherever applicable) as per requirements have been obtained.

CS. Savita Jyoti
Company Secretary in Wholetime Practice
FCS No. 3738
E-86, Sainikpuri
Secunderabad - 500 094.

Secunderabad
May 29, 2010

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NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of JUPITER BIOSCIENCE LIMITED will be held at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar – 585 401, Karnataka, on Monday, 9th August, 2010 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended as on that date along with Schedules and attachments and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended March 31, 2010.
3. To appoint a Director in place of Mr. Rudolf H Tanner, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** the retiring Auditors, M/s. A.G.V. Reddy and Co., Chartered Accountants, Anantapur having Membership No.022554, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee of the Board of Directors to fix the remuneration of the said Auditors.”

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**
“**RESOLVED THAT**, pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from

Rs.30,00,00,000/- (Rupees Thirty Crore Only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each to Rs 70,00,00,000/- (Rupees Seventy Crore Only) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten) each, by creation and addition of 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten) each, ranking pari-passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby Authorized to file/cause to file necessary forms with the Registrar of Companies and other Statutory authorities and to do all other acts, deeds, things and matters as may be necessary to give effect to the aforesaid resolution.”

6. **To consider and if thought fit to pass the following resolution with or without modification(s) as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing words of Clause V of Memorandum of Association of the Company viz.

‘V. The Authorized Share Capital of the Company is Rs.30,00,00,000 (Rupees Thirty Crore Only) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each,’

be and are hereby amended and substituted by the following words :

‘V. The Authorized Share Capital of the Company is Rs. 70,00,00,000 (Rupees Seventy Crore Only) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each,’

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article No.3.1 of

the Articles of Association of the Company be and is hereby substituted by the following Article :

‘3. The Authorized Share Capital of the Company shall be as mentioned in Clause V of the Memorandum of Association of the Company from time to time.’

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby Authorized to file or cause to file necessary forms with the Registrar of Companies and other Statutory authorities and to do all other acts, deeds, things and matters as may be necessary to give effect to the aforesaid resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provision of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various Stock Exchanges, the regulations and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Government of India (GOI) and any other statutory / regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the

“Board”, which term shall also include any committee thereof), the consent and approval of the Company be and is hereby accorded to the Board of issuance of the Company’s securities (as defined below) in pursuance of one or more International or Domestic Offerings, by way of direct issuance and allotment of Equity shares including in the form of Preferential allotment of Equity Shares and/or Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/ or any other securities linked to shares and/ or any other convertible instrument or securities such as Convertible Debentures, Bonds, Foreign Currency Convertible Bonds (FCCBs), Convertible Warrants (hereinafter referred to as securities) to be subscribed by foreign / domestic investors including but not limited to NRIs, FIIs, Qualified Institutional Buyers (QIBs), Mutual Funds, Banks, Insurance Companies, Other Institutions / Corporate Bodies and / or individuals or otherwise whether or not such investors are members of the Company, in any Foreign Currency or Indian Rupees, subject to such conditions as the Board may consider appropriate provided that the amount for which the Securities to be issued shall not exceed US \$ 125 Millions or its equivalent of any other Foreign Currencies in one or more tranches and shall be in accordance with all applicable laws and regulations. The Board be and is hereby authorized subject to applicable laws and regulations to issue the aforesaid securities to the investors, in such manner as they may deem appropriate in their absolute discretion in one or more tranches, and if necessary, in consultation with Lead Managers and / or Underwriters and / or other Advisors of the Company concerned with the offering, as they may deem appropriate.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the

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aforesaid issuance of the securities may have to be subject to such terms or conditions as are in accordance with prevalent market practices and applicable laws and regulations including but not limited to the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional shares or variations in the price or period of conversion of securities into Equity Shares or terms pertaining to voting rights or options for redemption of Securities or conversion rights and that the Company is also entitled to enter into and execute all such arrangements with any Lead Managers, Underwriters, Guarantors, Depositories, Custodians and all such Agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including by way of commission, brokerage, fees or the like, also to seek the listing of such securities or securities representing the same in one or more Domestic/International Stock Exchanges, in accordance with all applicable laws and regulations.

RESOLVED FURTHER THAT the Company and / or any Agency or Bodies as are authorized by the Board may issue Depository Receipts (including by way of GDRs or ADRs or FCCBs) represented by underlying shares in the capital of the company or such other Securities as may be required with such features and attributes as are prevalent in International / Domestic Capital Markets for instruments of this nature and to provide the tradability and free transferability thereof in accordance with market practices and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of securities as may be required to be issued and allotted upon conversion of any Securities (referred to above) or as may be

necessary in accordance with the terms of offering.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorized to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable for such purpose, including but not limited to entering into arrangements for managing, underwriting, marketing, listing, trading and appointing Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees and such other agencies and to issue any Prospectus or Offering Document and sign the same and all other required applications, filings, deeds, documents and writings and to pay any fees, commissions, remuneration and expenses and to resolve any doubts or question that may arise in the issue and allotment of securities relating to the offerings.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 293 and other applicable provisions, if any, of the Companies Act, 1956 and subject to compliance with all applicable laws and regulations to the Board to issue Securities or raise loans, by the creation of mortgage(s) and/of charges and/or lien(s) on all or any of the Company's immovable and/or movable assets both present and future in such form and manner and on such terms and conditions as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board be and is hereby empowered to delegate all or any of the powers described above to any Committee of Directors or to Chairman and Managing Director or any Director or any officers of the Company."

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**

“RESOLVED THAT the approval of the members be and are hereby accorded to the proposal of the Company to apply to the authorities of the Bombay Stock Exchange Limited (**BSE**), for condonation of the delay in availing the in-principle approval of BSE, under the applicable clauses of the Listing Agreement and applicable laws, in connection with the following Preferential allotment of the securities of the Company, viz. :

- a. 7,50,000 Equity Shares of the Company allotted to the promoter of the Company on 10th October, 2008, pursuant to the approval of the members of the Company vide Special Resolution passed in the Annual General Meeting of the Company held on 29th September, 2008;
- b. 8,00,000 Equity Shares of the Company issued and proposed for allotment to the promoter of the Company on 14th October, 2009, pursuant to the approval of the members of the Company vide Special Resolution passed in the Annual General Meeting of the Company held on 30th September, 2009; and
- c. 15,75,000 Equity Shares of the Company issued and proposed for allotment to Others on 14th October, 2009, pursuant to the approval of the members of the Company vide Special Resolution passed in the Annual General Meeting of the Company held on 30th September, 2009.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorized to determine as to the terms and conditions of the said allotment / proposed allotment, as the case may be, subject to such sanctions/ approvals as may be done by the authorities, at the time of ratification and approval to the issue of the above-mentioned Equity Shares of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for relaxation / exemption of the lock-in period requirement / application of the lock-in period from the date of the allotment / proposed allotment of the above-mentioned Equity Shares of the Company, on account of the said shares have been held / deemed to be held by the respective shareholders from the afore-mentioned date(s) respectively.”

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be the date as considered as the Relevant Date at the time of passing of the relevant resolutions as mentioned above and the pricing of the securities arrived accordingly be and is hereby approved, subject to such sanctions/ approvals as may be done by the authorities, at the time of ratification and approval to the issue of the above-mentioned Equity Shares of the Company.”

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem fit, necessary or desirable, and pay any fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution.”

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**

“RESOLVED THAT pursuant to Sections

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100, 78 and other applicable provisions of the Companies Act, 1956 and Article 13 of the Articles of Association of the Company related to Reduction of Capital and subject to Permissions/Confirmations by the relevant Authorities, as being sought vide the Special Resolution appearing under S.No. 8 of this Notice, the paid up capital of the Company be reduced from Rs.16,13,34,700/- (divided into 1,61,33,470 equity shares of Rs.10/- each) to Rs.15,38,34,700/- (divided into 1,53,83,470 equity shares of Rs.10/- each) and that such reduction be effected by cancelling capital to the extent of Rs.75,00,000/-, divided into 7,50,000 Equity Shares of Rs.10/- each, allotted to Mr. Venkat R. Kalavakolanu, on preferential basis, in terms of the Special resolution passed in the Annual General Meeting of the Company held on 29th September, 2008. “

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009, (including any statutory modification or re-enactment thereof for the time being in force) the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the SEBI, RBI, FIPB, Government of India, lenders to the Company and appropriate authorities, bodies or

agencies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such conditions and alterations which the Board of Directors of the Company (hereinafter referred to as the “Board”), may think fit to accept in the interest of the Company, the Board be and is hereby authorized to offer, issue and allot upto 70,00,000 (Seventy Lac) Optionally Fully Convertible Warrants (OFCW) (each Warrant to be converted into one Equity Share) for an aggregate nominal value not exceeding Rs.7,00,00,000 (Rupees Seven Crore only), to be issued at a rate to be calculated as per the regulations issued by the SEBI in this regard, on preferential basis to the promoters, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorized to determine as to the terms and conditions of the said offer, when to offer, the number and value of the Offer(s) in each tranche and utilization of the issue proceeds.

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the OFCW shall be 10th July, 2010, being the date 30 days prior to date of the Annual General Meeting of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem fit, necessary or desirable, and pay any fees and commission and incur expenses in relation thereto.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (including any statutory modification or re-enactment thereof for the time being in force) the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the SEBI, Government of India, lenders to the Company and appropriate authorities, bodies or agencies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such conditions and alterations which the Board of Directors of the Company (hereinafter referred to as the “Board”), may think fit to accept in the interest of the Company, the Board be and is hereby authorized to offer, issue and allot upto 15,75,000 Equity Shares for an aggregate nominal value not exceeding Rs.1,57,50,000 (Rupees One Crore Fifty Seven Lac Fifty Thousand only), to be issued at a rate to be calculated as per the regulations of the SEBI in this regard, on preferential basis to other investors, on such terms and conditions and in such tranches as may be decided by the

Board in its absolute discretion.

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 10th July, 2010, being the date 30 days prior to date of the Annual General Meeting of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorized to determine as to the terms and conditions of the said offer, when to offer, the number and value of the Offer(s) in each tranche and utilization of the issue proceeds.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem fit, necessary or desirable, and pay any fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution.”

for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Secunderabad

Date : July 02, 2010

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Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of meeting.
2. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, additional information related to directors recommended for appointment/re-appointment at the Annual General Meeting is annexed to this Notice.
3. Members/proxies should produce at the entrance of the venue duly filled attendance slip for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 7, 2010 to Monday August 9, 2010 (Both days inclusive).
5. The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or before September 8, 2010 to the eligible members as may be provided by NSDL/CDSL and the Share Transfer Agent.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto for items appearing under the Special Business of the Notice convening this Annual General meeting of the Company.
7. Members holding shares in physical form are requested to notify/send the following to the Company's Share Transfer Agents:
XL Softech Systems Limited
 3, Sagar Society, Road No, 2,
 Banjara Hills, Hyderabad – 500 034.
 - i. Any change in their address/mandate/bank details;
 - ii. Particulars of their bank accounts in case the same have not been sent earlier; and
 - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
8. Members holding shares in electronic form are advised that the address/bank details as furnished to the Company by the respective Depositories, namely, NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned depository participants of any change in address, dividend mandate, etc.
9. Members are requested to note that dividends not encashed or unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend account, will as per Section 205A of the Companies Act, 1956 be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205C of the said Act. Members who have not yet encashed the dividend warrant(s) from the financial year ended 31.03.2003 onwards are requested to forward their claims to the Secretarial Department of the Company at 10-2-71 & 72/1, Road No.3, West Marredpally, Secunderabad – 500 026 for claiming the dividends. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie against the Company or IEPF in respect of such dividend. The details of the unclaimed dividend lying in the Un-Paid Dividend Accounts are as given below :

Year	Date of Dividend Warrant	Due Date for Transfer	Balance Amt. as on 31.03.2010 (Rs)
2002-03	30.10.2003	29.11.2010	0
2003-04	26.10.2004	25.11.2011	4,45,792
2004-05	27.10.2005	26.11.2012	5,71,180
2005-06	28.10.2006	27.11.2013	8,27,910
2006-07	17.10.2007	16.11.2014	8,68,078
2007-08	27.10.2008	26.11.2015	11,11,294
2008-09	26.10.2009	25.11.2016	17,07,308
			55,31,562

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10. The Company's equity shares are listed on Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Mumbai – 400 001. The Company has paid the annual listing fee for the financial year 2009-2010 to the Exchange and also Annual Custody Fee payable to both the Depositories
11. Members are advised to refer to the section titled 'INVESTOR INFORMATION' provided in the Annual Report.
12. All the documents referred to in this Notice are open for Inspection by the members at the Registered Office of the Company on all working days except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of meeting.
13. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
14. To avoid loss of Dividend Warrants in transit and undue delay in respect of receipt of Dividend Warrants, the Company has provided an Electronic Clearing Service (ECS) facility to its Members for remittance of Dividend. The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most cities and towns. Members holding shares in the physical form and desirous of opting for the ECS facility are requested to submit a duly filled in and signed copy of the ECS mandate form (Format enclosed) to the Company's Registrar and Share Transfer Agent.

for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Secunderabad

Date : July 02, 2010

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EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 173(2) of the Companies Act, 1956)

ITEM NOS. 5 & 6

To augment the long-term capital for the proposed expanded activities, your Directors have approved to increase the Authorised Share Capital of the Company. As the Company proposes to raise further equity share capital, it is necessary to increase the Authorized Capital. Consequent to the proposed increase of the Authorised Share Capital, the Memorandum and Articles of Association of the Company are proposed to be amended and substituted, as proposed in the resolutions, to be passed as Special Resolutions.

None of the directors of your company is interested in passing the aforesaid resolution, except to the extent of the shares of the company that may be offered to them on Preferential Basis, as proposed in the resolution.

ITEM NO. 7

The Board of Directors in their meeting held on 30th June, 2010 has decided to raise funds either from the International Capital Markets by way of the issue of Equity Shares/American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/ Foreign Currency Convertible Bonds (FCCBs) and /or other securities (including Debt instruments) to international investors and /or through domestic offerings to various investors. The resources being raised will be utilized by the Company /Subsidiary Companies for: (a) Setting up new manufacturing facilities, expanding and modernizing existing manufacturing facilities (b) Research and Development programme related primarily to Organic Chemistry and New Chemical Entities (c) Research and Development programme related primarily to Peptide Chemistry, Chiral Chemistry and Biotechnology (d) working capital (e) pursuing other business opportunities which may present themselves in the future.

The equity shares if issued will be at a price to be

decided between the Company and such investors and will comply with SEBI Guidelines in this regard. The ADRs/GDRs/FCCBs/or other securities if issued will be convertible into Equity Shares of your Company at a conversion price to be decided between the company and such investors and will comply with SEBI Guidelines in this regard.

The detailed terms and conditions for the offer of Equity Shares/ADRs/GDRs/FCCBs will be determined in consultation with the lead managers/advisors/underwriters to be appointed by the Company. Since the pricing of these instruments could be decided at a later stage, the resolution did not state the issue price or the precise number of securities to be issued. The Board of Directors or any committee constituted for this purpose shall finalise the terms and conditions in consultation with the agencies aforesaid in accordance with the applicable laws, guidelines, rules and regulations in this regard.

As per section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and as per the terms of listing agreement with the Stock Exchanges, the further issue of shares /offer and allotment of shares to the persons other than the existing shareholders would require approval of the members in the general meeting authorizing the Board of Directors to issue securities as stated in the resolution.

The Board recommends the resolution to be passed as a Special Resolution for your approval. None of the Directors of the Company is any way concerned or interested in the resolution.

ITEM NO. 8

The Company issued 27,50,000 (Twenty-seven lac and Fifty Thousand) Equity Share Warrants to the promoter of the Company on 13th October, 2005, and the Share Warrants were converted into 27,50,000 Equity Shares of Rs.10/- each at a Premium of Rs.136/- per Equity Share, in the

month of March, 2007 and April, 2007, subsequent to the payment towards the Share Capital of the Company aggregating to Rs.40,15,00,000/- (Rupees Forty Crore Fifteen Lacs only) by the Promoter.

Further, on 23rd May, 2007, the Company allotted 65,21,470 Equity Shares under QIP route, and consequent to the said allotments, the paid-up share capital was Rs.18,13,34,700/- divided into 1,81,33,470 Equity Shares of Rs.10/- each, out of which the Promoter holdings in the Company were **48,85,508** equivalent to **26.94%** of the paid-up share capital of the Company.

However, the Company obtained the Order of the High Court of Karnataka, on 12th June, 2008, and erroneously cancelled and reduced the entire 27,50,000 Equity Shares, instead of reducing only to the extent of excess number of Equity Shares allotted to the promoter, triggering the SEBI takeover code, which otherwise could have reduced the share capital of the Promoter only to the extent of 14,85,000 approximately and leaving the promoters' holding in the Company to 34,00,408 Equity Shares equivalent to 18.75%. Despite having paid the entire 40.15 Crore to the Company and complied with the requirements under the then SEBI Guidelines on Preferential Issues by the Company, the Promoter was not allotted the required number of shares by the Company rather due to inadvertence, the entire allotment of 27,50,000 Equity Shares, as detailed above, were cancelled and reduced.

Subsequently, the Company carried out the following:

- a. 7,50,000 Equity Shares of the Company allotted to the promoter of the Company on 10th October, 2008, pursuant to the approval of the members of the Company vide Special Resolution passed in the Annual General Meeting of the Company held on 29th September, 2008;
- b. 8,00,000 Equity Shares of the Company issued and proposed for allotment to the promoter of the Company on 14th October, 2009, pursuant to the approval of the members of

- c. 15,75,000 Equity Shares of the Company issued and proposed for allotment to Others on 14th October, 2009, pursuant to the approval of the members of the Company vide Special Resolution passed in the Annual General Meeting of the Company held on 30th September, 2009.

As given above, the Company due to inadvertence, allotted the Equity Shares of Company before obtaining the in-principle approval of the Bombay Stock Exchange Limited (BSE). In terms of the provisions of the Listing Agreement, the Company proposes to make necessary application to BSE for condonation of the lapse on the part of the Company with respect to the above allotment of 7,50,000 Equity Shares of the Company allotted to the promoter of the Company on 10th October, 2008, and of the 23,75,000 Equity Shares of the Company offered and issued and proposed for allotment to the promoter and others as detailed in the Explanatory Statement annexed to the Notice convening the Annual General Meeting on 30th September, 2008, and to obtain necessary Order/ in-principle approval the BSE to enable the Company to restore the said allotments/ proposed allotments at the said dates. The details of the pre and post shareholding is provided in the annexure to the Notice convening the ensuing Annual General Meeting to be held on 9th August, 2010.

The Promoters have expressed their consent to avail the 15,50,000 Equity Shares of the Company @Rs.146/- per Equity Share and the other allottees have expressed their consent to avail the 15,75,000 Equity Share @ Rs.100/- per Equity share, as proposed in the resolutions passed 29th September, 2008 and 30th September, 2009 respectively, without reducing the Price of the Equity Share to the current price as per the SEBI formula, (current price of the Equity Share of the Company as per the SEBI formula, is not more

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than Rs.90/-), which will enable the Company to retain not less than Rs.10 Crore, out of the amount received from the Promoters and Others towards the Share Application money. The Company has not paid any Dividend on the share Application money of Rs.55.90 Crore lying in the Company. The Company has continuously paid out an average, Dividend for the past 10 years @18% (approximately) on the paid-up Share capital of the Company.

Considering the case being fair and just on the part of the Company towards its promoter, who and his family strived hard for the last 25 years to bring the Company upto this level. Further as stated earlier, the Company could retain the additional 10 Crore without parting with, by allotting the Shares at the Current market level around Rs.90/- per share, and not allotting Shares to the Promoter at Rs. 146/- per Equity Share as approved earlier.

The Board of Directors of your company recommends the above resolution to be passed as a Special Resolution to enable the Company to take up the issue for condonation of delay and availing the in-principle approval of BSE and allot/regularize the said Preferential allotment of the entire 31,25,000 equity Shares, and lock-in the shares from the date of the original allotment/issue of Shares viz. 10th October, 2008 and 14th October, 2009.

None of the Directors other than Mr. Venkat R. Kalavakolanu, Chairman And Managing Director and Promoter of the Company could be deemed to be interested or concerned in the above resolution, required to be passed as a Special Resolution.

ITEM NO.9

In case the Company could not be successful in availing the approval of BSE as proposed in the resolution under S. No.8, of the Notice, the Company would approach the High Court under the applicable Sections of the Companies Act, 1956, for cancellation and reduction of the 7,50,000 Equity Shares allotted to Promoter on 10.10.2008 on a Preferential Basis, by canceling the said shares, consequent to the procedural

requirements of BSE not met with under the guidelines/regulations of SEBI Guidelines/ICDR Regulations related to Listing and Preferential Allotment to Promoters.

The cancellation has been done with assurance to re-issue the same to the Promoters with a view to enhance the percentage of shareholding by the Promoters upto a respectable level and to avoid a block in the minds of the Investors at large on account of the nature of the Industry.

None of the Directors other than Mr. Venkat R. Kalavakolanu, Chairman And Managing Director and Promoter of the Company could be deemed to be interested or concerned in the above resolution, required to be passed as a Special Resolution.

ITEM NO. 10

With the rapid growth possibilities, your Company has already launched a GDR issue and collected approximately Rs.100 Crore. Further, considering the long-term fund requirements of the Company, the Board of Directors have approved to explore the FCCB/ADR/ GDR issue to the tune of not exceeding US\$ 125 million in the near future.

1. The funds raised through the equity share warrants (to be converted into equity shares) subscribed by the promoters will be utilized by the Company /Subsidiary Companies for:
(a) Research and Development programme related primarily to Organic Chemistry and New Chemical Entities (b) Research and Development programme related primarily to Peptide Chemistry, Chiral Chemistry and Biotechnology (c) working capital (d) pursuing other business opportunities which may present themselves in the future.
2. The promoters will subscribe to Optionally Fully Convertible Warrants not exceeding 70,00,000 (Seventy Lac) on a firm allotment basis on such terms and conditions and at such price arrived as per SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009. The relevant date forming the basis for the price at which Equity Share Warrants will be allotted is 10th July, 2010.

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3. The following person(s)/Company(s) will participate in the issue of preferential allotment of equity share warrants.

Name of the Shareholder	Pre-Issue Holding	% to Equity	Equity Share Warrants proposed to be allotted on Preferential Basis
Mr. Venkat R. Kalavakolanu & his relatives & persons acting in concert	2135408	13.88	70,00,000

4(a). The pre and post issue shareholding pattern is given below:

Particulars	Pre Issue	%	Post Issue on Conversion of Warrants 2010-11	%	Post Issue on Conversion of Warrants 2011-12	%
Promoters Holding* (Existing)	2135408	8.00	5100000	8.33	8300000	12.88
Mutual Fund	112605	0.42	112605	0.18	112605	0.17
Banks	40329	0.15	40329	0.07	40329	0.06
Insurance	124590	0.47	124590	0.20	124590	0.19
Bodies Corporate	2301855	8.63	2301855	3.76	2301855	3.57
NRI & FII	424418	1.59	424418	0.69	424418	0.66
Public	10244265	38.39	10244265	16.73	10244265	15.90
GDR	11300000	42.35	11300000	18.46	11300000	17.54
Other Investors	0	0	1575000	2.57	1575000	2.44
FCCB	0	0	30000000	49.00	30000000	46.57
Total	26683470	100	61223062	100	64423062	100

*(The Preferential Allotment made to promoters & others amounting to 31,25,000 equity shares not included)

4(b). The pre and post issue shareholding pattern is given below:

Particulars	Pre Issue	%	Post Issue on Conversion of Warrants 2010-11	%	Post Issue on Conversion of Warrants 2011-12	%
Promoters Holding# (Existing)	3685408	12.36	6825000	10.84	10125000	15.28
Mutual Fund	112605	0.38	112605	0.18	112605	0.17
Banks	40329	0.14	40329	0.06	40329	0.06
Insurance	124590	0.42	124590	0.20	124590	0.19
Bodies Corporate	2301855	7.72	2301855	3.66	2301855	3.48
NRI & FII	424418	1.42	424418	0.67	424418	0.64
Public	10244265	34.37	10244265	16.28	10244265	15.46
GDR	11300000	37.91	11300000	17.95	11300000	17.06
Other Investors#	1575000	5.28	1575000	2.50	1575000	2.38
FCCB	0	0	30000000	47.66	30000000	45.28
Total	29808470	100	62948062	100	66248062	100

#(The Preferential Allotment made to promoters & others amounting to 31,25,000 equity shares included)

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5. The preferential Allotment will not result in any change in the management and control over the Company and there will not be any change in the compensation of its Board of Directors or voting rights.
6. The Equity Shares to be allotted on conversion of share warrants shall rank pari-passu with the existing equity shares of the Company and allotment of equity shares / warrants will be completed within the stipulated time as per law.
7. The price at which the share warrants will be converted into equity shares will be calculated as per SEBI preferential offer guidelines. Twenty Five percent of the total consideration shall be paid prior to allotment of the Share Warrants and the balance shall be paid on the warrant holders exercising the option to convert the share warrants in to equity shares failing which the amount of 25% paid will be forfeited. The right to conversion is required to be executed by the allottees within 18 months from the date of allotment of the share warrants.

None of the Directors other than Mr. Venkat R. Kalavakolanu, Chairman And Managing Director and Promoter of the Company could be deemed to be interested or concerned in the above resolution, required to be passed as a Special Resolution.

3. The following person(s) / Company(s) will participate in the issue of preferential allotment of equity shares.

Name of the Share Holder	Pre-Issue Holding	% to Equity Pre-Issue	Equity Shares proposed to be allotted on Preferential Basis
Dinesh Kumar Singhi Anurag Singhi	Nil	Nil	7,50,000
Dinesh Kumar Singhi Pranav Singhi	Nil	Nil	7,50,000
VSL Securities Private Limited	Nil	Nil	75,000

ITEM NO.11

In case, the Company could not obtain the in-principle approval of BSE as proposed in the resolution under S.No.8, of the Notice, in connection with the Preferential Offer of 15,75,000 Equity Shares of Rs.10/- proposed for allotment of 14th October, 2009, the Board of Directors of the Company, subject to the approval of the members and other Statutory authorities, propose to offer, issue and allot the 15,75,000 Equity Shares of Rs.10/- to the said earlier applicants (details given below), as per the SEBI – ICDR Regulations, 2009.

1. The funds raised through the private placement of equity shares will be utilized for:
 - a. Investment in the US Subsidiary for establishing manufacturing capacities and for business development of the Generic Peptide APIs.
 - b. Growth Capital for Jupiter Bioscience Limited in India to meet the business requirements of high end customers in Europe and Japan.
 - c. Process Innovation and Process optimization for high value intermediates and for the conformity of the International GMP standards.
2. The Investors will subscribe to Equity Shares not exceeding 15,75,000 on a firm allotment basis on such terms and conditions and at such price arrived as per SEBI Guidelines. The relevant date forming the basis for the price at which Equity Shares will be allotted is 10th July, 2010.

Jupiter Bioscience Limited

4. The preferential Allotment will not result in any change in the management and control over the Company and there will not be any change in the compensation of its Board of Directors or voting rights.
5. The Equity Shares to be allotted shall rank pari-passu with the existing equity shares of the Company and allotment of equity shares will be completed within the stipulated time as per law.
6. The price at which the Equity Shares issued will be calculated as per SEBI Preferential offer guidelines.

This resolution is required to be passed under Section 81(1A) of Companies Act, 1956 and as per the SEBI Guidelines which requires the shareholders permission and your Board recommends for adoption of the same.

None of the Directors is, in any way, interested or concerned in the resolution. Your Directors in the business interest of the Company recommend the resolution to be passed as a Special Resolution.

The details of the pre and post issue shareholding pattern is given under S.No. 10 (above).

for JUPITER BIOSCIENCE LIMITED

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Secunderabad

Date : July 02, 2010

ADDITIONAL INFORMATION ON DIRECTORS ELIGIBLE FOR APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

BRIEF RESUME OF MR. RUDOLF H. TANNER

Name : Rudolf H. Tanner

Age : 61 Years

Date of Birth : 07.02.1949

Educational

Qualifications: Chemical Engineer

Professional Training with Institute for Business, University of St. Gallen, Switzerland

Director : Jupiter Bioscience Limited
since 2005

Professional Experience

Bachem AG, Switzerland

Bachem is a public limited company based out of Switzerland and specialized in manufacture of peptides with manufacturing presence in Europe and USA. Bachem is the world leader in peptide synthesis industry.

1978-2003 : Executive Vice President
(Technical & Production)

Major Achievements

- ◆ More than 25 years experience in the peptide synthesis industry
- ◆ Pioneered the synthesis of peptides by solution phase in Bachem Limited
- ◆ Developed processes for manufacture of several peptide reagents and peptide building blocks

Relationship with other Directors inter se: NIL

List of Other Companies in which Directorships are held: NIL

List of committees of the Board of Directors (across all companies) in which Chairmanship/ Membership is held: NIL

No. of Equity Shares held in the Company: NIL

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DIRECTORS' REPORT

To

The Members

Jupiter Bioscience Limited

Your Directors have pleasure in presenting herewith the 25th ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended March 31, 2010 are as under:

	<i>(Rupees in Lakhs)</i>	
	Year ended 31.03.2010	Year ended 31.03.2009
Sales	18394.31	14292.76
Other Income	6.13	233.73
Operating Profit (Before Interest and Depreciation)	9563.70	7572.26
Interest and pre-payment Premium	2314.83	1740.85
Depreciation	3520.70	2623.27
Profit before Taxation	3728.17	3208.14
Provision for Taxation	633.79	363.48
MAT Credit Entitlement	(633.79)	(363.48)
Provision for Fringe Benefit Tax	—	8.57
Provision for Deferred Tax	413.94	380.56
Profit after Taxation	3314.23	2819.01
Appropriations:		
General Reserve	750.00	750.00
Dividend	322.67	322.67
Dividend Tax	54.85	54.85
Surplus Carried to Balance Sheet	12205.65	10250.79

During the year under review your company recorded growth in sales in spite of tough economic environment. The sale has risen by over

28.70% and the profit after taxation has gone up by 17.57% as compared to the previous year. This was achieved in spite of a difficult business environment in the last financial year.

The Company's long term strategy with focus on R&D and product development has enabled it to withstand the pressures of the recession and achieve growth in sales during the last financial year. The company introduced a range of new products in the peptide business the significant one being the launch of pseudoproline peptides which are spurring the growth of the peptide synthesis industry.

Your Company is consistently working towards improving the yields in its manufacturing processes. During the last year, the focus was also directed towards improving the yields and process optimization for manufacturing many of the existing products which have provided us significant savings in our manufacturing costs.

Your company's Research platform is directed towards process innovation and development to arrive at cost effective processes for manufacture of advanced organic intermediates/ penultimate intermediates and generic APIs where cost is the major driving force. Within these technology platforms the company has multi-process capabilities. With its R&D focus your company is able to not only develop products quickly but also able to bring down the costs significantly and remain competitive.

One of the foremost challenges for the peptide industry is towards Total Peptide Management program - a customized service platform is to ensure customer satisfaction and help the pharmaceutical and life sciences industries bring new and innovative drugs to market faster.

DIVIDEND

Your Directors have recommended dividend for the 10th year successfully after achieving a good growth in profit during the year.

A Dividend @20% per Equity Share (Rs.2/- on the Paid-up Equity Share of Rs.10/- each) for the

Jupiter Bioscience Limited

financial year 2009–2010. The dividend payout will aggregate to Rs.322.67 Lakhs and the dividend, if approved at the forthcoming Annual General Meeting, will be paid to all eligible equity shareholders.

TECHNOLOGY FOCUS OF THE COMPANY

At the R&D level the company is leveraging on its experience to dedicate significant resources and technical expertise to support research in solid and solution-phase technologies, unnatural amino acids, validation of manufacturing process and analytical methods. These capabilities allow us to supply generic peptides as well as peptides and related products for therapeutic and diagnostic areas in HIV, osteoporosis, diabetes, Alzheimer's, and many other human diseases.

Your Company is focused at providing high cost effective standardized peptides and peptide building blocks and also develops a peptide Library which can support customers for their project.

The company is also expanding its business and technological focus on non-peptide generic drug and intermediates based on organic and chiral chemistry by adding products to its existing list.

The manufacturing operations in USA are being set up to focus on solid phase peptide synthesis while the operations in Switzerland are directed towards building capabilities on solution phase synthesis. The manufacturing facilities in India will focus on manufacturing the reagents and the building blocks. Manufacture of generic peptide and non-peptide APIs for the unregulated market has commenced.

INTERNATIONAL MARKETING AND SALES EFFORTS

During the year the company participated in several trade shows to show case its capabilities and products. The list of the shows participated or mentioned in the table below. The company has participated in the CPHI Japan show in Japan. This show gives the opportunity for your

company to explore one of the fastest growing markets in Pharmaceutical Industry.

The company had also participated in various trade shows across the globe and has received significant leads which can be converted into prospective business in the near future.

Name of the Exhibition	Date & Place
CPhi Japan 2009	Tokyo BIG SIGHT Exhibition Centre, Tokyo, Japan April 21-23, 2009
BIO, 2009	Georgia World Congress Centre, Atlanta, Georgia, USA May 18-21, 2009
21st APS 2009	Indiana University Bloomington, USA June 7-12, 2009
CPhi World Wide 2009	Feira De Madrid Spain October 13-15, 2009
46th Japanese Peptide Symposium 2009	Kitakyushu International Conference Centre, Kokura, Japan November 4-6, 2009
The Peptide Conference 2010	Cambridge United Kingdom March 30-31, 2010
BIO 2010	McCormick Place, Chicago IL, USA May 3-6, 2010

BUSINESS OUTLOOK FOR COMING YEAR

Your company has achieved significant growth, recognition and market share in the Peptide Industry. As a part of its business policy and to continue its growth path the company has further consolidated and expanded its product range in non-peptide generics in the current year. The company is continuing to add capacity and extend its product range to meet the growing

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market demands. Your company proposes to manufacture a range of fast moving non-peptide generics ranging from proton pump inhibitors, anti-allergy, anti-depressant, anti-AIDS segments, and antibiotics. Your company has developed cost effective processes for the products. Your company has added the products in the veterinary API segment especially anti-helmentics.

Jupiter group has achieved remarkably during the last 25 years with dedication, commitment and focus on the future of the company.

Company commenced operations with an expertise in conventional organic chemistry and thereon moved ahead to build up a strong base in advanced organic chemistry with a Philosophy of the company as follows:

- Process innovation
- Process development
- Process optimization

Visionary in the founder Sri. K.S. Sarma who has always thinking ahead and initiated with Jupiter family support only of its kind considering the Jupiter in the next 50 years in the year 1995.

This initiative based on the above three philosophies is the entry into peptide chemistry. Three years effort of process innovation and development between 1995 and 1998 has resulted in Jupiter on the radar screen of multinational pharma companies globally discovery companies.

The company today achieved the positioning of only of its kind business model based on technology in peptide pharmaceutical.

The company continued to focus on organic-chemistry to be in the Niche market of the high-end intermediates for the generic and research pharmaceutical market globally.

The company's future R&D will be to augment capability high-end Peptide Building Blocks, Speciality, Organic intermediates and Chiral intermediates.

To achieve the above Jupiter will continue to collaborate with Universities and Academic Institutions and Research Institutions and Researchers.

In the field of the Peptide Chemistry the company continues to associate with:

- Bangalore University
- And has entered into MOU with University of Massachusetts, USA under the leadership of Dr.Louis Carpino who is considered father of Peptide chemistry.

In the next 25 years in the field of Organic & Chiral Chemistry the following will be plus:

Process development for single isomer through the following routes:

- Chiral pool
- Separation via diastereomeric salt crystallization
- Bio-resolution

Separation of racemic compounds

Expertise on resolution techniques and have developed the diastereomers and then separated them by chromatography or crystallization.

Chiral Pool

Undertake chiral isomer development using carbohydrates, amino acids, lipids, terpenes, and alkaloids. However our primary expertise is in using chiral amino acids as the starting material.

Chemical Asymmetric Methods

Capabilities to use transition metals as catalysts for oxidation and reduction reactions to develop chiral compounds

Biological Asymmetric Methods

Capabilities to use microbial enzymes for developing chiral compounds

Our capabilities on these platforms will enable us to develop chiral molecules such as speciality amino acids, amino alcohols and diamines through efficient synthetic routes

Carbohydrate chemistry

To Strengthen and Build-up expertise for the emerging Pharmaceutical market the company is embarking on a programme to focus on Carbohydrate chemistry.

This will bring the Jupiter on very high technology platform in the global positioning.

As a first step the company will be focusing on Monosaccharide Building Blocks.

CORPORATE SOCIAL RESPONSIBILITY

Jupiter Group actively participates in the welfare of the local community. Our Company in India makes a difference through various Corporate Social Responsibility (CSR) Schemes / efforts which will make a positive difference to the people at large in the various walks of life. During the year the Company contributed to the Society for its well being in the following manner:

1. Donated a Borewell at Cheriya village, where our manufacturing unit is located;
2. Also Donated a School building at Cheriya village; and
3. Contributed towards higher studies of poor students, who are bright in studies and can not afford to pursue their higher studies.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Equity Shares of the Company are listed with The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) (permitted). Your Company has paid the respective Annual Listing Fees up-to-date. The Company has provided Corporate Governance Report and Cash Flow Statement in this Annual Report and other required details.

SAFETY AND ENVIRONMENT PROTECTION

Your Company has been following strict environmental protection standards and ensured that employees' health and safety measures are maintained and monitored throughout the plant.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve high consumption of energy. But the Company is taking all the necessary steps for the optimum utilization of energy. The necessary particulars to be furnished under 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished in the annexure to this Report.

The particulars to be furnished with regard to Technology Absorption and Research and Development are given in the Annexure-1 to this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has earned Foreign Exchange of Rs.402.87 Lakhs on account of direct exports during the year 2009-2010. The Company has expended Rs.1376.70 Lakhs in Foreign Exchange on account of Investment in Jupiter Bioscience Inc., U.S.A., imports of raw materials International travel, and on expenses related to business development during the year 2009-10. The Management has made an extensive survey of foreign markets for the Company's products and several orders are in pipeline and there will be substantial earnings in Foreign Exchange in the Current Year.

ACTIVITIES RELATING TO EXPORTS; INITIATIVES TAKEN TO INCREASE EXPORTS ETC.,

The company has marketing offices in USA, Switzerland, Japan. The Company has established representative offices and business development offices in Germany, Singapore, Middle East, Denmark and Spain.

The company is planning to expand marketing and business development operations during the next six months in the following countries viz.

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Latin America, Central America, Malaysia, UK, France, Korea.

The above initiatives will definitely result in higher foreign exchange earnings in the coming years.

The major initiative in the next 6 months will be, Jupiter will stock many of its products in USA & Singapore and cater to the smaller volume customers extensively.

The following markets are planned to be focused for different product groups:

Peptide Building Blocks:

- US, Europe, Japan, Singapore, Canada, UK

Peptide APIs:

- South East Asia, Latin America, Middle East, India and Neighboring Countries

Organic Intermediates:

- US, Europe, Japan, Singapore, Canada, UK, India, South East Asia

Organic APIs

- South East Asia, Latin America, Middle East, India and Neighboring Countries

Chiral Intermediates

- US, Europe, Japan, Singapore, Canada

New Initiative:

The company will be adding a team of executives in business development in Europe, US and Japan during the next six months time.

Strategic Business:

The company is also currently discussing with a major contract manufacturing companies in USA and Europe to discuss business opportunities covering the entire expertise of Jupiter.

Contract Research:

The company has initiated business development effort of contract research business.

DIRECTORS

Mr. Rudolf H Tanner retires by rotation in this Annual General Meeting and is eligible for re-

appointment. Your Directors recommend his re-appointment.

AUDITORS

M/s. A.G.V. Reddy & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and is eligible for re-appointment. They have furnished a certificate pursuant to Sec 224(1-B) of the Companies Act, 1956 regarding their eligibility for re-appointment and your Directors recommended their re-appointment.

SUBSIDIARIES

A. Sven Genetech Limited

Subsidiary of your Company Sven Genetech Limited during the year made rapid strides in synthesis of specialty peptides, launch of new formulations and development of its capabilities in the diagnostics and enzymes areas.

Sven proposes to enter new business segments in the coming years. These include

- Formulations – Oncology
- Biopharmaceuticals
- Biosimilars
- Enzymes
- Neutraceutical APIs

During the year under review, the Company has approved to disinvest its stake through offer of sale of shares as per the resolution passed in the Extraordinary General Meeting held on 09th December, 2009, for achieving a strategic advantage to both the companies, while the Company would benefit out of the disinvestments, the subsidiary could access the capital market for its long-term resources.

B. Jupiter Bioscience Inc. USA

The Company's 100% subsidiary in USA, Jupiter Bioscience Inc. is gearing up for manufacture of custom peptides and generic peptide APIs by the solid phase peptide synthesis.

The results of the Subsidiary Companies are attached to this Report along with the statement

pursuant to Section 212 of the Companies Act, 1956.

RESEARCH & DEVELOPMENT (R&D)

The company incurred an expenditure of Rs.1009.83 Lakhs in 2009-10 on R& D. This expenditure was incurred in developing the cost effective route for synthesis of several new peptide building blocks and development of non-peptide generic drug intermediates and APIs.

GDR ISSUE

The Company successfully completed its GDR issue which opened on 30th June, 2010 and closed on 2nd July, 2010. Through the said GDR issue the Company collected US \$21.47 Million equivalent to Rs.100 Crores approximately. The Company has allotted 1,13,00,000 equity shares of Rs.10/- each against the 11,30,000 GDR issued.(i.e. 10 Equity shares of Rs.10/- each against every 1 (One) GDR of the Company.

The company proposes to utilize the GDR issue proceeds for the following purposes.

- Setting up/acquisition of new manufacturing facilities.
- Up-gradation / Modernisation of existing manufacturing facilities.
- Investment in subsidiaries
- Augmenting long term working capital needs
- Part retirement of high cost debt
- To meet the capital requirements of ongoing research and process development.
- Any other use, as may be decided by the management for the purpose of expanding its business and increasing the top line and bottom line by introducing the new products.

FCCB /ADR / GDR/ CONVERTIBLE SECURITIES :

To meet with the long-term capital requirements of the Company for its proposed expansion globally, it is proposed to issue various securities to the Promoters and others, subject to the

approval of the members and the Statutory Authorities. The required details of the proposal of augmenting the long-term capital requirements are provided in the Notice convening the ensuing Annual General Meeting along with the Explanatory Statement providing the required details, as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

INDUSTRIAL RELATIONS

Your Directors are pleased to inform you that the relations with employees including workmen at all levels continue to be warm and cordial. The Directors place on record their appreciation of the devoted services rendered by the employees.

PERSONNEL

The Board of Directors would like to place on record its deep appreciation for rendering impeccable services to every constituent of the Company by the employees at all levels. Industrial Relations continued to be cordial throughout the year at all locations.

Particulars of employees required to be furnished u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in the annexure attached and forms part of the report.

DEPOSITS

The Company has not accepted any deposits during the year within the meaning under Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE – Clause 49 of the Listing Agreement.

Your Company has complied with all the recommendations of the Corporate governance code as provided in Clause 49 of the Listing Agreement. The compliance report as recommended, is provided elsewhere in this Annual Report along with a Certificate of Compliance from the Practicing Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF

Twenty Fifth Annual Report 2009-2010

THE COMPANIES ACT, 1956

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors of the Company hereby state that :

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

ACKNOWLEDGEMENTS

Your Company wishes to place on record the strong support and interest from all the Shareholders in both retail and the institutional segment. Your Company wishes to place on record the appreciation of continued co-operation support and patronage received from all other stakeholders including government, bankers, suppliers and customers. Your Directors also wish to place on record their appreciation of the service rendered by all employees of the Company.

Cautionary note:

The statements forming part of the Directors report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Secunderabad

Date : July 02, 2010

ANNEXURE TO DIRECTORS' REPORT

(Information under section 217(1)(e) of the Companies Act, 1956)

**ANNEXURE-I
FORM – A: CONSERVATION OF ENERGY
(Form for disclosure of Particulars with respect to Conservation of Energy)**

	2009-2010	2008-2009
1. Power & Fuel Consumption		
a. Electricity:		
Purchased Units	13,59,912	15,20,430
Total Amount (Rs. in lakhs)	61.74	70.12
Rate per Unit (Rs.)	4.54	4.61
b. Own generation through Diesel Generator		
Units	4,52,500	3,33,438
Total Amount (Rs. in lakhs)	25.34	18.67
Cost per Unit (Rs.)	5.60	5.60
c. Coal:		
Quantity in Tonnes	5,453	4,652
Total Cost (Rs. in lakhs)	152.69	130.28
d. Furnace Oil	—	—
2. Consumption per unit of Production		
Electricity (Rs.)	26.49	37.23
Coal (Rs.)	46.45	54.63

**FORM – B : RESEARCH AND DEVELOPMENT
(New product development and process development)**

1. Specified areas in which R & D is carried out by the Company

The company has focused its R&D in the following areas for the products in its focus segments:

- i. Process Development
- ii. Process Optimization
- iii. New Drug Development
- iv. Novel Technology Platforms

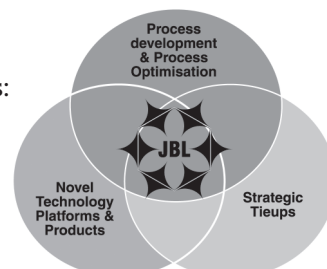
2. Benefits derived as a result of the above R & D

The entire product range and turnover of the company is a result of the R&D investments made by the company in developing these products. Thus the business growth and addition of products is derived from the investment made in R&D.

3. Future Plan of Action

Apart from peptides R&D activities are focused in following areas:

- . Chiral Chemistry
 - . Biotechnology
 - . Organic Chemistry
- R&D driven business model



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Expenditure on R & D, Technology Absorption, Adaptation and Innovation

- a. Efforts in brief, made towards technology absorption, adaptation and innovation.

Technology involved in manufacturing products is completely in-house. Our R&D expenditure is primarily towards process innovation or process development aimed to evolve processes for manufacture of higher value added products. We have built a significant R&D infrastructure over the years and in the process established a long experience in process innovation and process improvement across wide range of technology platforms.

- b. Benefits derived as a Result of the above efforts

A large number of new products have been introduced by the company, with quality and at a cost which make it very competitive in the market place.

Expenditure on R & D

Particulars	Amount Rs. in Lakhs	
	2009-2010	2008-2009
a. Capital	28.59	48.96
b. Revenue	1009.83	928.36
Total	<u>1038.42</u>	<u>977.32</u>

FORM - C: FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year	Previous Year
	01.04.2009 to 31.03.2010	01.04.2008 to 31.03.2009
	Rs. in Lakhs	Rs. in Lakhs
Foreign Exchange Earnings	402.87	400.14
Foreign Exchange Outgo	1376.70	1531.98
Net Foreign Exchange Earnings	-973.83	-1131.84

FORM - D : ANNEXURE TO DIRECTORS' REPORT

Sri Venkat R. Kalavakolanu has been re-appointed as Chairman and Managing Director of the Company on 4th October, 2009, on the following terms and conditions.

- The nature of employment is contractual.
- The remuneration includes all the payments of salary, allowances, contribution to Provident Fund, such other benefits, perquisites made to him.
- Mr. Venkat R. Kalavakolanu, holds 21,35,408 Equity Shares of Rs. 10/- each of the Company along with his relatives.

Information pursuant to Section 217 (2A) of the Companies Act 1956

Name	Age (Yrs)	Qualifications	Designation	Date of Commencement of employment	Experience (yrs.)	Gross Remuneration Rs.in Lakhs	Last Employment
Sri Venkat R. Kalavakolanu	48	B.Sc., MBA	Chairman and Managing Director	10.03.1992	23	36.00	Natco Pharmaceuticals, Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

Outlook on Peptide Therapeutics

The market for peptides continues to grow in spite of the prevailing recession due to progress of several peptide based new drug development projects particularly in identification and targeting specific peptide receptors and innovative formulation methods. Some of them are in market and many are in various clinical phases covering a range of diseases such as infections and cancer etc.

Pharmaceutical companies are developing more complex peptides with defined structural characteristics designed to achieve a specific biological function. Producing these sophisticated therapeutics requires expertise beyond conventional peptide synthesis capabilities. Similarly, value-added technology will be the key to survival in the highly competitive non-GMP peptide industry.

Peptides play an important role in fundamental physiological and biochemical functions in the body. Peptide is a molecule formed by joining two or more amino acids. When the number of amino acids is 50 or less than 50 these molecules are named as peptides while larger sequences are referred as proteins. Peptides are key molecules in the human system and exist as hormones, chemical mediators, and structural components are responsible for maintaining the structure and function of the cell and on the whole entire system.

During the past year, some companies have demonstrated success in using its CLIPS (chemically linked peptides on scaffolds)-based peptide mimics of discontinuous protein domains as immunogens in synthetic vaccines. Peptide Manufacturing companies in US & Europe are having multiple synthesis projects under way for peptides in various phases of clinical development, including in Phase III testing.

The market for peptides continues to grow in spite of the prevailing recession due to progress

of several peptide based new drug development projects particularly in identification and targeting specific peptide receptors and innovative formulation methods. Some of them are in market and many are in various clinical phases covering a range of diseases such as infections and cancer etc.

Multinational companies with focus on peptides are establishing manufacturing sites for large-scale cGMP peptide production using solid-phase and Solution-phase. Ongoing manufacturing projects range from very small peptides of 3 to 5 amino acids, to the synthesis of long peptides, exceeding 40 amino acids in length. Applications of peptides are growing continuously. The outlook on some of the areas is mentioned below:

Peptides in Cancer Therapy

Therapeutic peptides have great potential as anticancer agents. This is because of their adaptability and ease for designing as a drug candidate and also their specificity for target. Leading commercially available drugs in the market in this segment are Leuprolide, Goserelin, Triptorelin, Buserelin etc which are administered for treatment of prostate and breast cancers. Many more drugs are in the pipeline for treating various types of cancer. Various radiopharmaceuticals based on peptides are also being used for diagnosis and therapeutic purpose in cancer.

Peptides in Diabetes

Diabetes is an important segment for peptide drugs. Some of the drugs in the market include Desmopressin, Exanatide and Pramlinitide. Desmopressin a generic peptide drug is used for treatment of type 2 diabetes associated with frequent urination and bedwetting. Exanatide is approved as an adjunctive therapy to improve glycemic control in patients with type 2 diabetes who have not achieved adequate glycemic control using metformin, sulfonylurea and/or thiazolidinediene which are common oral drugs for type 2 diabetes. Pramlinitide is the first and

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only approved medicine in a new class of compounds called amylinomimetics. It is approved as an adjunctive therapy to improve glycemic control in patients with either type 2 or type 1 diabetes who are treated with meal time insulin but who have not achieved adequate glycemic control

Peptides in Cardiovascular Disorders

Some of the drugs in this category are Lisinopril and Ramipril. These molecules are derivatives of peptide and are used in treatment of hypertension, congestive heart failure, heart attacks and also in preventing renal and retinal complications of diabetes.

Peptides as Growth Factors for Tissue Repair

Peptide fragments are being developed for tissue repair process. When there is damage to the tissue due to injury, peptides and peptide fragments play an important role in the tissue repair process and also act as natural analgesic.

Peptides as Vaccines

Live attenuated vaccines have limitations that they have to be stored at low temperature to retain their potency. Moreover, live attenuated vaccines are not available for treating pathogenic bacteria. Killed vaccines are less potent, as they can stimulate the immune system to a limited extent. Hence, the pharma industry has turned its attention towards molecular vaccines. Among the various types of molecules, peptides are attractive candidates for vaccines. One of the areas where peptide molecules are being tried as vaccines is for treatment of large variety of cancers such as breast cancer, cervical cancer, gastric cancer, Peptide vaccines are also being developed for infectious diseases such as Tuberculosis, influenza and SARS. Further peptide vaccines are under investigation for prion diseases and also for neurodegenerative disorders such as Alzheimer's disease.

Peptides as Anti-Infective Agents

Virtually all life forms express short antimicrobial cationic peptides as an important component of their immune defenses. These peptides serve as endogenous antibiotics that are able to rapidly kill an unusually broad range of bacteria, fungi

and viruses. Consequently, considerable efforts have been expended to exploit the therapeutic potential of these antimicrobial peptides. In the last couple of years, it has become evident that many of these peptides in addition to their direct antimicrobial activity, also have a wide range of functions of immunity. For one class of antimicrobial peptides, such as the human defensins, their primary role may even be as immuno-modulators. These properties potentially provide entirely new therapeutic approaches to anti-infective therapy.

Peptides in Cosmetics

Peptides have great potential in cosmetics which is emerging as an important area for peptides with several companies entering this segment. Skin is made up of mostly collagen which gives the skin its support and thickness. Young people have lot of collagen because of which their skin is taut and smooth. In contrast, older people have much less collagen which leads to thin and wrinkled skin.

Collagen is a protein and is made up long chains of amino acids. When it is broken down, short peptides are formed. Application of topical peptide containing creams increases the formation of collagen in the skin thereby reducing wrinkles. Many peptides are being used and new peptides are being developed for such properties.

2. RESEARCH AND DEVELOPMENT

The company continues to invest in research and development to develop new products, new methods for analysis of these products and improvements in manufacturing process for existing products.

Advanced Organic Chemistry

The Advanced Organic Chemistry platform is directed towards process innovation, process development and process optimization to arrive at cost effective processes for manufacture of advanced organic intermediates / penultimate intermediates and generic APIs where cost is the major driving force. During the year the company added special emphasis on process optimization to improve the yields of all the products manufactured by the company

Peptide Chemistry

The Peptide Chemistry platform is directed towards developing leadership across the peptide value chain of peptides starting from peptide building blocks for therapeutics, vaccine and diagnostics for wide range of diseases. Some of the processes were continuous efforts for enhancing the capabilities are as follows:

- Friedel crafts reaction
- Esterification
- Active esters
- Mixed anhydrides
- Chloro carbonation
- Curtious

3. OPPORTUNITIES AND THREATS

With a well established experience in synthesis of peptide building blocks and having an integrated model for nearly a decade the company is poised to exploit the opportunities presented by the strong growth in the peptide user industry covering therapeutics, vaccines, diagnostics and drug delivery systems. Further the research based business model of the company is attracting global companies to outsource research and manufacturing to the company. Most of the international players in the peptide industry are having manufacturing operations in Europe and USA and your company with its primary manufacturing base in India is better equipped to handle the price pressures in the international market.

Growing demand for production and research outsourcing in the global pharmaceuticals industry

The implementation of the product patent regime in India has increased the confidence of the International Companies in outsourcing production and research in India. With our strengths in process development and manufacturing efficiencies we expect that there will be increase in our business from contract manufacturing.

International Marketing

Your company's sales have primarily been driven so far through indirect channels of distributors and retailers in the past. We are making

conscious efforts to improve our direct presence in some of the international markets. With the establishment of marketing offices in Europe, USA and Japan. Your company expects that it will be able further improve its business in these markets.

Market for peptide pharmaceuticals is one of the fastest growing segments in pharmaceuticals

Demand for peptide pharmaceuticals to grow rapidly with large number of molecules in clinical trials

India emerging as a manufacturing base for global pharma Marketing efforts have been initiated in Latin America and Middle East also.

THREATS

Your Company's results of operations have been influenced and will continue to be influenced by the following key factors:

Cost of raw materials and other inputs

Raw materials constitute one of the significant cost elements in our business. Fluctuations in the price of the raw materials have a direct impact on our operations. To offset the impact of the increase in the price of raw materials the company has been continuously striving to go in for value added products.

Fluctuation in the Exchange rates

The fluctuation in the exchange rate of rupee against the major international currencies such as Euro, United States dollars and Japanese yen impacts the business of the company. The company has not taken any forward contracts in the past to hedge against the fluctuations in these currencies.

Expenditure on R&D

Process driven R&D is a key factor of our Business model which emphasizes not only on reverse engineering but also on developing new products with cost effective solutions. In the pharmaceutical sector there is continuous demand on reduction in manufacturing costs and processes. The R&D expenditure of the company has been incurred to meet these requirements and to develop new products.

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Capital Expenditure

The products manufactured by the Company are quite complex in synthesis and require a large number of manufacturing steps. Because of the complexity of synthesis and the wide range of products the Company has been incurring significant expenditure on capital equipment in the last few years.

Increasing employee compensation in India

Employee compensation has been on increase in India in all industrial sectors and more so in the R&D sector. This has impacted us in the past and will also have impact on our future operations.

4. PRODUCT-WISE OR CATEGORY WISE PERFORMANCE

Sales	Rs. in Lakhs
Peptides (Peptide Reagents & Amino Acids)	10390.40
Drug Intermediates	4938.53
Fine Chemicals	3065.39
Total	18394.31

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-documented policies, guidelines, authorizations and approval procedures. Your company has professional firms on its internal audit panel who review the adequacy and effectiveness of all internal controls laid down by the management and suggest necessary improvements. The senior management reviews on a monthly basis the findings of the internal audit department while the Audit Committee of the Board reviews on a quarterly basis the internal auditors findings and recommendations.

6. HUMAN RESOURCES

Our Philosophy

Your Company attracts and retains qualified,

productive and motivated employees. Our Human resource programs are based on the business philosophy and the operational strategy of the Company.

Commitment to Excellence

Your Company is committed to multi-skills development of its employees to enhance their performance. Your Company's endeavor is to provide projects which would facilitate the employees to take on a wide range of responsibilities and prepare them with skill sets in broad areas of operations.

Commitment to Innovation

Your Company encourage its employees to be innovative and would foster this spirit in all areas of operation particularly R&D.

Performance Measurement

Rewards and growth of employees will be based on completely on performance for which the goals will be clearly defined and agreed by the employees.

Training and Development

The Training & Development program is designed to provide sufficient training and counseling the employees to successfully perform their jobs and the goals set up for them. In addition your Company also arranges and supports its employees to pursue further academic studies such as PhD programmes by post graduate employees.

Employee Communication

Employees will receive clear and timely communication on all work related issues.

Employee Relations

Employee relations continued to be quite satisfactory. Management never intends to have any bias towards its employees on the basis of race, sex, age and creed.

for JUPITER BIOSCIENCE LIMITED

Venkat R. Kalavakolanu

Chairman & Managing Director

Place: Secunderabad

Date : July 02, 2010

**REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)**

1. Company's philosophy on code of Governance

"Your" Company philosophy of Corporate Governance envisages attainment of the highest level of transparency, accountability and equity in all its dealings with Shareholders, Employees, Government and Lenders and your Company believes that good Corporate Governance contemplates that corporate actions, balance the interests of all stakeholders and meet with the requirements of satisfy the tests of transparency, independence, accountability, responsibility, fairness and social responsibility.

2. Board of Directors

Composition of Board

Jupiter Board consists of three Non-Executive Directors, all of whom are also independent Directors viz., Mr. K.N. Guha, Mr. Rudolf H. Tanner, Dr. M. C. Srinivasan and Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company who is the Promoter of the Company.

During the financial year 2009-2010, FIFTEEN Board Meetings were held on the following dates :

- i. April 30, 2009
- ii. June 03, 2009
- iii. July 30, 2009
- iv. August 29, 2009
- v. September 30, 2009

- vi. October 09, 2009
- vii. October 14, 2009
- viii. October 30, 2009
- ix. November 14, 2009
- x. December 12, 2009
- xi. December 18, 2009
- xii. January 18, 2010
- xiii. January 30, 2010
- xiv. February 27, 2010
- xv. March 22, 2010

The attendance at Board Meetings held during Financial Year 2009-2010 and at the last AGM and number of other directorships and committee memberships / Chairmanships of Directors is given below:

Notes:

- a. The Directorships held by the Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies;
- b. In accordance with Clause 49, Memberships/ Chairmanships of only the Audit Committee and Shareholders/Investors Committees of all public limited companies have been considered; and
- c. As detailed in table below, none of the Directors of the Board is a member in more than 10 Board level Committees of public Companies in which they are Directors, and the Chairman of more than five such committees.

Name of Director	Attendance particulars		No. of other Directorships held as on date	Committee Membership as on date (Including Jupiter)	
	Board Meetings	Last AGM		Member	Chairman
Venkat R. Kalavakolanu	15	Yes	1	2	0
K.N. Guha	15	Yes	2	3	2
Dr. M.C. Srinivasan	15	Yes	1	3	1
Rudolf H. Tanner	1	—	0	1	0

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3. Audit Committee

Composition, names of members and Chairperson

Audit Committee of your Company consists of two Non-Executive Independent Directors namely Mr. K.N. Guha, Dr. M. C. Srinivasan, and Venkat R. Kalavakolanu, Chairman & Managing Director of the Company. Mr. K.N. Guha is the Chairman of the Audit Committee Meetings.

The Audit Committee has been empowered to do all acts, to comply with the applicable provisions of the Listing Agreement and the Companies Act 1956.

Terms of reference for the Audit Committee include:

1. To oversee the Company's financial reporting process and disclosure of its financial information.
2. To recommend the appointment, re-appointment and removal of Statutory Auditors and fixation of the audit fee.
3. To recommend appointment, re-appointment, removal and fixation of remuneration of internal auditors.
4. To review and discuss with the Auditors about internal control systems, the scope of audit including observations of the Auditors, adequacy of the internal Audit function, major accounting policies, practices and entries, compliance with accounting standards and compliance with the stock exchange and legal requirements concerning financial statements and related party transactions, if any.
5. To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon.
6. To review the financial statements before submission to the Board of Directors.

7. To ensure that adequate mechanism for prevention and detection of frauds is in place.
8. Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Meetings and attendance during the year

The Committee met FIVE times during the year on April 30, 2009; July 30, 2009; August 29, 2009; October 30, 2009; and January 30, 2010.

Name	No. of Meetings Attended	No. of Meetings Held
Mr. K.N. Guha	5	5
Dr. M.C. Srinivasan	5	5
Mr. Venkat R. Kalavakolanu	5	5

4. Remuneration Committee

The purpose of the Remuneration Committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors. The committee has overall responsibility for approving and evaluating and recommending plans, policies and programs relating to remuneration of Executive Directors of the Company.

The Committee consists of Independent Directors and has met once during the year on October 30, 2009 and the attendance of each member of the Committee is given below:

Name	Designation	Committee Meeting Attended
Mr. K.N. Guha	Chairman	1
Dr. M.C. Srinivasan	Member	1
Mr. Rudolf H. Tanner	Member	1

Jupiter Bioscience Limited

Details of remuneration to Directors/ Executive Directors:

Name	Designation	Remuneration paid/ to be paid for the financial year 2009-2010 (Rs. in Lakhs)
Mr. Venkat R. Kalavakolanu	Chairman & Managing Director	36.00
Mr. K.N. Guha	Independent Director	0.375
Dr.M.C.Srinivasan	Independent Director	0.375
Mr. Rudolf H.	Independent Director	0.025

Non-Executive Directors:

The Company does not pay any remuneration to Non-Executive Directors except sitting fees for attending the meeting of the Board of Directors and the reimbursement of traveling and out of pocket expenses for attending meetings of the Board and the Committee. A sitting fees of Rs.2,500/- (Rupees Two thousand five hundred only) is paid for attending each Board/Committee Meeting.

5. Share Transfer and Shareholder / Investor Grievance Redressal Committee

1. Composition, name of members and Chairperson

Name	Designation	Committee Meetings Attended
Dr. M.C. Srinivasan	Chairman	4
Mr. Venkat R. Kalavakolanu	Member	4
Mr. K.N. Guha	Member	4

The Committee met on 30.04.2009, 30.07.2009, 30.10.2009 and 30.01.2010. The Company received 218 queries from the investors during the year 2009-10, and all of them were

replied/resolved to the satisfaction of the investors. There were no pending valid requisitions for transfers of shares as on March 31, 2010.

Name and designation of the Compliance Officer

Mr. T. Henry, Asst Manager

Investor Complaints received and resolved during the Year.

Nature of Complaint	2009-2010	
	Received	Cleared
a. Relating to Transfer, Transmission, Transposition, Dividend, Revalidation of Dividend Warrants, Change of Address & General	207	207
b. Others (Request for Annual Reports)	11	11

6. Annual General Meetings

The last three Annual General meetings were held as under:

Year	Date	Location	Time
2008-2009	30.09.09	At the Regd. Office of the Company	10.30 a.m.
2007-2008	29.09.08	At the Regd. Office of the Company	10.30 a.m.
2006-2007	27.09.07	At the Regd. Office of the Company	10.30 a.m.

No resolution was put through postal ballot in any of the General Meetings so far held by the Company.

None of the resolutions placed for shareholders' approval at this meeting require postal ballot either under section 192A of the Companies Act, 1956 or under clause 49 of the Listing Agreement.

Extraordinary General Meeting

During the year under review, the Company has approved to disinvest its stake through

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offer of sale of shares as per the resolution passed in the Extraordinary General Meeting held on 9th December, 2009, for achieving a strategic advantage to both the companies, while the Company would benefit out of the disinvestments, the subsidiary could access the capital market for its long-term resources.

7. Disclosures

The Company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other Statutory bodies regulating the Capital Markets. No stretchers or penalties were imposed on the company. There are no transactions with related parties having potential conflict with the interest of the company at large. Other transactions are adequately disclosed in the notes to Annual accounts.

8. Means of Communication

The Quarterly, Half yearly and Annual results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in the Indian Express/ Economic Times (in English) and Kannada Prabha/Uttara Karnataka (in Regional Language) dailies. These results are simultaneously posted on the Company's website - www.jupiterbioscience.com

SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and Time : August 9, 2010 at 10.30 a.m.

Venue : At the Registered Office of the Company.
24, Kolhar, I.D.A, Bidar,
Karnataka - 585401.

Financial Calendar (2010-2011) : The following is the tentative financial calendar of the Company which is subject to change :

1st Quarter Results:
on or before 2nd Week of August, 2010

2nd Quarter Results:
on or before 2nd Week of November, 2010

3rd Quarter Results:
on or before 2nd Week of February, 2011

4th Quarter/Audited Results:
4th Week of May, 2011

AGM for the year 2010-2011:
on or before September 30, 2011

Date of Book Closure : 7th to 9th August, 2010
(both days inclusive)

Dividend Payment Date : On or before the 8th day of September 2010

Rate of Dividend: 20% (Rs.2/- per Equity Share)

Listing on Stock Exchanges : The Stock Exchange, Mumbai

Permitted to trade : National Stock Exchange of India Limited (NSE)

The Listing Fee for the year 2010-11 has been paid to BSE

Stock Code : BSE Code: 524826
NSE Code: JUPITER

Demat ISIN Number in NSDL & CDSL for equity shares : INE918B01013

Jupiter Bioscience Limited

Stock Market Data

Monthly closing share price of high and low quotations, traded in Bombay Stock Exchange Limited, Mumbai for the year 2009-2010.

Month	High (Rs.)	Low (Rs.)	Volume
April - 2009	52.75	37.45	868990
May - 2009	77.00	45.95	4767359
June - 2009	91.50	59.20	15835473
July - 2009	73.40	52.15	4268888
Aug - 2009	84.35	65.10	15621066
Sept - 2009	94.60	75.00	12481962
Oct - 2009	91.65	70.20	4735734
Nov - 2009	82.90	68.30	3373462
Dec - 2009	88.80	77.15	5246706
Jan - 2010	104.70	78.75	12610093
Feb - 2010	89.75	76.50	1817781
Mar - 2010	89.60	78.45	2992002

Stock Market Data

Monthly closing share price of high and low quotations, traded in National Stock Exchange of India Limited for the year 2009-2010.

Month	High (Rs.)	Low (Rs.)	Volume
Jan - 2010	104.80	78.10	3518541
Feb - 2010	89.70	76.55	715655
Mar - 2010	89.85	78.75	1645530

Distribution of Shareholding as on March 31, 2010

Category From - To	No. of Share-holders	% of Hol-ders	No. of Shares	% of Shares
1 - 500	21234	84.55	3206141	19.87
501 - 1000	1976	7.87	1594119	9.88
1001 - 2000	919	3.66	1408880	8.73
2001 - 3000	304	1.21	755927	4.69
3001 - 4000	165	0.66	548691	3.40
4001 - 5000	161	0.64	740380	4.59
5001 - 10000	211	0.84	1505996	9.33
10001 & above	143	0.57	6373336	39.50
	25113	100.00	16133470	100.00

(7,50,000 Equity Shares of Rs.10/- yet to be listed)

Category	No. of Holders	No. of Shares	%
Promoters*	15	2885408	17.88
Mutual Funds	5	112605	0.70
FII's	2	78900	0.49
Bodies Corporate	747	2406438	14.91
Banks/Insurance	5	138434	0.86
Non Resident Indians	283	362516	2.25
Public	24056	10149169	62.91
Total	25113	16133470	100.00

*(7,50,000 Equity Shares of Rs.10/- yet to be listed)

Registrar & Share Transfer Agents:

XL Softech Systems Limited

3, Sagar Society
Road No. 2, Banjara Hills
Hyderabad - 500 034.

Share Transfer System

Share transfers in physical form are processed and returned to the shareholders within the stipulated time. Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an independent practicing Company Secretary.

The Share Transfer committee which meets weekly aims at ensuring registration and return of transferred shares promptly on receipt of completed documents.

Depository System / Demat of Shares

The equity shares of the Company are being traded in electronic form from 25.09.2000 as per SEBI circular. This facilitates faster and efficient Transfer System and also reduce investors risks of bad delivery / loss in transit of documents besides having the advantage of exemption from Stamp Duty. The total Subscribed and fully paid-up Equity Shares of the Company is 16,133, 470 Shares of which over 95.28 of the shares are in Electronic Mode and the rest of the shares are in Physical form.

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As per the directions of Securities and Exchange Board of India, trading in the company shares shall compulsorily be in dematerialized form by all classes of Investors and facilities for dematerialisation are fully operational. The Company shares are regularly traded on BSE.

There are no outstanding GDRs / ADRs / Warrants or any Convertible instruments.

Works: 24, Kolhar,
I.D.A, Bidar,
Karnataka – 585401.

Sy. No. 111,
Cheriyal Village,
Sangareddy Mandal,
Medak District. A.P.

Address for Correspondence:

XL Softech Systems Ltd,
3, Sagar Society, Road No. 2,
Banjara Hills,
Hyderabad - 500 034.

(or)

The Compliance Officer,
Jupiter Bioscience Limited,
10-2-71 & 72/1, Road No. 3,
West Marredpally,
Secunderabad – 500 026. AP.

Tel: 040-44778080;
Fax: 040-27702515

Your Company has a website by name
www.jupiterbioscience.com

Venkat R. Kalavakolanu
Chairman & Managing Director

Secunderabad
July 02, 2010

Declaration

As provided under clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Board members and the senior management personnel have confirmed compliance with the Code of Conduct for Board of Directors and senior management for the year ended March 31, 2010.

For Jupiter Bioscience Limited

Place: Secunderabad
Date: July 02, 2010

Venkat R. Kalavakolanu
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
JUPITER BIOSCIENCE LIMITED

I have examined the compliance of conditions of Corporate Governance by **M/s. Jupiter Bioscience Limited** for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me

and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that no investor grievance is pending against the Company as per the records maintained by the Share Holders / Investors' Grievance Committee.

I further 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.

CS. Savita Jyoti
Practicing Company Secretary
CP No. 1796

Hyderabad
May 29, 2010

**CERTIFICATION BY THE MANAGING DIRECTOR
FOR THE FINANCIAL STATEMENTS OF THE COMPANY**

I, **Venkat R. Kalavakolanu**, Chairman & Managing Director of **M/s. Jupiter Bioscience Limited**, certify that:

- a. I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate company's code of conduct.
- c. I am responsible for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal

control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken to rectify these deficiencies.

- d. I have indicated to the auditors and the audit committee:
 - I. Significant changes in internal control during the year;
 - II. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instance of significant fraud of which I 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.

Venkat R. Kalavakolanu
Chairman & Managing Director

Secunderabad
July 02, 2010

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AUDITORS' REPORT

To

The Members of

Jupiter Bioscience Limited

1. I have audited the attached Balance Sheet of Jupiter Bioscience Limited, Bidar, Karnataka State as at **31st March, 2010** and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) Order, (Amendment) 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to above, I report that:
 - i. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - ii. In my opinion, the Company has kept proper books of account as required by law so far as appears from my examination of those books;

- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In my opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, I report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2010**; and
 - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for **A.G.V. Reddy & Co.,**
Chartered Accountants
Firm Regn. No. 003245S

CA A.G. Venugopal Reddy

Place : Bidar (Camp)

Proprietor

Date : May 29, 2010

Mem. No. 022554

D.No.15-570-33, 1st Floor
Pallavi Towers, Subash Road
Opp. Canara Bank
Anantapur – 515 001. AP

ANNEXURE TO THE AUDITORS' REPORT

Statement on the Companies (Auditor's Report) Order 2004.

Re : JUPITER BIOSCIENCE LIMITED.

Referred to in Paragraph 3 of my report of even date:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
- b. According to the information and explanations given to me the Fixed Assets have been physically verified by the management during the year. In my opinion, the frequency of such physical verification is reasonable having regard to the size of the company and the nature of its Assets. No Material discrepancies were noticed on such verification as compared to the available records.
- c. During the year the company has not disposed off a substantial part of its Fixed Assets, reporting on the going concern status in this regard does not arise.
2. In respect of Inventories :
 - a. As explained to me, the inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of Company and the nature of the business.
 - c. The company has maintained proper records of inventory. As explained to me, there were no material discrepancies noticed on physical verification.
3. I am informed that the company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 Sub Clauses (b) (c) and (d) of clause (iii) of paragraph 4 of the order are not applicable, as the company has not granted or taken any loans from such parties.
4. In my opinion, having regard to the explanation that certain items of inventory purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of my examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to me, I have neither come across nor been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. To the best of my knowledge and belief and as explained to me the Company has not entered into any transactions required to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under and the directives issued by the Reserve Bank of India, where applicable, with regard to the deposits accepted from the public.
7. In my opinion, the Company has an internal Audit system commensurate with the size of the Company and nature of its business.
8. I have been informed by the management that no Cost records have been prescribed by the Central Government under Clause (d) of sub Section (1) of section 209 of the Companies Act, 1956 in respect of products manufactured by the company.

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9. a. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess, FBT and any other Statutory dues applicable to it with the appropriate authorities. Income Tax Assessments are completed upto the Assessment Year 2007-08.
- b. According to the information and explanations given to me, there are no dues of sales Tax, Customs Duty, Wealth Tax, Excise Duty, Service tax, Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that the Company has not defaulted in payment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
12. According to the information and explanations given to me the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the company.
14. The Company is not dealing or trading in Shares, Securities, Debentures and other Investments. Accordingly, the Provisions of Clause 4 (xiv) of the companies (Auditor's Report) order 2003 are not applicable to the company.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from bank or financial institutions except for its subsidiary company, Sven Genetech Limited, Secunderabad.
16. To the best of my knowledge and belief and according to the information and explanations given to me, term loan availed by the Company during the year was prima facie applied for the purpose for which it was obtained.
17. According to the information and explanations given to me, on an overall examination of the balance sheet of the company, I am of the opinion that there are no funds raised on short term basis, have prima facie, been used during the year for long term investment.
18. According to the information and explanations given to me, Share Application Money consists of deposit against share warrants of Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company and preferential private placement of equity shares to an investor.
19. The Company has not raised any money through a public issue during the year.
20. The company has not issued any secured debentures.
21. According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the year.

for **A.G.V. Reddy & Co.,**
Chartered Accountants
Firm Regn. No. 003245S

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

Bidar (Camp)
May 29, 2010

Jupiter Bioscience Limited

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	161,334,700	161,334,700
Share Application Money		449,500,000	292,000,000
Reserves & Surplus	2	3,079,039,194	2,808,553,712
B. Loan Funds			
Secured Loans	3	3,616,956,184	2,542,909,075
Unsecured Loans	4	253,375,943	156,884,675
C. Deferred Tax Liability		144,974,767	103,580,434
D. Sales Tax Deferment		70,254,274	70,254,274
Total		<u>7,775,435,062</u>	<u>6,135,516,871</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	4,455,783,330	3,472,786,655
Less: Depreciation		1,262,868,337	910,797,846
Net Block of Fixed Assets		3,192,914,993	2,561,988,809
Capital Work-in-Progress		1,388,605,086	944,115,180
B. Investments	6	1,778,378,729	1,478,843,846
C. Current Assets, Loans & Advances			
a. Inventories	7	592,823,608	496,338,788
b. Sundry Debtors	8	436,003,738	382,081,987
c. Cash and Bank Balances	9	35,999,205	7,652,785
d. Loans and Advances	10	319,741,757	264,702,329
Gross Current Assets		1,384,568,309	1,150,775,889
Less: Current Liabilities & Provisions	11	118,022,203	185,437,844
Net Current Assets		1,266,546,106	965,338,045
D. Miscellaneous Expenditure (to the extent not written off)	12	148,990,148	185,230,991
Total		<u>7,775,435,062</u>	<u>6,135,516,871</u>
Notes on Accounts	21		

Schedules '1' to '12' and '21' annexed form integral part of Balance Sheet

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : May 29, 2010

K.N. Guha
Director

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010			
Particulars	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
INCOME			
Sales	13	1,839,431,334	1,429,275,615
Other Income	14	612,879	23,373,472
Total		<u>1,840,044,212</u>	<u>1,452,649,087</u>
EXPENDITURE			
Consumption of Raw Material	15	644,826,467	464,948,384
Payments & Benefits to Employees	16	46,161,234	43,370,933
Financial Expenses	17	231,483,344	174,084,828
Other Expenses	18	114,072,037	111,333,523
Depreciation		352,070,492	262,326,737
Research and Development Expenses	19	100,982,676	92,836,361
Miscellaneous Expenses written off (Preliminary & Deferred revenue expenses)		36,240,843	36,240,843
		<u>1,525,837,093</u>	<u>1,185,141,609</u>
Increase in Stocks	20	58,610,076	53,306,700
		<u>1,467,227,017</u>	<u>1,131,834,909</u>
Profit for the year Before Taxation		372,817,195	320,814,178
Less: Provision for Taxation for the year		63,378,923	36,348,246
MAT Credit Entitlement		(63,378,923)	(36,348,246)
Provision for Deferred Tax for the year		41,394,333	38,055,957
Provision for Fringe Benefit Tax		—	857,437
Profit After Tax		<u>331,422,862</u>	<u>281,900,784</u>
Provision for Taxation - Earlier Years		(23,185,061)	—
Surplus brought forward		1,025,079,077	855,930,613
Amount available for appropriation		<u>1,333,316,878</u>	<u>1,137,831,397</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		32,266,940	32,266,940
Dividend Tax		5,485,380	5,485,380
Surplus Carried to Balance Sheet		<u>1,220,564,559</u>	<u>1,025,079,077</u>
Total		<u>1,333,316,878</u>	<u>1,137,831,397</u>
Earning Per Share (Face Value of Rs.10/- each)			
Basic		20.54	17.47
Diluted		20.54	16.77
Notes on Accounts	21		

Schedules '13' to '21' annexed form integral part of Profit & Loss Account

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : May 29, 2010

K.N. Guha
Director

Jupiter Bioscience Limited

SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Share Capital	<u>300,000,000</u>	<u>300,000,000</u>
3,00,00,000 Equity Shares of Rs.10/- each		
Issued, Subscribed and Paid-up Capital	<u>161,334,700</u>	<u>161,334,700</u>
1,61,33,470 Equity Shares of Rs.10/- each fully paid-up in cash		
Total	<u>161,334,700</u>	<u>161,334,700</u>
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	<u>459,805,346</u>	<u>384,805,346</u>
Transferred from Profit & Loss Account	<u>75,000,000</u>	<u>75,000,000</u>
	<u>534,805,346</u>	<u>459,805,346</u>
Central Subsidy	<u>419,000</u>	<u>419,000</u>
Investment Allowance Reserve	<u>261,579</u>	<u>261,579</u>
Share Premium	<u>1,229,570,210</u>	<u>1,229,570,210</u>
Capital Reserve	<u>93,418,500</u>	<u>93,418,500</u>
Surplus	<u>1,220,564,559</u>	<u>1,025,079,077</u>
Total	<u>3,079,039,194</u>	<u>2,808,553,712</u>
SCHEDULE 3: SECURED LOANS		
Working Capital Limits		
Industrial Development Bank of India	<u>216,336,537</u>	<u>224,582,986</u>
ING Vysya Bank	<u>98,181,376</u>	<u>85,182,736</u>
Karur Vysya Bank	<u>68,784,904</u>	<u>70,941,350</u>
Punjab & Sind Bank	<u>50,546,936</u>	<u>50,582,531</u>
Total	<u>433,849,752</u>	<u>431,289,602</u>
Term / Corporate / Short Term Loans		
IFCI Limited	<u>600,000,000</u>	—
UCO Bank	<u>555,462,955</u>	<u>201,006,935</u>
LIC of India	<u>515,690,662</u>	<u>500,000,000</u>
Rabo India Finance Limited	<u>425,405,768</u>	<u>464,082,343</u>
PNB International Limited	<u>262,899,015</u>	—
State Bank of Mysore	<u>205,834,491</u>	<u>252,816,134</u>
Catholic Syrian Bank	<u>205,005,452</u>	—
Central Bank of India	<u>176,822,861</u>	—
Development Bank of Singapore	<u>100,000,000</u>	<u>100,000,000</u>
Punjab & Sind Bank	<u>68,778,834</u>	<u>91,044,612</u>
Indian Bank	<u>67,206,393</u>	<u>86,426,597</u>
Allahabad Bank	—	<u>151,569,173</u>
Canara Bank	—	<u>52,785,343</u>
Canara Bank (EFS Loan)	—	<u>21,111,134</u>
Karur Vysya Bank (EFS Loan)	—	<u>5,195,868</u>
KIADB	—	<u>251,000</u>
State Bank of Hyderabad	—	<u>34,108,926</u>
State Bank of India	—	<u>19,953,182</u>
State Bank of Travancore	—	<u>131,268,226</u>
Total	<u>3,183,106,432</u>	<u>2,111,619,473</u>
Total Secured Loans	<u>3,616,956,184</u>	<u>2,542,909,075</u>
SCHEDULE 4: UNSECURED LOANS		
Bank of India	<u>9,630,758</u>	<u>21,730,624</u>
SIDBI	<u>42,578,698</u>	—
Canbank Factors Ltd	<u>19,254,867</u>	<u>17,852,833</u>
Other Unsecured Loans	<u>181,911,620</u>	<u>44,801,218</u>
Barclays Bank	—	<u>72,500,000</u>
Total	<u>253,375,943</u>	<u>156,884,675</u>

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SCHEDULE 5: FIXED ASSETS - DEPRECIATION

(Amount in Rupees)

Description	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2009 Rs.	Additions to Assets Rs.	As at 31.03.2010 Rs.	As at 01.04.2009 Rs.	For the Year Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Land	3,258,958 (3,258,958)	-	3,258,958 (3,258,958)	-	-	-	3,258,958 (3,258,958)	3,258,958 (3,258,958)
Buildings	153,845,155 (85,644,945)	8,442,755 (68,200,210)	162,287,910 (153,845,155)	13,722,655 (10,653,366)	5,071,131 (3,069,289)	18,793,786 (13,722,655)	143,494,124 (140,122,500)	140,122,500 (74,991,579)
Plant & Machinery	2,652,279,098 (2,019,928,271)	668,716,044 (632,350,827)	3,320,995,142 (2,652,279,098)	768,243,559 (558,132,152)	274,142,569 (210,111,407)	1,042,386,128 (768,243,559)	2,278,609,014 (1,884,035,539)	1,884,035,539 (1,461,796,119)
Furniture & Fixtures	4,394,462 (3,438,613)	153,173 (955,849)	4,547,635 (4,394,462)	1,608,415 (1,379,817)	277,410 (228,598)	1,885,825 (1,608,415)	2,661,810 (2,786,047)	2,786,047 (2,058,796)
Lab Equipment	373,718,373 (236,544,546)	259,767,527 (137,173,827)	633,485,900 (373,718,373)	52,732,323 (26,036,275)	49,228,337 (26,696,048)	101,960,660 (52,732,323)	531,525,240 (320,986,050)	320,986,050 (210,508,271)
R&D Equipment	60,977,313 (56,080,867)	2,858,939 (4,896,446)	63,836,252 (60,977,313)	29,434,719 (23,593,766)	709,730 (5,840,953)	30,144,449 (29,434,719)	33,691,803 (31,542,594)	31,542,594 (32,487,101)
Electrical Installation	209,414,581 (149,960,321)	42,479,996 (59,454,260)	251,894,577 (209,414,581)	38,055,571 (23,018,661)	21,206,369 (15,036,910)	59,261,940 (38,055,571)	192,632,637 (171,359,010)	171,359,010 (126,941,660)
Vehicles	5,247,861 (5,247,861)	-	5,247,861 (5,247,861)	1,408,910 (930,465)	473,482 (478,445)	1,882,392 (1,408,910)	3,365,469 (3,838,951)	3,838,951 (4,317,396)
Office Equipment	4,673,719 (3,836,386)	137,851 (837,333)	4,811,570 (4,673,719)	2,189,429 (1,800,020)	433,929 (389,409)	2,623,358 (2,189,429)	2,188,212 (2,484,290)	2,484,290 (2,036,366)
Computers	4,977,135 (4,741,605)	440,390 (235,530)	5,417,525 (4,977,135)	3,402,264 (2,926,587)	527,535 (475,677)	3,929,799 (3,402,264)	1,487,726 (1,574,871)	1,574,871 (1,815,018)
TOTAL	3,472,786,655	982,996,675	4,455,783,330	910,797,845	352,070,492	1,262,868,337	3,192,914,993	2,561,988,810
PREVIOUS YEAR	(2,568,682,373)	(904,104,282)	(3,472,786,655)	(648,471,109)	(262,326,736)	(910,797,845)	(2,561,988,810)	(1,920,211,264)

Note: Previous year figures are given within brackets.
There are no deletions in the Fixed Assets.

Jupiter Bioscience Limited

SCHEDULES TO BALANCE SHEET	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 6: INVESTMENTS		
Un-Quoted: (Non-trade, Long term, at cost)		
Investment in Subsidiary Company		
Sven Genetech Ltd.	1,434,172,134	1,268,181,380
Jupiter Bioscience Inc.	334,206,595	200,662,466
Quoted: (Long term at cost)		
SBI Mutual Fund Units (SBI Magnum Sector Funds Umbrella - IT)	10,000,000	10,000,000
Total	<u>1,778,378,729</u>	<u>1,478,843,846</u>
SCHEDULE 7: INVENTORIES		
Raw Materials	188,640,122	151,269,638
Consumables	2,867,640	2,381,340
Packing Materials	2,219,860	2,128,400
Coal & Fuels	2,764,300	2,837,800
Finished Goods	198,940,572	169,678,110
Semi Finished goods	197,391,114	168,043,500
Total	<u>592,823,608</u>	<u>496,338,788</u>
SCHEDULE 8: SUNDRY DEBTORS (Unsecured and considered good)		
Outstanding for Less than Six Months	392,763,423	368,808,061
Outstanding for More than Six Months	43,240,315	13,273,926
Total	<u>436,003,738</u>	<u>382,081,987</u>
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	354,456	501,492
Balances with Scheduled Banks in Current Accounts	28,498,340	5,653,689
Fixed Deposit with Scheduled Bank (Including accrued interest)	7,146,409	1,497,604
Total	<u>35,999,205</u>	<u>7,652,785</u>

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SCHEDULES TO BALANCE SHEET	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 10: LOANS & ADVANCES (Unsecured and Considered good)		
a. Deposits with Statutory Authorities:	40,450	40,450
b. Advances Recoverable in Cash or Kind or for Value to be received:		
Advances to Raw Material Suppliers	142,217,367	140,459,245
Other Advances	18,720,270	45,662,619
Other Deposits	23,599,376	6,754,644
Mat Credit entitlement/Pre Paid Taxes	135,164,294	71,785,371
Total	<u>319,741,757</u>	<u>264,702,329</u>
SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	9,873,396	8,969,987
Other Creditors including Provisions for Expenses	31,396,946	42,878,585
B. Provisions:		
Provision for Dividend	32,266,940	32,266,940
Provision for Income Tax	38,999,541	94,979,515
Provision for Dividend Tax	5,485,380	5,485,380
Provision for Fringe Benefit Tax	—	857,437
Total	<u>118,022,203</u>	<u>185,437,844</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Research and Development Expenses Opening Balance	185,230,991	221,471,834
Less: R&D Expenses written off during the year	36,240,843	36,240,843
Total	<u>148,990,148</u>	<u>185,230,991</u>

Jupiter Bioscience Limited

SCHEDULES TO PROFIT & LOSS ACCOUNT	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	1,039,040,074	827,982,147
Drug Intermediates	493,852,616	343,588,539
Speciality and Fine Chemicals	306,538,644	257,704,929
Total	<u>1,839,431,334</u>	<u>1,429,275,615</u>
SCHEDULE 14: OTHER INCOME		
Interest	142,736	7,064,217
Miscellaneous & Other Income	470,143	16,309,255
Total	<u>612,879</u>	<u>23,373,472</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	151,269,638	138,120,354
Add: Purchases during the year	750,005,714	539,985,310
	<u>901,275,352</u>	<u>678,105,664</u>
Less: Raw Material Consumed for Research	67,808,763	61,887,642
Less: Closing stock of Raw Material	188,640,122	151,269,638
RAW MATERIALS CONSUMED	<u>644,826,467</u>	<u>464,948,384</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus	40,899,002	37,667,633
Contribution to Provident Fund	3,750,223	3,632,354
Gratuity	873,815	1,489,001
Leave encashment	638,195	581,945
Total	<u>46,161,234</u>	<u>43,370,933</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	212,780,279	161,668,332
Interest on Un-Secured Loans	18,703,066	12,416,496
Total	<u>231,483,344</u>	<u>174,084,828</u>

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SCHEDULES TO PROFIT & LOSS ACCOUNT	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Consumables	16,923,795	16,652,531
Packing Material	4,730,567	4,927,105
Coal, Power & Fuel	23,030,134	20,811,803
Carriage Inwards	3,589,286	2,915,222
Repairs & Maintenance - Machinery	2,763,693	3,189,843
Effluent Treatment Charges	1,497,755	1,297,667
Insurance	4,962,693	3,377,744
Rent	2,953,110	744,580
Rates & Taxes	1,546,091	7,871,904
Travelling & Conveyance	7,926,638	9,239,850
Communication Expenses	2,656,963	2,448,312
Printing & Stationery	2,345,404	2,019,800
Business Development Expenses	2,279,350	4,015,463
Clearing & Forwarding Charges	1,304,767	2,219,189
Professional Charges	20,826,711	16,553,183
Directors' Remuneration	3,600,000	3,600,000
Electricity Charges	429,395	394,080
General Expenses	10,705,687	9,055,247
Total	<u>114,072,037</u>	<u>111,333,523</u>
SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES		
Raw Material Consumed	67,808,763	61,887,642
Financial expenses	19,487,005	12,969,035
Other expenses	13,686,909	17,979,684
Total	<u>100,982,676</u>	<u>92,836,361</u>
SCHEDULE 20: INCREASE IN STOCKS		
Closing Stocks:		
Finished Goods	198,940,572	169,678,110
Semi-finished Goods	197,391,114	168,043,500
Total A	<u>396,331,686</u>	<u>337,721,610</u>
Opening Stocks:		
Finished Goods	169,678,110	145,468,260
Semi-finished Goods	168,043,500	138,946,650
Total B	<u>337,721,610</u>	<u>284,414,910</u>
Increase in Stocks (A-B)	58,610,076	53,306,700

SCHEDULE 21: NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

I. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of financial statements:

The financial statements have been prepared under historical cost convention and in conformity with the generally accepted accounting principles, applicable provisions of the Companies Act, 1956 and as per the Accounting Standards issued by the Institute of Chartered Accountants of India.

b. Income and Expenditure:

All items of income and expenditure shown in the statement having material bearing on the accounts are accounted on accrual basis.

c. Fixed Assets:

Fixed Assets are stated at their original cost of acquisition, including taxes, freight and their incidental expenses incurred in connection with the erection/commission/construction of the said assets, less accumulated depreciation.

d. Depreciation:

Depreciation is computed on Straight Line method basis in accordance with the provision of Schedule XIV of the Companies Act, 1956.

e. Capital Work-in-Progress:

Includes advances given for capital goods and materials at site.

f. Investments:

Investments are stated at cost of acquisition and the same are considered as long term investments.

g. Sales:

Sales as reported are exclusive of Excise Duty, Sales Tax, Insurance and transport charges.

h. Inventories:

Raw materials, stores & spares, consumables and work-in-process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

i. Miscellaneous expenses (to the extent not written off) amounting to Rs.1489.90 Lakhs relating to Research and Development and is considered as deferred revenue expenditure and Written off over a period of 10 years, out of which, 10% is written off during the financial year 2009-2010 amounting to Rs.362.41 Lakhs.

j. Foreign Exchange Transactions:

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transaction. Any exchange gains or losses arising out of subsequent fluctuations are accounted for in the Profit and Loss account. Receivables and liabilities outstanding in foreign currencies are translated at the exchange rates prevailing as at close of the year.

k. Taxation: Tax expenses comprises of current taxes, i.e. Provision for current Income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year.

The Company has made current tax provision for Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT. Credit receivable has been recognized on the basis of return of Income filled for the previous years and MAT provided for the current year. MAT Credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified

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period. MAT Credit is recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to profit and loss account and shown as MAT Credit Entitlement. The Company will review the same at each Balance Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

l. Deferred Income Tax:

The Company has accounted for Deferred Tax in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rates of tax to the extent the timing difference are expected to in case of deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.

The deferred Tax liability for the current year amounting to Rs.413.94 Lakhs is shown in the Profit and Loss account under provision for Deferred Tax. As at the year end, deferred Tax liability aggregates to Rs.1449.75 Lakhs.

m. Employee Benefits:

Provident Fund: The company makes contribution to Provident Fund administered by the Central Government under the Provident Fund Act, 1952.

n. Gratuity and Leave Encashment

The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The Company has made a provision of Rs.9,70,905/- towards Gratuity and Rs.7,09,105/- towards Leave encashment of the employees.

o. Contingent Liabilities are generally not provided for in the accounts and are shown separately if any in the notes on accounts.

II. NOTES TO THE ACCOUNTS

Notes to the accounts forming part of Balance Sheet as on **March 31, 2010** and Profit & Loss account for the year ended on that date.

1. Secured Loans

Term Loans:

Term Loans availed from M/s. Rabo India Finance Limited, LIC of India, State Bank of Mysore, UCO Bank, IFCI, Catholic Syrian Bank and PNB International Limited are fully secured by the first pari passu charge on Fixed Assets of the company's manufacturing units (Unit-I Located at Bidar, Karnataka, Unit-II Located at Cheriya Village, Andhra Pradesh and Unit-III Located at Gaddapotharam Village, Andhra Pradesh) and Second charge on the Current assets of the company and also guaranteed by the Chairman and Managing Director of the Company.

Other Loans:

Other Corporate and Short Term Loans are secured by the Specific Charges, Second Pari passu and second charge on the Fixed Assets and Current Assets of the company and also guaranteed by the Chairman and Managing Director of the Company.

Working Capital Limits:

Working Capital Limits are secured by the First Pari passu Charge on the Current Assets and Second Charge on the Fixed Assets of the Company and also guaranteed by the Chairman and Managing Director of the Company.

2. Particulars of Managerial Remuneration paid/payable to Chairman and Managing Director:

	Current year Rs. in Lakhs	Previous year Rs. in Lakhs
a. Chairman & Managing Director	36.00	36.00
b. Other Allowances	0.60	0.60

3. Sales Tax deferment amounting to Rs.702.54 Lakhs has been transferred to the company on account of acquisition of manufacturing unit from M/s. Aurobindo Pharma Limited.

4. Debtors, Creditors, loans, advances and deposits are subject to confirmation and reconciliation.

5. Borrowing Cost : (AS 16) The amount of borrowing cost capitalized during the year is Rs.2142.90 Lakhs and the borrowing cost charged to revenue expenses is Rs.2509.70 Lakhs.

6. Segment Reporting (AS 17)

Primary Segment

a. The Company is primarily engaged in the business of manufacturing of Drug intermediates, Specialty and Fine Chemicals. Since inherently these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) - 17 on "Segment Reporting".

Secondary Segment

a. Geographical Segment has been identified as Secondary Segment based on Segment revenue.

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Domestic Sales and Third Party Rupee Exports (Rs. in Lakhs)

Rupee Sales	:	17,991.44
Export Sales		
Bangladesh	:	0.33
Belgium	:	1.47
France	:	9.71
Germany	:	42.29
Japan	:	0.39
Jordan	:	0.29
Nepal	:	2.61
Pakistan	:	80.95
Switzerland	:	262.73
The Netherlands	:	0.61
U.S.A.	:	1.49
Total Sales	:	<u>18,394.31</u>

b. All the fixed assets are located in India and are as detailed in Schedule 5.

7. a. Related party Disclosures : (AS 18)
- Name of the related Company : Sven Genetech Limited
- Description of the relationship : Sven Genetech Limited is a subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of SVEN GENETECH LIMITED and no managerial remuneration is paid to the directors of Sven Genetech Limited.
- Any other elements of the related party transactions : There are no inter company business transactions with SVEN GENETECH LTD.
- The amounts or appropriate Proportions of outstanding items pertaining to related parties at the Balance Sheet date. : The Company is the holding company of SVEN GENETECH LTD., and invested an amount of Rs.14341.72 Lakhs in the form of Share Capital/Share Applications money.
- Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties. : NIL
7. b. Related party Disclosures : (AS 18)
- Name of the related Company : Jupiter Bioscience Inc.
- Description of the relationship : Jupiter Bioscience Inc. is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED.

Jupiter Bioscience Limited

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- The directors of Jupiter Bioscience Limited are the Directors of Jupiter Bioscience Inc. and no managerial remuneration is paid to the directors of the Company.
- Any other elements of the related party transactions : There are no inter company business transactions with Jupiter Bioscience Inc.
- The amounts or appropriate Proportions of outstanding items pertaining to related parties at the Balance Sheet date : The Company is the holding company of Jupiter Bioscience Inc. and invested an amount of Rs.3342.07 Lakhs in the form of Share Capital /Share Applications money.
- Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties. : NIL.
8. Leases (AS-19) : During the year the Company has not taken or given any asset on lease.
9. Earning Per Share (AS-20) :
- a. Net Profit after Tax : Rs.3314.23 Lakhs
- b. Equity Shares of Rs.10/- Each : 1,61,33,470 Shares
- c. Basic and Diluted Earnings Per Share (a/b) in Rupees : 20.54
10. Consequent to the issuance of Accounting Standard – 22 Accounting for Taxes on Income by the ICAI which is mandatory in nature, the Company has recognized Deferred Taxes which result from the timing difference between the Book Profits and Tax profits consequently, as required by the Standard the Company has recognized the deferred tax balance that would have accumulated prior to adopting the standard, if the standard had been in effect from the beginning.
- The Deferred Tax Liability for the Current Year amounting to Rs.413.94 Lakhs is shown in Profit and Loss Account under Provision for Deferred Tax.
- The break up of deferred tax liability is as under:
- | | As at | As at |
|--|-------------------------|-------------------|
| | 31.03.2010 | 31.03.2009 |
| Difference between Book and Tax Depreciation | Rs.4265.22 Lakhs | Rs.3047.38 Lakhs |
| Deferred Tax Liability thereon | Rs.1449.75 Lakhs | Rs.1035.80 Lakhs |
11. The investment in Sven Genetech Limited and Jupiter Bioscience Inc. represents Share Capital/ Share Application Money Deposit.
12. According to the information and explanations given to me, Share Application Money consists of deposit against share warrants of Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company and preferential private placement of equity shares to an investor.

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13. Employee Benefits:

a. Defined contribution plans

The Company makes Provident Fund contribution to defined contribution retirement plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. The Company makes annual contributions to the Employee's Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2010.

	Valuation date 31-03-2010	Valuation date 31-03-2009
I. ASSUMPTIONS AS AT		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.00%	7.00%
Rate of Increase in compensation	5.00%	5.00%
Rate of nature (Expected) on plan assets	—	—
Withdrawal Rates	Upto Age 44 : 2% 45 and above : 1%	Upto Age 44: 2% 45 and above: 1%
II. CHANGES IN PRESENT VALUE OF OBLIGATIONS		
PVO at beginning of period	3,773,799	3,083,327
Interest Cost	250,919	231,250
Current service Cost	834,489	477,849
Benefits paid	(378,470)	—
Actuarial (gain)/loss on obligation	1,375,606	(18,627)
PVO at end of period	5,856,343	3,773,799

Jupiter Bioscience Limited

	Valuation date 31-03-2010	Valuation date 31-03-2009
III. CHANGES IN FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at beginning of period	2,826,925	1,924,256
Expected return on plan assets	264,400	163,600
Contributions	600,000	—
Benefit Paid	(378,470)	—
Actuarial gain/(Loss) on plan assets	281,402	(65,823)
Fair value of plan assets at end of period	3,594,257	2,022,033
IV. FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at beginning of period	2,826,925	1,924,256
Actual Return on Plan Asset	545,802	97,777
Contributions	600,000	—
Benefit paid	(378,470)	—
Fair value of plan assets at end of period	3,594,257	2,022,033
Funded Status	(2,262,086)	(1,751,766)
Excess of actual over estimated return on Plan Assets	281,402	(65,823)
V. ACTUARIAL GAIN/(LOSS) RECOGNISED		
Actuarial gain/(Loss) for the period (obligations)	(1,375,606)	18,627
Actuarial gain/(Loss) for the period (plan assets)	281,402	(65,823)
Total gain/(loss) for the period	(1,094,204)	(47,196)
Actuarial gain/(loss) recognized for the period	(1,094,204)	(47,196)
Unrecognized actuarial gain/(loss) at end of period	—	—
Includes Adjustment of Rs.8,04,892		
VI. AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT		
PVO at end of period	5,856,343	3,773,799
Fair value of plan assets at end of period	3,594,257	2,022,033
Funded status	(2,262,086)	(1,751,766)
Un recognized actuarial gain/(loss)	(2,262,086)	—
Net Asset / (Liability) recognized in the Balance Sheet	—	(1,751,766)
VII. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT		
Current service cost	834,489	477,849
Interest cost	250,919	231,250
Expected return on plan assets	(264,400)	(163,600)
Net Actuarial gain/(loss) recognized for the period	1,094,204	47,196
Expense recognized in the statement of Profit & Loss account	1,915,212	592,695
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN BALANCE SHEET		
Opening Net liability	946,874	1,159,071
Expenses as above	1,915,212	592,695
Contribution paid	600,000	—
Closing Net liability	2,262,086	1,751,766

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The expected return on plan assets determined consulting several applicable factors mainly the compensation of the plan assets held, assesses risks of asset management, historical result of the return on plan assets and the Company's policy for plan asset management.

15. Remuneration to Auditors (Including Service Tax):

Audit Fees	:	Rs.	60,000
Certification Fees	:	Rs.	20,000
Out of Pocket Expenses	:	Rs.	20,000
Total		<u>Rs.</u>	<u>1,00,000</u>

16. The Company has no information as to whether any of its suppliers constitute small scale/ ancillary undertaking and therefore, the amounts due to such suppliers have not been identified and also there is no information as to whether any dues from suppliers covered under "The Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2010.

17. The figures are adjusted to the nearest rupee.

18. Previous year's figures are regrouped / rearranged wherever necessary to make them comparable with the current year.

19. Accounting Standards prescribed by the Institute of Chartered accountants of India have been followed wherever applicable.

20. Details of Licensed Capacity, Installed Capacity and Actual Production:

i. Licensed Capacity : The activities of the Company are not covered under the present industrial licensing regulations and accordingly the Company is not required to get any industrial license.

ii. Installed Capacity and Actual Production :

(Qty. in Tonnes)

Product Group	As on 31.03.2010		As on 31.03.2009	
	Installed Capacity	Actual Production	Installed Capacity	Actual Production
Peptide Reagents & Protected Amino Acids	226	147.445	226	118.138
Drug Intermediates	144	118.502	144	64.963
Speciality & Fine Chemicals	140	62.751	140	55.359

Jupiter Bioscience Limited

	Year 2009-2010		Year 2008-2009	
	Qty. in Tonnes	Amount Rs. in Lakhs	Qty. in Tonnes	Amount Rs. in Lakhs
SALES :				
Peptide Reagents & Protected Amino Acids	142.183	10390.40	114.577	8279.82
Drug Intermediates	119.812	4938.53	62.900	3435.89
Speciality & Fine Chemicals	61.262	3065.39	53.761	2577.05
Total	323.258	18394.31	231.238	14292.76

Raw Materials Consumed :

Total Raw Material Consumed	5561.872	6448.26	5575.197	4649.48
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Major Raw Material Consumed

Name of the Raw Material	Qty.in Tonnes	Amount Rs. In Lakhs	Qty.in Tonnes	Amount Rs. In Lakhs
1,3 Cyclo Hexanedione	49.400	430.72	44.906	384.85
Succinic Anhydride	57.240	129.36	48.490	109.59
D.C.H.A.NHSU – Salt	10.268	177.09	9.285	161.84
Potassium Iodide	58.907	371.34	53.157	332.29
Resorcinol	77.500	411.57	51.097	260.94

	Year 2009-2010 Amount Rs. In Lakhs	Year 2008-2009 Amount Rs. In Lakhs
Stores & Spares (Consumables)	169.24	166.53
Packing Material	47.31	49.27
Coal	230.30	208.12
Earning in Foreign Exchange	402.87	400.14
Expenditure in Foreign Exchange	1376.70	1531.98

Signatures to Schedules “1” to “21”
As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)
Date : May 29, 2010

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**STATEMENT PURSUANT TO SEC.212(1)(e) OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARY COMPANY**

S.No.	Name of the Subsidiary	SVEN GENETECH LIMITED	JUPITER BIOSCIENCE INC.
1.	Financial Year of the Subsidiary ended on	31.03.2010	31.03.2010
2.	Holding Company's Interest in the Subsidiary	2,00,00,000 Shares of Rs.10/- each (90.50%)	100 Common Shares of 1 \$ per share (100%)
3.	The net aggregate amount of the Subsidiary's profits/losses for the Current period, so far as it concerns the members of the holding company	Rs. in Lakhs	Rs. in Lakhs
	i. Dealt with / provided for in the accounts of the holding company	NIL	NIL
	ii. Not dealt with / provided for in the accounts of the holding company	953.89	NIL
4.	The net aggregate amount of the Subsidiary's profits/losses for the Previous financial year of the Company	Rs. in Lakhs	Rs. in Lakhs
	i. Dealt with / provided for in the accounts of the holding company	NIL	NIL
	ii. Not dealt with / provided for in the accounts of the holding company	485.16	NIL

For and behalf of the Board

Venkat R. Kalavakolanu
Chairman & Managing Director

Place : Secunderabad
Date : May 29, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details

Registration Number : 6726 of 1985
State Code : 08
Balance Sheet Date : 31.03.2010

2. Capital Raised during the year : Public Issue-Call Money Rights Issue
(Amount Rs. in Thousands) : NIL NIL
Bonus Issue Private Placement
NIL NIL

3. Position of mobilisation and deployment of funds

(Amount Rs. in Thousands)

Total Liabilities : 7,775,435 Total Assets : 7,775,435

Sources of Funds

Paid up Capital : 161,335 Reserves & Surplus : 3,079,039
Deposit against Share : 449,500 Secured Loans : 3,616,956
Application Money
Unsecured Loans : 253,376 Deferred Tax : 144,975
Sales Tax deferment : 70,254

Application of Funds

Net Fixed Assets : 3,192,915 Capital Work in Progress : 1,388,605
Net Current Assets : 1,266,546 Misc. Expenditure : 148,990
Investments : 1,778,379 Accumulated Losses : NIL

4. Performance of the Company (Amount Rs. in Thousands)

Turnover : 1,840,044 Total Expenditure : 1,467,227
Profit before tax : 372,817 Profit after Tax : 331,423
Earnings per Share in Rs. : 20.54 Dividend Rate % : 20%

5. Generic Names of three Products of the Company :

Product Description	Item Code (ITC Code)
4-Chloro Resorcinol	290721.77
ECCP Alanine	292249.09
Dibenzyl Glycyl Salicylamide	291823.09
3 4 5 Trimethoxy Benzaldehyde	291249.04

For and on behalf of the Board

Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Twenty Fifth Annual Report 2009-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	372,817,195	320,814,178
Adjustments for:		
Depreciation	352,070,492	262,326,737
Interest	231,483,344	174,084,828
Misc. Income	(470,143)	(16,309,255)
Interest Received	(142,736)	(7,064,217)
Misc. Expenditure Written Off	36,240,843	36,240,843
Operating Profit Before Working Capital Changes	991,998,996	770,093,113
Adjustments for		
Trade and Other Receivables	(108,961,179)	(95,007,443)
Inventories	(96,484,820)	(67,265,204)
Trade Payables	(26,021,309)	12,115,320
Total Adjustments	(231,467,308)	(150,157,327)
Cash generated from Operations	760,531,688	619,935,786
Less: Tax Paid/Payable	63,378,923	36,348,246
Net Cash generated from Operations	697,152,765	583,587,540
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	982,996,675	904,104,282
Investments	299,534,883	216,945,330
Capital Work In Progress	444,489,906	145,256,121
Misc. Income	(470,143)	(16,309,255)
Interest Received	(142,736)	(7,064,217)
Net Cash used in Investing Activities	1,726,408,585	1,242,932,260

Jupiter Bioscience Limited

Particulars	2009-2010 Rs.	2008-2009 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	—	(20,000,000)
Share Application Money	157,500,000	198,581,500
Capital Reserves	—	93,418,500
Share Premium	—	(272,000,000)
Long Term Loans	1,074,047,109	923,707,774
Unsecured Loans	96,491,268	(57,251,535)
Interest Paid	(231,483,344)	(174,084,828)
Dividend Paid/Payable	(32,266,940)	(32,266,940)
Dividend Tax Payable	(5,485,380)	(5,485,380)
Provisions for Taxation - Earlier year	(23,185,061)	-
MAT Credit Entitlement	63,378,923	36,348,246
Deferred Tax	(41,394,333)	(38,055,957)
Fringe Benefit Tax	—	(857,437)
Net Cash used in Financing Activities	<u>1,057,602,242</u>	<u>652,053,944</u>
D. Net Increase/Decrease in Cash and Cash Equivalents	28,346,421	(7,290,776)
E. Cash and Cash Equivalents as on April 01, 2009	7,652,785	14,943,561
F. Cash and Cash Equivalents as on March 31, 2010	35,999,206	7,652,785

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (Revised) issued by the Institute of Chartered Accounts of India.
2. Previous year figures have been regrouped where necessary.

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)
Date : May 29, 2010

**CONSOLIDATED FINANCIAL STATEMENTS
OF
JUPITER BIOSCIENCE LIMITED**

Auditors' Report on the Consolidated Financial Statements

The Board of Directors
Jupiter Bioscience Limited
Bidar.

I have examined the attached Consolidated Balance Sheet of Jupiter Bioscience Limited and its subsidiaries as at March 31, 2010 and the Consolidated Profit and Loss Account as well as the Cash Flow Statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with generally accepted auditing standards in India. These Standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. I believe that my audit provides a reasonable basis for my opinion.

I did not audit the financial statements of Sven Genetech Limited and Jupiter Bioscience Inc, subsidiaries, whose financial statements reflect total assets of Rs. 254,69,89,349 as at March 31, 2010 and total revenues of Rs. 48,60,49,934 for the periods then ended. Financial statements of Sven Genetech Limited has been audited by other auditors and the financial statements of Jupiter Bioscience Inc., and whose reports have been furnished to me, and my opinion, insofar as it relates to the amounts included in respect of the

subsidiaries, is based solely on the reports of the other auditors.

I report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jupiter Bioscience Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to me and on the consideration of the separate audit reports on individual audit financial statements of Jupiter Bioscience Limited and its aforesaid subsidiaries, I am of the opinion that :

- a. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Jupiter Bioscience Limited and its aforesaid subsidiaries as at March 31, 2010; and
- b. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Jupiter Bioscience Limited and its aforesaid subsidiaries for the period then ended.
- c. The Consolidated Cash Flow statement shows a true and fair view of the Consolidated Cash flows for the period ended on March 31, 2010.

For **A.G.V. Reddy & Co.,**
Chartered Accountants
Firm Regn. No. 003245S

CA A.G.Venugopal Reddy
Proprietor
Membership No. 022554

Place : Bidar (Camp)
Date : May 29, 2010

Consolidated Balance Sheet 2009-2010

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	182,334,700	161,334,700
Share Application Money		449,500,000	292,000,000
Reserves & Surplus	2	3,450,640,077	2,897,801,851
B. Loan Funds			
Secured Loans	3	3,920,458,855	2,762,823,250
Unsecured Loans	4	283,971,704	175,515,230
C. Deferred Tax Liability		178,803,246	133,290,093
D. Sales Tax Deferment		70,254,274	70,254,274
Total		<u>8,535,962,855</u>	<u>6,493,019,398</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	5,659,576,030	4,309,787,113
Less: Depreciation		1,584,352,057	1,140,584,566
Net Block of Fixed Assets		4,075,223,973	3,169,202,547
Capital Work-in-Progress		2,166,036,753	1,456,921,051
B. Investments	6	175,373,503	96,118,151
C. Current Assets and Loans & Advances			
a. Inventories	7	684,084,266	576,432,103
b. Sundry Debtors	8	583,489,601	497,226,351
c. Cash and Bank Balances	9	64,418,849	15,725,060
d. Loans and Advances	10	356,573,836	295,066,297
Gross Current Assets		1,688,566,552	1,384,449,811
Less: Current Liabilities & Provisions	11	192,564,760	208,430,944
Net Current Assets		1,496,001,791	1,176,018,867
D. Miscellaneous Expenditure (to the extent not written off)	12	623,326,835	594,758,783
Total		<u>8,535,962,855</u>	<u>6,493,019,398</u>
Notes on Accounts	21		

Schedules '1' to '12' and '21' annexed form integral part of Balance Sheet

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**

Chartered Accountants

Firm Regn. No. 003245S

CA A.G. Venugopal Reddy

Proprietor

Membership No. 022554

Place : Bidar (Camp)

Date : May 29, 2010

Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Jupiter Bioscience Limited

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010			
Particulars	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
INCOME			
Sales	13	2,325,481,267	1,775,152,733
Other Income	14	1,435,992	23,473,645
Total		<u>2,326,917,259</u>	<u>1,798,626,378</u>
EXPENDITURE			
Consumption of Raw Material	15	789,590,268	567,931,846
Payments & Benefits to Employees	16	76,148,902	72,532,689
Financial Expenses	17	261,343,921	193,639,506
Other Expenses	18	144,272,170	136,082,619
Depreciation		443,767,492	331,137,770
Research and Development expenses	19	152,531,535	148,443,946
Misc. Expenses written off (Preliminary & Deferred revenue expenses)		36,240,843	36,240,843
		<u>1,903,895,131</u>	<u>1,486,009,219</u>
Increase in Stocks	20	67,635,613	64,894,993
		<u>1,836,259,518</u>	<u>1,421,114,226</u>
PROFIT FOR THE YEAR BEFORE TAXATION			
		490,657,741	377,512,152
Less: Provision for Taxation for the Year		83,745,619	42,772,126
MAT Credit Entitlement		(63,378,923)	(36,348,246)
Provision for Deferred Tax for the year		45,513,153	39,484,631
Provision for Fringe Benefit Tax		—	1,187,193
PROFIT AFTER TAX		424,777,892	330,416,448
Provision for Taxation - Earlier Years		(23,187,346)	(248,085)
Surplus brought forward		1,114,327,216	925,192,159
Amount available for appropriation		<u>1,515,917,762</u>	<u>1,255,360,521</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		32,266,940	36,266,940
Dividend Tax		5,485,380	5,485,380
Surplus Carried to Balance Sheet		1,403,165,442	1,142,608,201
Total		<u>1,515,917,762</u>	<u>1,255,360,521</u>
Earning Per Share (Face Value of Rs.10/- each)		23.30	20.48
Diluted		23.22	19.66
Notes on Accounts	21		

Schedules '13' to '21' annexed form integral part of Profit & Loss Account

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**

Chartered Accountants

Firm Regn. No. 003245S

CA A.G. Venugopal Reddy

Proprietor

Membership No. 022554

Place : Bidar (Camp)

Date : May 29, 2010

Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Consolidated Balance Sheet 2009-2010

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS		
Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
3,00,00,000 Equity Shares of Rs.10/- each	300,000,000	300,000,000
Issued, Subscribed and Paid-up:		
1,82,33,470 Equity Shares of Rs.10/- each fully paid-up in cash	182,334,700	161,334,700
Total	182,334,700	161,334,700
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	459,805,346	384,805,346
Transferred from Profit & Loss Account	75,000,000	75,000,000
	534,805,346	459,805,346
Central Subsidy	419,000	419,000
Investment Allowance Reserve	261,579	261,579
Share Premium	1,418,570,210	1,229,570,210
Capital Reserve	93,418,500	93,418,500
Surplus	1,403,165,442	1,142,608,201
Less: Provision for Deferred Tax Liability	—	(28,280,985)
Total	3,450,640,077	2,897,801,851
SCHEDULE 3: SECURED LOANS		
Working Capital Limits		
Industrial Development Bank of India	216,336,537	224,582,986
ING Vysya Bank Limited	98,181,376	85,182,736
Karur Vysya Bank	68,784,904	70,941,350
Punjab & Sind Bank	50,546,936	50,582,531
Overdraft facility from Kotak Mahindra Bank Ltd.	—	24,168,482
Total	433,849,752	455,458,085
Term/Corporate/Short Term Loans		
IFCI Limited	600,000,000	—
UCO Bank	555,462,955	201,006,935
LIC of India	515,690,662	500,000,000
Rabo India Finance Limited	425,405,768	464,082,343
PNB International Limited	262,899,015	—
State Bank of Mysore	205,834,491	252,816,134
Catholic Syrian Bank	205,005,452	—
Central Bank of India	176,822,861	—
DBS Bank	100,000,000	100,000,000
Punjab & Sind Bank	68,778,834	91,044,612
Indian Bank	67,206,393	86,426,597
Allahabad Bank	—	151,569,173
Canara Bank	—	52,785,343
Canara Bank - EFS Loan	—	21,111,134
Karur Vysya Bank - EFS Loan	—	5,195,868
KIADB	—	251,000
State Bank of Hyderabad	—	34,108,926
State Bank of India	—	19,953,182
State Bank of Travancore	—	131,268,226
Punjab National Bank	164,971,523	—
Syndicate Bank	12,206,588	55,166,079
State Bank of Bikaner & Jaipur	85,366,972	120,894,749
Kotak Mahindra Bank Ltd.	40,957,588	19,684,864
Total	3,486,609,102	2,307,365,165
Total Secured Loans	3,920,458,855	2,762,823,250

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
SCHEDULE 5: FIXED ASSETS - DEPRECIATION**

Description of item	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2009 Rs.	Additions to Assets Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.	For the Year Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Land	12,123,170	-	12,123,170	-	-	12,123,170	12,123,170
Buildings	199,312,841	38,226,424	237,539,265	20,099,417	7,688,223	27,787,640	209,751,625
Plant & Machinery	3,419,256,873	1,000,735,523	4,419,992,396	989,363,068	360,784,015	1,350,147,083	3,069,845,313
Furniture & Fixtures	6,591,566	204,393	6,795,959	2,175,685	418,568	2,594,253	4,201,706
Lab Equipment	384,664,415	264,670,172	649,334,587	53,172,071	51,262,400	104,434,471	544,900,116
R&D Equipment	60,977,313	2,858,939	63,836,252	29,434,719	709,730	30,144,449	33,691,803
Elec. Installation	209,414,581	42,479,996	251,894,577	38,055,571	21,206,369	59,261,940	192,632,637
Vehicles	5,247,861	-	5,247,861	1,408,910	473,482	1,882,392	3,365,469
Office Equipment	6,184,094	137,851	6,321,945	2,817,480	590,102	3,407,582	2,914,363
Computers	6,014,399	475,619	6,490,018	4,057,644	634,603	4,692,247	1,797,771
TOTAL	4,309,787,113	1,349,788,917	5,659,576,030	1,140,584,565	443,767,492	1,584,352,057	4,075,223,973
Prev. Year's Total	3,218,011,353	1,091,775,760	4,309,787,113	809,007,048	331,577,517	1,140,584,565	3,169,202,548

Note: There are no deletions in the Fixed Assets.

Consolidated Balance Sheet 2009-2010

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 4: UNSECURED LOANS		
Bank of India	9,630,758	21,730,624
SIDBI	42,578,698	—
Canbank Factors Ltd	19,254,867	17,852,833
Other Unsecured Loans	198,637,778	—
Barclays Bank	—	72,500,000
Security Deposits from Distributors	2,100,000	2,100,000
Other Unsecured Loans	11,769,603	61,331,773
Total	283,971,704	175,515,230
SCHEDULE 6: INVESTMENTS		
Quoted : (Long term at cost) (SBI Mutual Fund Units)	10,000,000	10,000,000
Investment in Jupiter Bioscience AG	165,373,503	86,118,151
Total	175,373,503	96,118,151
SCHEDULE 7: INVENTORIES		
Raw Materials	214,462,165	175,095,006
Consumables	4,296,230	3,664,800
Packing Materials	2,219,860	2,128,400
Coal & Fuels	2,764,300	2,837,800
Finished Goods	233,563,425	198,864,182
Semi Finished goods	226,778,286	193,841,916
Total	684,084,266	576,432,103
SCHEDULE 8: SUNDRY DEBTORS (Unsecured and considered good)		
Outstanding for Less than Six Months	513,907,256	473,201,070
Outstanding for More than Six Months	69,582,345	24,025,281
Total	583,489,601	497,226,351
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	3,438,853	1,519,610
Balances with Scheduled Banks in Current Accounts	49,575,867	10,850,126
Fixed Deposit with Scheduled Banks (Including accrued interest)	7,146,409	1,497,604
Margin Money from Bank Guarantees	4,257,720	1,857,720
Total	64,418,849	15,725,060

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
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SCHEDULE 10: LOANS AND ADVANCES

(Unsecured and Considered good)

a. Deposits with Statutory Authorities:	40,450	40,450
b. Advances Recoverable in Cash or Kind or for Value to be received:		
Advances to Raw Material Suppliers	171,855,263	166,929,030
Other Advances	21,895,963	48,838,312
Other Deposits	27,568,849	7,424,117
MAT Credit entitlement/Pre Paid Taxes	135,164,294	71,785,371
Interest Receivable	49,017	49,017
Total	<u>356,573,836</u>	<u>295,066,297</u>

SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS

A. Current Liabilities:		
Sundry Creditors	44,859,113	13,237,441
Other Creditors including Provision for Expenses	53,087,090	56,850,595
B. Provisions:		
Provision for Dividend	32,266,940	32,266,940
Provision for Income Tax	56,866,237	99,403,395
Provision for Dividend Tax	5,485,380	5,485,380
Provision for Fringe Benefit Tax	—	1,187,193
Total	<u>192,564,760</u>	<u>208,430,944</u>

SCHEDULE 12: MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Research and Development Expenses	623,326,835	594,758,783
Total	<u>623,326,835</u>	<u>594,758,783</u>

Consolidated Balance Sheet 2009-2010

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	1,426,117,542	1,094,867,445
Drug Intermediates	493,852,616	343,588,539
Speciality and Fine Chemicals	306,538,644	257,704,929
Formulations	98,972,466	78,991,820
Total	<u>2,325,481,267</u>	<u>1,775,152,733</u>
SCHEDULE 14: OTHER INCOME		
Interest	224,960	7,154,804
Miscellaneous Income	1,211,032	16,318,841
Total	<u>1,435,992</u>	<u>23,473,645</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	175,095,006	152,916,572
Add: Purchases during the year	<u>928,168,999</u>	<u>681,818,190</u>
	1,103,264,005	834,734,762
Less: Raw Material Consumed for Research	99,211,572	91,707,910
Less: Closing stock of Raw Material	<u>214,462,165</u>	<u>175,095,006</u>
Raw Materials Consumed	<u>789,590,268</u>	<u>567,931,846</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus	67,807,637	64,022,656
Contribution to Provident Fund	5,780,718	5,321,615
Gratuity	1,651,474	2,329,001
Leave encashment	638,195	581,945
Staff Welfare	<u>270,878</u>	<u>277,472</u>
Total	<u>76,148,902</u>	<u>72,532,689</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	237,062,471	180,452,108
Interest on Unsecured Loans	18,703,066	13,187,398
Interest on other Loans and Deposits	5,578,384	—
Total	<u>261,343,921</u>	<u>193,639,506</u>

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
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SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES

Stores & Consumables	22,893,951	21,273,226
Packing Material	4,730,567	4,927,105
Coal, Power & Fuel	25,495,397	23,780,908
Carriage Inwards & Transportation	4,698,064	3,922,741
Repairs & Maintenance - Machinery	3,715,534	4,084,356
Effluent Treatment Charges	1,497,755	1,297,667
Insurance	5,565,782	4,169,141
Rent	3,472,091	1,024,255
Rates & Taxes	5,087,283	10,314,457
Travelling & Conveyance	11,146,127	12,166,023
Communication Expenses	3,105,697	2,906,959
Printing & Stationery	3,264,910	3,074,469
Business Development Expenses	6,836,675	5,304,558
Clearing & Forwarding Charges	1,304,767	2,219,189
Professional Charges	22,653,568	17,831,979
Directors' Remuneration	3,600,000	3,600,000
General Expenses	14,502,696	13,613,284
Sales Commission	701,306	572,302
Total	<u>144,272,170</u>	<u>136,082,619</u>

SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES

Raw Material Consumed	99,211,572	91,707,910
Financial expenses	19,487,005	12,969,035
Payments & Benefits to Employees	3,331,963	31,269,106
Other Expenses	30,500,995	12,497,895
Total	<u>152,531,535</u>	<u>148,443,946</u>

SCHEDULE 20: INCREASE IN STOCKS

Closing Stocks :		
Finished Goods	233,563,425	198,864,182
Semi-finished Goods	226,778,286	193,841,916
Total A	<u>460,341,711</u>	<u>392,706,098</u>
Opening Stocks :		
Finished Goods	198,864,182	168,188,604
Semi-finished Goods	193,841,916	159,622,501
Total B	<u>392,706,098</u>	<u>327,811,105</u>
Increase in Stocks (A—B)	67,635,613	64,894,993

Consolidated Balance Sheet 2009-2010

SCHEDULE: 21 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Jupiter Bioscience Limited and its consolidated subsidiaries are engaged in the business of manufacture of Peptide Group products, Drug intermediates, Speciality and Fine Chemicals.

a. Method of preparation of Accounts.

The Consolidated Financial statements of Jupiter Bioscience Limited and its subsidiaries have been prepared under the historic cost convention, in accordance with the generally accepted accounting principles, the provisions of the Companies Act 1956, and the Accounting Standard 21 on consolidation of financial statements issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the parent company, Jupiter Bioscience Limited for its separate financial statements.

Revenue Recognition

The Company follows accrual system of accounting and recognizes income or expenditure on accrual basis except those with significant uncertainties.

b. Fixed Assets

Fixed Assets are stated at their original cost of acquisition, including taxes, freight and their incidental expenses incurred in connection with the erection/commission /construction of the said assets, less accumulated depreciation.

c. Depreciation

Depreciation is computed on Straight Line method basis in accordance with the provision of Schedule XIV of the Companies Act, 1956.

d. Capital Work-in-Progress

Includes advances given for capital goods and materials at site.

e. Investments

Investments are stated at cost of acquisition and the same are considered as long term investments.

f. Sales

Sales as reported are exclusive of Excise Duty, Sales Tax, Insurance and transport charges.

g. Inventories

Raw materials, stores & spares, consumables and work-in-process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

h. Miscellaneous expenses (to the extent not written off) amounting to Rs. 1489.90 Lakhs relating to Research and Development and is considered as deferred revenue expenditure and written off over a period of 10 years, out of which, 10% is written off during the year 2009-2010 amounting to Rs.362.41 Lakhs.

Miscellaneous expenses related to Research and Development on account of Sven Genetech Limited to the extent not written off or adjusted is Rs.2941.89 Lakhs.

Miscellaneous expenses/Preliminary and Pre-operative Expenses on account of Jupiter Bioscience Inc. to the extent not written off or adjusted is Rs.1821.82 Lakhs.

Sven Genetech Limited

a. Revenue Recognition:

Revenue is recognized where the goods are physically dispatched to the customers/agents, supported by a proof of dispatch and certainty of realization.

b. Research & Development Expenditure

1. Expenditure on development of new products/processes is carried forward
 - i. To be amortised over a period of five years from the date of commercial exploitation, or
 - ii. To be written off in the year of sale/transfer, in the event of the transfer of rights over such products/processes, or
 - iii. To be written off in the year in which such products/processes are determined as not commercially viable.
2. Preliminary Expenditure is to be written off over a period of five years.
3. Other Accounting policies will be formulated as and when the company commences operations.

i. Foreign Exchange Transactions

Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of transactions and in case of purchase of materials and sale of goods, the exchange gains and losses on Foreign Exchange Transactions are recognized in the Profit and Loss Account.

- j. a. **Taxation:** Tax expenses comprises of current taxes i.e Provision for current Income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year.

The Company has made current tax provision for Minimum Alternate Tax (MAT) u/s 115 JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT. Credit receivable has been recognized on the basis of return of Income filled for the previous years and MAT provided for the current year. MAT Credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT Credit is recognized as an asset in accordance with the recommendations contained in guidance

Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to profit and loss account and shown as MAT Credit Entitlement. The Company will review the same at each Balance Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

- b. Provision for tax has been computed on the basis of Book Profits in accordance with Section 115 JB of the I.T. Act, 1961 for Sven Genetech Limited.

Deferred Tax: Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rates of tax to the extent the timing difference are expected to in case of deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.

c. Employee Benefits

The company makes contribution to Provident Fund and ESI administered by the Central Government and State Government.

Gratuity & Leave encashment: The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The Company has made a provision of Rs.9,70,905/- towards Gratuity and Rs.7,09,105/- towards Leave encashment of the employees.

Gratuity: The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future

Consolidated Balance Sheet 2009-2010

payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The Company has made a provision of Rs.8,64,066/- towards Gratuity of the employees on account of Sven Genetech Limited.

d. Secured Loans

Jupiter Bioscience Limited

Term Loans :

Term Loans availed from M/s. Rabo India Finance Limited, LIC of India, State Bank of Mysore, UCO Bank, IFCI, Cathelic Syrian Bank and PNB International Limited are fully secured by the first paripassu charge on Fixed Assets of the companies manufacturing units (Unit-I Located at Bidar, Karnataka, Unit-II Located at Cheriyal Village, Andhra Pradesh and Unit-III Located at Gaddapotharam Village, Andhra Pradesh) and Second charge on the Currents of the company and also guaranteed by the Chairman and Managing Director of the Company.

Other Loans:

Other Corporate and Short Term Loans are secured by the Specific Charges, Second Paripassu and second charge on the Fixed Assets and Current Assets of the company and also guaranteed by the Chairman and Managing Director of the Company.

Working Capital Loans :

Working Capital Loans are secured by the First Paripassu Charge on the Current Assets and Second Charge on the Fixed Assets of the Company and also guaranteed by the Chairman and Managing Director of the Company.

Sven Genetech Limited

Term Loan availed from Syndicate Bank is secured by hypothecation of Plant & Machinery both existing and future, UREM of Land and Buildings hypothecation of stocks, receivables, other current assets and

personal guarantee of the Chairman of the Company.

Term Loan availed from State Bank of Bikaner & Jaipur is secured by the First Charge on the assets to be procured out of the Bank finance, exclusive charge on the industrial unit located at survey No:180/14&15, Kazipally, IDA, Jinnaram Mandal, Medak Dist and personal guarantee of the Chairman of the Company.

Term loan availed from Punjab National Bank is fully secured by first paripassu charge on the fixed assets of the company.

Term Loan (Equipment Finance) availed from Kotak Mahindra Bank is secured by the second charge on the Fixed and Current assets of the company, personal guarantee of the Chairman of the Company and the collateral security of open land property belongs to the chairman of the company.

- k. Contingent Liabilities are generally not provided for in the accounts and are shown separately if any in the notes on accounts.

II. NOTES TO THE ACCOUNTS

Notes to the accounts forming part of Balance Sheet as on 31st March, 2010 and Profit & Loss account for the year ended on that date.

1. Debtors, Creditors, loans, advances and deposits are subject to confirmation and reconciliation.
2. Segment Reporting (AS 17)

Primary Segment

- a. The Company is primarily engaged in the business of manufacturing of Drug intermediates, Speciality and Fine Chemicals. Since inherently these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) – 17 on “ Segment Reporting “.

Jupiter Bioscience Limited

Secondary Segment

- a. Geographical Segment has been identified as Secondary Segment based on Segment revenue.

Domestic Sales, Direct Exports and Third Party Rupee Exports (Rs. in Lakhs):

Rupee Sales	:	Rs.22,801.61
Export Sales		
Bangladesh	:	Rs. 0.33
Belgium	:	Rs. 1.47
France	:	Rs. 9.71
Germany	:	Rs. 42.29
Japan	:	Rs. 3.96
Jordan	:	Rs. 0.29
Nepal	:	Rs. 2.61
Pakistan	:	Rs. 80.95
Switzerland	:	Rs. 282.69
Sri Lanka	:	Rs. 16.77
Vietnam	:	Rs. 3.64
The Netherlands	:	Rs. 0.72
U.S.A.	:	Rs. 7.77
Total Sales	:	<u>Rs.23,254.81</u>

- b. All the fixed assets are located in India and are as detailed in Schedule 5.

3. a. Related party Disclosures : (AS 18)

Name of the related Company	:	Sven Genetech Limited
Description of the relationship between the parties	:	Sven Genetech Limited is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of SVEN GENETECH LIMITED and no managerial remuneration is paid to the directors of the Company.
Any other elements of the related party transactions	:	There are no inter company business transactions with SVEN GENETECH LTD.
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	:	The Company is the holding company of Sven Genetech Limited, and invested an amount of Rs.14,341.72 Lakhs in the form of Share Capital and Share Application Money
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	:	NIL

- b. Related party Disclosures : (AS 18)

Name of the related Company	:	Jupiter Bioscience Inc.
Description of the relationship between the parties	:	Jupiter Bioscience Inc. is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of JUPITER BIOSCIENCE INC. and no managerial remuneration is paid to the directors of the Company.

Consolidated Balance Sheet 2009-2010

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- Any other elements of the related party : There are no inter company business transactions with Jupiter Bioscience Inc.
- The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date : The Company is the holding company of Jupiter Bioscience Inc. and invested an amount of Rs.3342.07 Lakhs in the form of Share Capital and Share Application Money.
- Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties. : NIL
4. Earning Per Share (AS-20):
- a. Net Profit after Tax : Rs. 4247.78 Lakhs
- b. Equity Shares of Rs.10/- Each : 1,82,33,470 Shares
- c. Earnings Per Share (a/b) in Rupees : 23.30
5. Consequent to the issuance of Accounting Standard – 22 Accounting for Taxes on Income by the ICAI which is mandatory in nature, the Company has recognized Deferred Taxes which result from the timing difference between the Book Profits and Tax profits. Consequently, as required by the Standard the Company has recognized the deferred tax balance that would have accumulated prior to adopting the standard, if the standard had been in effect from the beginning. Deferred Tax Liability for the current year amounting to Rs. 413.94 Lakhs is shown in the Profit and Loss Account under provision for Deferred Tax. As at the year end, deferred tax liability aggregates to Rs. 1449.75 Lakhs. Deferred Tax Liability for the current year amounting to Rs.41.19 Lakhs is shown in the Profit and Loss account under the provision for Deferred Tax. As at the year end, deferred Tax liability aggregates to Rs.338.28 Lakhs in the books of Sven Genetech Limited.
6. Sales Tax deferment amounting to Rs. 702.54 Lakhs has been transferred to the company on Account of acquisition of manufacturing unit from M/s Aurobindo Pharma Limited.
7. Preparation of Consolidated financial statements
Sven Genetech Limited and Jupiter Bioscience Inc., are the subsidiary Companies and considered for consolidation. The extent of share holding as on 31.03.2010 is 90.50% and 100% respectively.
8. All the figures are adjusted to the nearest rupee.
9. Previous year's figures are regrouped/rearranged wherever necessary to make them comparable with the current year.
10. Consolidated Financial Statements are prepared in accordance with the guidelines given in Accounting Standard 21 issued by the Institute of Chartered Accountants of India only with respect to current period financial statements.
-

As per my report of even date
For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : May 29, 2010

On behalf of the Board
Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Jupiter Bioscience Limited

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

Particulars	2009-2010 Rs.	2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	490,657,741	377,512,152
Adjustments for :		
Depreciation	443,767,492	331,137,770
Interest	261,343,921	193,639,506
Misc. Income	(1,211,032)	(16,318,841)
Interest Received	(224,960)	(7,154,804)
Misc. Expenditure Written Off	36,240,843	36,240,843
Operating Profit Before Working Capital changes	1,230,574,005	915,056,626
Adjustments for :		
Trade and Other Receivables	(147,770,788)	(147,536,390)
Inventories	(107,652,163)	(87,937,965)
Trade Payables	29,646,969	44,383,342
Total Adjustments	(225,775,982)	(191,091,013)
Cash generated from Operations	1,004,798,023	723,965,613
Less: Tax Paid/Payable	83,745,619	42,772,126
Net Cash Generated from Operations	921,052,403	681,193,487
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,349,788,917	1,091,336,011
Investments	79,255,353	86,118,151
Capital Work In Progress	709,115,702	225,794,573
Misc. Income	(1,211,032)	(16,318,841)
Interest Received	(224,960)	(7,154,804)
Miscellaneous Expenditure	64,808,895	52,171,833
Net Cash used in Investing Activities	2,201,532,875	1,431,946,922

Consolidated Balance Sheet 2009-2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	21,000,000	(20,000,000)
Share Application Money	157,500,000	198,581,500
Share Premium	189,000,000	(272,000,000)
Share Capital Reserve	—	93,418,500
Secured Loans	1,157,635,605	1,053,587,492
Unsecured Loans	108,456,474	(46,722,223)
Interest Paid	(261,343,921)	(193,639,506)
Dividend Paid/Payable	(32,266,940)	(32,266,940)
Dividend Tax Payable	(5,485,380)	(5,485,380)
Provision for Taxation - Earlier years	(23,187,346)	(248,085)
MAT Credit Entitlement	63,378,923	36,348,246
Deferred Tax	(45,513,153)	(67,765,616)
Fringe Benefit Tax	—	(1,187,193)
Net Cash used in Financing Activities	<u>1,329,174,260</u>	<u>742,620,796</u>
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	48,693,788	(8,132,641)
E. CASH AND CASH EQUIVALENTS AS ON APRIL 01, 2009	15,725,061	23,857,701
F. CASH AND CASH EQUIVALENTS AS ON MARCH 31, 2010	64,418,849	15,725,060

Notes: 1. The above cash flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 (Revised) issued by the Institute of Chartered Accountants of India.

2. Previous year figures have been regrouped where necessary.

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants
Firm Regn. No. 003245S

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)

Date : May 29, 2010

Sven Genetech Limited

BOARD OF DIRECTORS

VENKAT R. KALAVAKOLANU	<i>Chairman & Managing Director</i>
K.N. GUHA	<i>Director</i>
Dr. M.C. SRINIVASAN	<i>Director</i>

COMPANY SECRETARY

VIJAY KRISHNA M.

AUDITORS

A. Vijay Kumar & Co.,
Chartered Accountants
Flat No. 206, Siri Towers
Besides Mythri Hospital
Ameerpet
Hyderabad - 500 038.

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

REGD. OFFICE

10-2-71 & 72/1, Road No. 3
West Marredpally
Secunderabad – 500 026.
Andhra Pradesh.

WORKS

Plot No.107
I.D.A., Phase II
Cherlapally
R.R.District
Hyderabad – 500 051.

Sy. No. 180/14 & 15
Kazipally Industrial Area
Jinnaram Mandal
Medak District
Andhra Pradesh.

Tenth Annual Report 2009-2010

DIRECTORS' REPORT

The Members

Sven Genetech Limited

Your Directors have pleasure in presenting herewith the TENTH ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the period ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended March 31, 2010 are as under :

	<i>(Rupees in Lakhs)</i>	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales	4860.50	3458.77
Other Income	8.23	1.00
Manufacturing, Administrative & Selling Expenses	3669.98	2892.79
Profit before Taxation	1198.75	566.98
Provision for Taxation including FBT	203.67	67.54
Profit after Taxation	953.89	485.16
Surplus carried to Balance Sheet	1846.35	892.48

During the period under review, your company recorded growth in sales and also improved the profitability in comparison to the last financial year. The growth in sales was 40.53 % while the growth in profitability was 96.61 % .The growth in sales and profitability was driven by all round improvement in the sales of special peptides and peptide derivatives, un-natural amino acids as well as from the formulation business where the products are gaining better acceptance and awareness in the market. Your company's business consists of research peptide APIs and precursors, un-natural amino acids, Beta amino acids and formulations. A brief overview on these businesses is provided below:

RESEARCH PEPTIDE APIs AND PRECURSORS

Your company is able to leverage its expertise to dedicate significant resources to support research in solid and solution-phase technologies, unusual sequences, validation of manufacturing process and analytical methods. These capabilities allows us to supply generic peptides as well as peptides and related products for therapeutic and diagnostic applications in HIV, osteoporosis, diabetes, Alzheimer's, and many other human diseases.

UNNATURAL AMINO ACIDS

Your company is one of the few international players manufacturing unnatural amino acids. Unnatural amino acids are amino acids which are generally not found in nature. Compared to the natural amino acids, un-natural amino acids offer several advantages as they are more potent and have enhanced rate of activity and stability. They are also not easily degraded and have longer duration of action. Thus today un-natural amino acids are being used as fillers or essential components of many drugs under development particularly antibiotics and peptide hormones.

Your company is developing chemo-enzymatic process to prepare enantiomerically pure L- and D-amino acids in high yield by deracemisation of racemic starting materials. Unnatural amino acids, in high optical purity, are a rapidly growing class of intermediates required for pharmaceuticals, agrochemicals and other fine chemical applications.

BETA AMINO ACIDS

Your company is one of the few companies in the world which synthesizes these amino acids for the research institutions and industries working worldwide on new peptide antibiotics.

FORMULATIONS

Your company is expanding its business in the finished dosage form and has developed and introduced several niche products in the domestic market and the neighboring countries.

The company has identified the growing potential in the oncology segment and has launched a separate division for marketing Oncology products.

The products introduced in the last financial year are:

Aromataz

Aromotaz is a drug used to treat breast cancer after surgery and for metastases in post-menopausal women. It is an aromatase inhibitor, which means that it interrupts a critical step in the body's synthesis of estrogen. The annual sales for this product is approx \$2.2bn.

Gravigest

Gravigest is a C-21 steroid hormone involved in the female menstrual cycle, pregnancy and embryogenesis of humans and other species.

Sven HCG

Sven HCG is a glycoprotein hormone. Its role is to prevent the disintegration of the corpus luteum of the ovary and thereby maintain progesterone production that is critical for a pregnancy in humans.

Future outlook of R&D

Our Company is working on different segments of Pharmaceutical, Neutraceutical and cosmeceutical APIs and formulations for expanding the business of the company. In this context we are starting a state of the art R&D center for Formulation development and scale up studies in tablets, capsules and ointments. In this facility we are planning to produce tablets and capsules for cancer therapy also. The other segments of developments are:

1. Diagnostic Kits:

- We have licensed a technology to develop diagnostic kit for the identification of H pylori with GI Logics which will be launched during next year.
- We are developing a diagnostic Kit to identify obesity in the dogs.

2. Formulations:

Our company is developing the following formulations which are proposed to be launched in the coming years.

● **Leuprolide inhaler:**

Infertility refers to the biological inability of a person to contribute to conception. Synthetic nonapeptide analog of naturally occurring GnRH or LH-RH

Possesses greater potency than the natural hormone and chemically unrelated to steroids. Leuprolide acetate functions as an inhibitor of gonadotropin secretion when administered in therapeutic doses continuously. Works by initially inducing the sharp increase in the pituitary secretion and serum LH & FSH level, which subsequently leads to an increase in serum sex steroids and gonadal steroids within 3 days of the initial treatment.

Leuprolide acetate Inhaler works as Non-invasive, simple, rapid and convenient method to deliver the therapeutic agents to the CNS. It bypasses the BBB and targets the CNS, reducing systemic exposure and thus systemic side effects. Rich vasculature and high permeability of nasal mucosa results in higher bioavailability thus uses lower doses of drug. The large number of fenestrated capillaries just below the surface epithelium contribute to absorption. Overall it increased patient compliance, cost-effectiveness, rapid onset of action, improved bioavailability and avoidance of first pass metabolism

This product has been developed with industry Academic association with MS university, Baroda and under the investigation of therapeutic efficacy by National Institute of infertility center.

3. Bio Technology

The company research initiative in biotechnology is classified in to the following:

- Diagnostic enzymes:
- Industrial enzymes
- Therapeutic proteins

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Diagnostic enzymes: The company will focus on import substitution by launching enzymes during the next year.

Industrial enzymes: The Company will focus on enzymes for food and pharma applications after having successfully completed the process development process optimization under progress.

The company will continue to focus on this segment to expand the applications of the enzymes by process innovation.

Therapeutic proteins:

- **Filgrastim:** Filgrastim is a granulocyte colony-stimulating factor (G-CSF) analog used to stimulate the proliferation and differentiation of granulocytes. It is produced by recombinant DNA technology. The gene for human granulocyte colony-stimulating factor is inserted into the genetic material of E. coli. The G-CSF then produced by E. coli is only slightly different from G-CSF naturally made in humans. Presently the product is under Scale up studies. At present the product is launched in the market as a pre-filled syringe with technology tie up with Chinese company.

For biosimilars during the next 3 to 4 years the company will expand this research by adding research in-house and with collaboration.

Monoclonal antibodies: Company will be collaborating external scientists to focus on Monoclonal antibodies in this year.

4. Oncology:

In this segment we have tied up with various pharmaceutical formulation industries and introduced the following products and subsequently these products would be manufactured in our own facility by 2011-12. With this portfolio a turbulent momentum has come to our formulations business

- Anastrozole tablets
- Gefitinib tablets
- Gemcitabine injection etc.

5. Natural Enzymes:

Natural and micronized progesterone soft gelatin capsules in the segment of infertility has been launched.

6. Cosmeceuticals:

In addition to the above our company is researching to introduce Novel formulations with peptides.

SAFETY AND ENVIRONMENT PROTECTION

Your Company has been following strict environmental protection standards and ensured that employees' health and safety measures are maintained and monitored constantly.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve a high-energy consumption. But the Company is taking all the necessary steps for the optimizing the usage of energy.

The Company has earned Foreign Exchange of Rs.50.33 Lakhs on account of direct exports made during the year. The Company has expended Rs.0.47 Lakhs in foreign exchange on account of import of Lab chemicals, Equipment and Travel related expenses.

DIVIDEND

The Directors of the Company has not recommended any dividend for the year to plough back the profit.

DEPOSITS

The Directors of the Company has not accepted any deposits during the year under section 58A of the Companies Act, 1956 and the rules made there under.

DIRECTORS

Mr. K. N. Guha, Director of the company retires by rotation in this Annual General Meeting and is eligible for reappointment. Your Directors recommend his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors of the Company hereby state that:

In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

Your Company has complied with all the recommendations of the Corporate Governance as applicable to the Company

EMPLOYEES

The Company do not have any employees coming under the provision of Section 217(2)(A) of the Companies Act, 1956.

PERSONNEL

Relationship between the management and employees was cordial during the year under review. The company employs primarily skilled manpower with at least a graduate or a post graduate degree due to the complexity of the nature of products being handled by the company.

The company has been taking adequate care in training on both technical and soft skills for the persons. The company is putting in place a robust performance measurement system to reward employees commensurate with the results they have contributed to the business.

The Directors place on record their sincere appreciation of the contribution made by the employees at all levels.

AUDITORS

M/s. A.Vijay Kumar & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

CORPORATE GOVERNANCE

The Company has incorporated Audit Committee consists of Shri. K.N. Guha, Chairman, Mr. M.C. Srinivasan, Member and Mr. Venkat R. Kalavakolanu, Member for the efficient compliance of the Corporate Governance. The Audit Committee met every half year and also for the consideration of the Annual Accounts and thus met three times during the year.

ACKNOWLEDGEMENTS

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered and place on record their gratitude to the Companies Bankers for their support during the period under review.

For **Sven Genetech Limited**

Venkat R. Kalavakolanu
Chairman

Place : Secunderabad
Date : June 30, 2010

Tenth Annual Report 2009-2010

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

FORM A : CONSERVATION OF ENERGY

(Form for disclosure of particulars with respect to Conservation of Energy)

	2009-2010	2008-2009
1. Power & Fuel Consumption		
a. Electricity :		
Purchased Units	1,83,094	2,27,205
Total Amount (Rs. In Lakhs)	11.48	14.41
Rate per Unit (Rs.)	6.27	6.34
b. Own generation through Diesel Generator		
Litres of Diesel Oil	51,547	13,350
Total Amount inclusive of other expenses (Rs. In Lakhs)	19.33	4.67
Cost per Unit (Rs.)	12.10	3.20
c. Others (Rs. in Lakhs)	—	18.03

FORM B: RESEARCH & DEVELOPMENT

(New Product Development and Process Development)

1. Specified areas in which R & D is carried out by the Company :

- Peptide Chemistry
- Chiral Chemistry
- Biotechnology

Product focus is

- Side Chain Protected Amino Acids
- Unusual Amino Acids
- Unnatural Amino Acids
- Custom Peptides
- Diagnostics and Recombinant Proteins.

2. Benefits derived as a result of the above R & D :

The entire product range of the company is a result of the R&D efforts.

3. Future Plan of action :

The Company focus is on ...

- New Diagnostics based on Peptides
- New Drugs based on Peptides
- New Vaccines based on Peptides
- Drug Delivery system based on Peptides
- Nutraceutical based on Peptides

4. Expenditure on R & D, technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation. During the year the Company has incurred an amount of Rs.515.49 Lakhs on account of Research & Development. The company's focus is developing the technology in-house which is then commercialized for manufacturing.

AUDITORS' REPORT

To

The Members of

SVEN GENETECH LIMITED

1. We have audited the attached Balance Sheet of **SVEN GENETECH LIMITED** as at March 31, 2010 and the Profit and Loss account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.1 In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010, and
 - b. in the case of the Profit and Loss account, of the Profit of the company for the year ended on that date.
- 3.2 We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- 3.3 In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
- 3.4 The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
- 3.5 In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 3.6 On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
4. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Section 227 (4 - A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
 - 1.1 The Company has maintained proper records showing full particulars, including the quantitative details and situation of fixed assets.
 - 1.2 All the assets have been physically verified by the management at intervals, which, in

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- opinion are reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- 1.3 No substantial part of fixed assets has been disposed off during the year, which has a bearing on the assumption of "Going Concern".
- 2.1 According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year.
- 2.2 In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- 3.1 The company has not either granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the matters to be reported on whether the rate of interest and other terms and conditions of such loans prejudicial to the interest of the company (paragraph 4 (iii) (b)), whether the payment principal and interest are regular (paragraph 4 (iii) (c)), reasonable steps taken by the company for recover / payment of overdues (paragraph 4 (iii) (d)) are not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5.1 To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence whether such transactions have been made at prices at, which are reasonable having regard to the prevailing market prices at the relevant time (paragraph 4 (v)(b)).
- 6.1 In our opinion and according to the information and explanations given to us, the deposits accepted by the company are exempt from the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed thereunder.
- 7.1 In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- 8.1 We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 9.1 According to the information and explanations given to us, the company is generally regular, with slight delays in few cases, in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, and Excise Duty with the appropriate authorities. There are no arrears of Statutory dues as on March 31, 2010 outstanding for a period of more than six months from the date they became payable.

Sven Genetech Limited

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- 9.2 According to the information and explanations given to us, there are no dues of Sales Tax / Income Tax / Wealth Tax / Excise Duty / Cess which have not been deposited on account of any dispute.
- 10.1 The Company does not have any accumulated losses and has not incurred any cash loss either during the year or in the immediate preceding previous year.
- 11.1 According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and Banks.
- 12.1 The Company has not granted any loans and advances to the basis of security by way of pledging of shares, debentures and other securities.
- 13.1 As the Company is not a Chit Fund or Nidhi Company the matters to be reported under paragraph 4 (xiii) are not applicable to the company.
- 14.1 According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence, maintenance of proper records thereof and timely entries therein does not arise.
- 15.1 In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions except for its parent company Jupiter Bioscience Limited.
- 16.1 In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- 17.1 According to the information and explanations given to us and on an overall examination of balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment or vice-versa, except to the extent of permanent working capital.
- 18.0 According to the information and explanations given to us and in our opinion, the Preferential Allotment of shares to companies covered in the register maintained section 301 of the Companies Act, 1956 is not prejudicial to the interest of the company.
- 19.1 As the company has not issued any debentures during the year, the creation of security thereof does not arise.
- 20.1 The company has not raised any money by way of Public Issue during the year under review.
- 21.1 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed under the course of our audit.

For A. Vijay Kumar & Co.,
Chartered Accountants
Firm Regn. No. 009824S

CA Vijay Kumar A.
Partner
Membership No. 200770

Place: Hyderabad
Date : May 27, 2010

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BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a. Share Capital	1	221,000,000	200,000,000
b. Reserves & Surplus	2	<u>373,634,947</u>	<u>89,248,139</u>
		<u>594,634,947</u>	<u>289,248,139</u>
2. Share Application Money Deposit Pending Allotment		1,234,179,134	1,068,188,380
3. Loans Funds			
a. Secured Loans	3	303,502,671	219,914,174
b. Unsecured Loans	4	13,869,603	11,101,597
4. Deferred Tax Liability		<u>33,828,479</u>	<u>29,709,659</u>
		<u>1,585,379,886</u>	<u>1,328,913,810</u>
		<u>2,180,014,833</u>	<u>1,618,161,948</u>
II. APPLICATION OF FUNDS			
1. Fixed Capital Expenditure	5		
a. Gross Block		1,187,944,013	826,054,416
b. Less: Depreciation		<u>319,009,909</u>	<u>229,346,972</u>
c. Net Block		<u>868,934,104</u>	<u>596,707,444</u>
d. Capital Work-in-Progress		<u>777,431,667</u>	<u>512,805,871</u>
		<u>1,646,365,771</u>	<u>1,109,513,315</u>
2. Current Assets, Loans & Advances:			
a. Inventories	6	91,260,658	80,093,315
b. Sundry Debtors	7	147,485,862	115,144,364
c. Cash and Bank Balances	8	25,557,935	7,320,468
d. Other Current Assets	9	49,017	49,017
e. Loans and Advances	10	<u>33,607,369</u>	<u>27,139,258</u>
		<u>297,960,841</u>	<u>229,746,422</u>
Less: Current Liabilities and Provisions			
a. Current Liabilities	11	40,634,098	10,533,169
b. Provisions	12	<u>17,866,696</u>	<u>4,753,636</u>
		<u>58,500,795</u>	<u>15,286,805</u>
Net Current Assets		<u>239,460,046</u>	<u>214,459,617</u>
3. Miscellaneous Expenditure	13	<u>294,189,016</u>	<u>294,189,016</u>
TOTAL		<u>2,180,014,833</u>	<u>1,618,161,948</u>
4. Notes forming part of the Accounts	20		

Per our report of even date
For **A. Vijay Kumar & Co.**,
Chartered Accountants
Firm Regn. No. 009824S

CA Vijay Kumar A.
Partner
Membership No. 200770

Place: Hyderabad
Date : May 27, 2010

For and on behalf of the Board of Directors
Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

Vijay Krishna M.
Company Secretary

Sven Genetech Limited

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

Particulars	Schedule	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME			
Sales		486,049,934	345,877,118
Other Income	14	823,113	100,173
TOTAL		<u>486,873,047</u>	<u>345,977,291</u>
EXPENDITURE			
Materials Consumed		144,763,801	102,983,462
Payment & Benefits to Employees	15	29,987,668	29,161,756
Manufacturing, Selling and Administrative Expenses	16	30,200,134	24,749,094
Financial Expenses	17	29,860,577	19,554,678
Depreciation		89,662,937	68,811,033
Research and Development Expenditure	18	51,548,858	55,607,586
		<u>376,023,974</u>	<u>300,867,609</u>
Less: Adjustment for Stocks	19	9,025,537	11,588,293
		<u>366,998,437</u>	<u>289,279,317</u>
Profit for the year before Taxation		119,874,609	56,697,974
Provision for Taxation		20,366,696	6,423,880
Provision for Deferred Tax for the Year		4,118,820	1,428,674
Provision for Taxation - Fringe Benefit Tax		—	329,756
Net Profit after Taxes		95,389,093	48,515,664
Excess Provision for Income Tax written back		(37,361)	(180,824)
Short Provision for FBT written back		35,076	(67,261)
Provision for Deferred Tax Liability (earlier years)		—	(28,280,985)
Profit Carried forward from previous year		89,248,139	69,261,545
Profit carried to the Balance Sheet		<u>184,634,947</u>	<u>89,248,139</u>

Per our report of even date
For **A. Vijay Kumar & Co.**,
Chartered Accountants
Firm Regn. No. 009824S

CA Vijay Kumar A.
Partner
Membership No. 200770

Place: Hyderabad
Date : May 27, 2010

For and on behalf of the Board of Directors
Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

Vijay Krishna M.
Company Secretary

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Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Capital		
3,50,00,000 Equity Shares of Rs.10/- each	<u>350,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up Capital		
2,21,00,000 Equity Shares of Rs.10/- each	<u>221,000,000</u>	<u>200,000,000</u>
	<u>221,000,000</u>	<u>200,000,000</u>
SCHEDULE 2: RESERVES & SURPLUS		
Surplus	184,634,947	117,529,124
Less: Provision for Deferred Tax Liability (Earlier Years)	—	28,280,985
	<u>184,634,947</u>	<u>89,248,139</u>
Share Premium	189,000,000	—
	<u>373,634,947</u>	<u>89,248,139</u>
SCHEDULE 3: SECURED LOANS		
Term/Short Term Loans		
Punjab National Bank	164,971,523	—
Syndicate Bank	12,206,588	55,166,079
State Bank of Bikaner & Jaipur	85,366,972	120,894,749
Kotak Mahindra Bank Limited	<u>40,957,588</u>	<u>19,684,864</u>
	<u>303,502,671</u>	<u>195,745,692</u>
Overdraft Facility from Kotak Mahindra Bank Limited	—	24,168,482
	<u>303,502,671</u>	<u>219,914,174</u>
SCHEDULE 4: UNSECURED LOANS		
Security Deposits from Distributors	2,100,000	2,100,000
Other Unsecured Loans	<u>11,769,603</u>	<u>9,001,597</u>
	<u>13,869,603</u>	<u>11,101,597</u>
SCHEDULE 6: INVENTORIES		
As per inventories taken and certified by the Management		
Raw Material	25,822,043	23,825,368
Consumables	1,428,590	1,283,460
Semi Finished Goods	29,387,172	25,798,416
Finished Goods	<u>34,622,853</u>	<u>29,186,072</u>
	<u>91,260,658</u>	<u>80,093,315</u>
SCHEDULE 7: SUNDRY DEBTORS		
Unsecured, Considered good, for which the company holds no security other than the debtors' personal security		
Outstanding for less than six months	121,143,832	104,393,009
Outstanding for more than six months	<u>26,342,030</u>	<u>10,751,355</u>
	<u>147,485,862</u>	<u>115,144,364</u>

SCHEDULE 5: FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK			
	Balance as on 31.03.2009 Rs.	Additions during the year Rs.	Total as on 31.03.2010 Rs.	Upto 31.03.2009 Rs.	For the year Rs.	Total upto 31.03.2010 Rs.	As at 31.03.2009 Rs.	As at 31.03.2010 Rs.
Land	8,864,212	-	8,864,212	-	-	-	8,864,212	8,864,212
Buildings	45,467,686	29,783,669	75,251,355	6,376,762	2,617,092	8,993,854	66,257,501	39,090,924
Plant, Machinery and R & D Equipment	766,977,775	332,019,479	1,098,997,254	221,119,509	86,641,446	307,760,955	791,236,299	545,858,266
Office Equipment	1,510,375	—	1,510,375	628,051	156,173	784,224	726,151	882,324
Furniture & Fixtures	2,197,104	51,220	2,248,324	567,270	141,158	708,428	1,539,896	1,629,834
Computers	1,037,264	35,229	1,072,493	655,380	107,068	762,448	310,045	381,884
TOTAL	826,054,416	361,889,597	1,187,944,013	229,346,972	89,662,937	319,009,909	868,934,104	596,707,444
Previous Year's Total	649,328,980	176,725,436	826,054,416	160,535,939	68,811,033	229,346,972	596,707,444	488,793,041

Note: There are no deletions in the Fixed Assets.

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Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 8: CASH & BANK BALANCES		
Cash on Hand	222,688	266,311
Balance with Scheduled Banks - Current Accounts	21,077,527	5,196,437
Margin Money for Bank Guarantees	4,257,720	1,857,720
	<u>25,557,935</u>	<u>7,320,468</u>
SCHEDULE 9: OTHER CURRENT ASSETS		
Interest Receivable	49,017	49,017
	<u>49,017</u>	<u>49,017</u>
SCHEDULE 10: LOANS AND ADVANCES		
Unsecured, considered good, advances recoverable in cash or kind or for value to be received		
Advances against Material	29,637,896	26,469,785
Deposits	3,969,473	669,473
	<u>33,607,369</u>	<u>27,139,258</u>
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors	34,985,717	4,267,454
Other Liabilities	5,648,381	6,265,715
	<u>40,634,098</u>	<u>10,533,169</u>
SCHEDULE 12: PROVISIONS		
Provision for Income Tax	17,866,696	4,423,880
Provision for Fringe Benefit Tax	—	329,756
	<u>17,866,696</u>	<u>4,753,636</u>
SCHEDULE 13: MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Research & Development Expenditure - Opening Balance	294,189,016	294,189,016
	<u>294,189,016</u>	<u>294,189,016</u>
Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
SCHEDULE 14: OTHER INCOME		
Interest	82,224	90,587
Miscellaneous Income	740,889	9,586
	<u>823,113</u>	<u>100,173</u>
SCHEDULE 15: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries & Wages	26,908,635	26,355,023
Provident Fund and ESI	2,030,495	1,689,261
Gratuity	777,660	840,000
Staff Welfare	270,878	277,472
	<u>29,987,668</u>	<u>29,161,756</u>

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Particulars	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
SCHEDULE 16: MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENDITURE		
Consumables	5,970,156	4,620,695
Power & Fuel	2,465,263	2,969,105
Repairs & Maintenance-Plant	951,841	894,513
Insurance	603,089	791,397
Rent	518,981	279,675
Rates, Taxes & Filing Fees	3,541,192	2,442,553
Travelling & Conveyance	3,219,490	2,926,173
Communication Expenses	448,734	458,647
Printing & Stationery	919,506	1,054,669
Freight & Transportation	1,108,778	1,007,519
Sales Commission	701,306	572,302
Business Development expenses	4,557,326	1,289,095
Legal & Professional Charges	1,826,857	1,278,796
General Expenses	3,367,615	4,163,957
	<u>30,200,134</u>	<u>24,749,094</u>
SCHEDULE 17: FINANCIAL EXPENSES		
Interest on Term Loans	24,282,193	18,783,776
Interest on other Loans and Deposits	5,578,384	770,902
	<u>29,860,577</u>	<u>19,554,678</u>
SCHEDULE 18: RESEARCH AND DEVELOPMENT EXPENSES		
Material Consumed	31,402,809	29,820,268
Payment & Benefits to Employees	3,331,963	12,497,895
Other Overheads	16,814,086	13,289,422
	<u>51,548,858</u>	<u>55,607,586</u>
SCHEDULE 19: ADJUSTMENT FOR STOCKS		
Opening Balance:		
Finished Goods	29,186,072	22,720,344
Semi Finished Goods	25,798,416	20,675,851
	<u>54,984,488</u>	<u>43,396,195</u>
Closing Balance:		
Finished Goods	34,622,853	29,186,072
Semi Finished Goods	29,387,172	25,798,416
	<u>64,010,025</u>	<u>54,984,488</u>
Increase in Stocks	9,025,537	11,588,293

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SCHEDULE 20

NOTES FORMING A PART OF THE ACCOUNTS AS AT MARCH 31, 2010

1. Significant Accounting Policies:

- a. Accounting Convention and Basis :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and are based on the accrual concept of accounting.
 - b. Fixed Assets :

Fixed Assets are stated at original cost of acquisition including taxes, duties, freight, foreign exchange gains / losses and other incidental expenses related to acquisition and installation of the concerned assets.
 - c. Depreciation :

Depreciation is provided on straight line basis at rates provided in Schedule XIV to the Companies Act, 1956.
 - d. Research & Development Expenditure:

Expenditure on development of new products/processes is carried forward.

 - i. To be amortised over a period of five years from the date of commercial exploitation or
 - ii. To be written off in the year of sale/ transfer, in the event of the transfer of rights over such products/processes, or
 - iii. To be written off in the year in which such products/processes are determined as not commercially viable.
 - e. Inventories:

Inventories are valued at cost or net realizable value, whichever is lower.
 - f. Revenue Recognition:

Revenue is recognized where the goods are physically dispatched to the customers/agents, supported by a proof of dispatch and certainty of realisation.
 - g. Borrowing Costs:

The amount of borrowing cost charged to revenue expenses is Rs.379.55 Lakhs.
 - h. Taxation:

An Income Tax expense comprises current tax.
 - i. Preliminary Expenses :

Preliminary Expenditure is to be written off over a period of five years.
2. The sales during the year reflect sale of products from Research & Development activity and Formulations of the Company.
 3. Term Loan availed from Syndicate Bank is secured by hypothecation of Plant & Machinery both existing and future, UREM of Land and Buildings hypothecation of stocks, receivables, other current assets and personal guarantee of the Chairman of the Company.

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4. Term Loan availed from State Bank of Bikaner & Jaipur is secured by the First Charge on the assets to be procured out of the Bank finance, exclusive charge on the industrial unit located at survey No:180/14&15, Kazipally, IDA, Jinnaram Mandal, Medak Dist and personal guarantee of the Chairman of the Company.
5. Term Loan availed from Punjab National Bank is fully secured by first pari passu charge on the fixed assets of the company.
6. Term Loan (Equipment Finance) availed from Kotak Mahindra Bank is secured by the second charge on the Fixed and Current assets of the company, personal guarantee of the Chairman of the Company and the collateral security of open land property belonging to the Chairman of the Company.
7. The company is a 100% subsidiary company of Jupiter Bioscience Limited and the parent company has invested an amount of Rs.143.42 Crores in the form of Share capital/Share application money. There are no inter company business transactions with Jupiter Bioscience Limited other than the investment made by the company.
8. Debtors, Creditors, Loans, Advances and deposits are subject to confirmation and reconciliation.
9. Export Sales made to Jupiter Bioscience AG, Switzerland amounting to Rs.65.66 Lakhs are yet to be realized and which are outstanding for a period of more than 6 months.
10. Deferred Income Tax:

The Company has accounted for Deferred Tax in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

The company has for the first time recognized deferred taxes which result from the timing difference between the book profits and tax profits consequently, as required by the accounting standard the company has recognized the deferred tax balance that would have accumulated prior to adopting the accounting standard, if the standard had been in effect from the beginning.

Deferred Tax Liability for the year ended 31st March, 2010 is amounting to Rs.41,18,820 has been adjusted in the profit and loss account in accordance with the Accounting Standard 22.

11. Employee Benefits

- a. Provident Fund: The Company makes contribution to Provident Fund administered by the Central Government under the Provident Fund Act, 1952.
 - b. ESI: The Company makes contribution to Employees State Insurance Corporation.
 - c. Gratuity: The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The Company has made a provision of Rs.8,64,066/- towards Gratuity of the employees.
12. The Company has no information as to whether any of its suppliers constitute small scale/ ancillary undertaking and therefore, the amounts due to such suppliers have not been identified.

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13. Additional information pursuant to the provisions of paragraphs 3 & 4 and of schedules VI to the Companies Act, 1956 :

a. Installed Capacities	:	Peptide Group 1500 kgs/annum (as Certified by the management)	
b. Production	:	Qty in Kgs.	Value (Rs.in lakhs)
Peptide Precursors & Others	:	378.410 (327.916)	—
c. Turnover			
Peptide precursors & Others	:	359.360 (329.300)	3633.28 (2486.90)
d. Opening stock			
Peptide Precursors & Others	:	39.006 (44.350)	172.69 (183.77)
e. Closing stock			
Peptide Precursors & Others	:	58.056 (39.006)	213.54 (172.69)
f. Raw Material Consumption			
Benzyl Acrylic Acid	:	763 (568)	24.02 (16.39)
Para Iodo Anisole	:	185 (185)	4.54 (2.79)
Raney Nickel	:	108 (70)	18.25 (11.29)
Penta Fluorophenol	:	71 (48)	17.72 (11.81)
Palladium Catalyst	:	26 (18)	15.31 (10.10)
Others	:		1074.43 (660.46)

Note : Details of Material consumed in respect of Research & Development activity are not given.

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g. Break up of Raw Material Consumption	:	%	Amount (Rs. in Lakhs)
Indigenous	:	100	1154.27
		(100)	(699.26)
Imported	:	100	6.75
		(100)	(13.58)
h. Earnings in Foreign Exchange	:		
- FOB value of exports of Finished goods			50.33
			(114.48)
i. Expenditure in Foreign Exchange			
Laboratory Chemicals, Equipment and others	:		0.47
			(27.72)
j. Payments to Auditors			(Amount in Rs.)
1. As Auditors	:		1,00,000
			(1,00,000)

14. Previous years figures have been regrouped and rearranged wherever necessary.

Signatures on Schedules 1 to 20

Per our Report of even date

For and on behalf of the Board of Directors

For A. Vijay Kumar & Co.,
Chartered Accountants
Firm Regn. No. 009824S

Venkat R. Kalavakolanu
Chairman

CA Vijay Kumar A.
Partner
Membership No. 200770

K.N.Guha
Director

Place: Hyderabad
Date : May 27, 2010

Vijay Krishna M.
Company Secretary

Tenth Annual Report 2009-2010

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details

Registration Number : 01-33456
State Code : 01
Balance Sheet Date : 31.03.2010

2. **Capital Raised during the year** : Public Issue Rights Issue
(Amount Rs. in Thousands) : NIL NIL
Bonus Issue Private Placement
NIL 21,000

3. Position of mobilisation and deployment of funds

(Amount Rs. in Thousands)

Total Liabilities : 2,180,015 Total Assets : 2,180,015

Sources of Funds

Paid up Capital : 221,000 Reserves & Surplus : 373,635
Share Application Money : 1,234,179 Secured Loans : 303,503
Unsecured Loans : 13,870 Deferred Tax : 33,828

Application of Funds

Net Fixed Assets : 868,934 Capital Work-in-Progress : 777,432
Net Current Assets : 239,460 Misc. Expenditure : 294,189
Accumulated Losses : —

4. Performance of the Company

(Amount Rs. in Thousands)

Turnover : 486,873 Total Expenditure : 366,998
Profit before tax : 119,875 Profit after Tax : 95,389
Earning per Share in Rs. : 4.32 Dividend Rate % : —

5. Generic Names of three Principal Products of the Company :

Product Description	Item Code (ITC CODE)
Amino Acids	2922.4

For and on behalf of the Board of Directors

Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

Place: Hyderabad
Date : May 27, 2010

Vijay Krishna M.
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	119,874,609	56,697,974
Adjustments for:		
Depreciation	89,662,937	68,811,033
Interest	29,860,577	19,554,678
Misc. Income	(740,889)	(9,586)
Interest Received	(82,224)	(90,587)
Operating Profit Before Working Capital Changes	238,575,010	144,963,513
Adjustments for		
Trade and Other Receivables	(38,809,609)	(52,528,948)
Inventories	(11,167,343)	(20,672,762)
Trade Payables	47,332,809	(1,145,094)
Total Adjustments	(2,644,142)	(74,346,804)
Cash generated from Operations	235,930,868	70,616,709
Less: Tax Paid/Payable	20,366,696	6,423,880
Net Cash generated from Operations	215,564,171	64,192,828
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	361,889,597	176,725,436
Capital Work In Progress	264,625,796	80,538,452
Misc. Income	(740,889)	(9,586)
Interest Received	(82,224)	(90,587)
Net Cash used in Investing Activities	625,692,280	257,163,715

Tenth Annual Report 2009-2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	21,000,000	—
Share Application Money Deposit	165,990,754	74,606,916
Share Premium	189,000,000	—
Long Term Loans	83,588,497	129,879,717
Unsecured Loans	2,768,006	9,101,597
Interest Paid	(29,860,577)	(19,554,678)
Provision of Taxation - Earlier year	(37,361)	(180,824)
Provision for FBT - Earlier year	35,076	(67,261)
Deferred Tax	(4,118,820)	(1,428,674)
Fringe Benefit Tax	—	(329,756)
Net Cash used in Financing Activities	428,365,575	192,027,037
D. Net Increase/Decrease in Cash and Cash Equivalents	18,237,467	(943,850)
E. Cash and Cash Equivalents as on April 01, 2009	7,320,468	8,264,318
F. Cash and Cash Equivalents as on March 31, 2010	25,557,935	7,320,468

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (Revised) issued by the Institute of Chartered Accounts of India.
2. Previous year figures have been regrouped where necessary.

Per our report of even date
For **A. Vijay Kumar & Co.,**
Chartered Accountants
Firm Regn. No. 009824S

CA Vijay Kumar A.
Partner
Membership No. 200770

Place: Hyderabad
Date : May 27, 2010

For and on behalf of the Board of Directors
Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

Vijay Krishna M.
Company Secretary

DIRECTORS' REPORT

Jupiter Bioscience Inc has been promoted as a 100% subsidiary of Jupiter Bioscience Limited primarily to cater to the requirements of the Regulated markets i.e., US, Europe, Canada and Japan for supply of generic peptides, custom peptides required for drug discovery and synthesis of peptide molecules progressing through clinical trials from the pharmaceutical and biotech industry.

Presence of manufacturing facility in the end user market has enabled better understanding of the changing trends of the pharmaceutical industry in general and peptides in particular. The proximity to the customer has enabled the company to formulate the appropriate product and R&D strategy. Supply contract opportunities are possible for Patented and Generic products if the facility is situated in US and Europe and it is easier and faster to get the regulatory approvals with facilities in US or Europe as compared to India.

Jupiter Bioscience Inc is having a cGMP manufacturing facility in Maryland for the manufacture of custom peptides, clinical peptides and peptide based generic active pharmaceutical ingredients (APIs). The facility is focused on developing generic peptide APIs and high end custom peptides by the solid phases which are proposed to be launched in the current year. The company chose to locate its

manufacturing set up in Maryland USA as FDA's approval for the facility and routine inspection will be much faster as the offices of the FDA in USA are located in the same region.

Jupiter Bioscience AG

During the financial year 2008-09 your company acquired through its subsidiary Jupiter Bioscience Inc a peptide manufacturing facility located at L aufelfingen, Switzerland from Merck, Germany. The purpose of the acquisition is to target peptide business for the European markets from this facility. The team at Jupiter Bioscience AG and Jupiter Bioscience Inc is working towards launching the generic peptide drugs in the international markets. The drugs proposed to be launched in the coming financial year include Leuprolide, Desmopressin, Oxytocin, Goserelin, Octreotide and Somatostatin.

Your Directors are presenting herewith the Balance Sheet of Jupiter Bioscience Inc as on 31.03.2010. The Profit and Loss Account was not prepared for the period as there were no operations. All the expenses incurred were of the nature of Preliminary and Pre-operative expenses.

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : May 28, 2010

Jupiter Bioscience Inc.

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at 31.03.2010 Amount in Rs.	As at 31.03.2009 Amount in Rs.
SOURCES OF FUNDS			
Common Stock	A	4,831	4,831
Advance towards Share Capital from Jupiter Bioscience Ltd., India		334,201,764	200,657,636
Unsecured Loans		16,726,158	7,528,958
Accounts Payable	B	16,041,763	7,706,295
Total		<u>366,974,516</u>	<u>215,897,720</u>
APPLICATION OF FUNDS			
Laboratory Equipment		15,848,687	10,946,042
Less: Depreciation		2,473,811	439,748
		<u>13,374,876</u>	<u>10,506,294</u>
Investment in Jupiter Bioscience AG		165,373,504	86,118,151
Checking Account - SunTrust Bank		2,861,709	751,807
Advances for Consulting / Services		3,182,693	3,182,693
Preliminary & Preoperative Expenses	C	182,181,734	115,338,776
Total		<u>366,974,516</u>	<u>215,897,720</u>

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : May 28, 2010

SCHEDULES TO BALANCE SHEET

Particulars	As at 31.03.2010 Amount in Rs.	As at 31.03.2009 Amount in Rs.
SCHEDULE - A		
COMMON STOCK		
Authorised Share Capital		
5,000 Common Shares of \$ 1 per share	<u>241,533</u>	<u>241,533</u>
Issued, Subscribed and Paid-up Capital		
100 Common Shares of \$ 1 per share	<u>4,831</u>	<u>4,831</u>
Total	<u>4,831</u>	<u>4,831</u>
SCHEDULE - B		
ACCOUNTS PAYABLE		
Professional Fees Payable	3,388,840	—
Salaries and Contributions Payable	3,828,062	2,427,887
Rentals Payable	5,287,131	671,399
Other Overheads	3,537,730	—
Lab Equipment	—	4,607,009
Total	<u>16,041,763</u>	<u>7,706,295</u>
SCHEDULE - C		
PRELIMINARY & PREOPERATIVE EXPENSES		
Administrative and General Expenses	78,176,338	53,747,088
Depreciation	2,507,379	473,316
Legal & Professional fees & Expenses	36,873,607	23,461,757
Rentals & Maintenance - Office	51,085,604	32,446,467
Other Expenses	8,886,092	2,243,517
Raw Materials	4,652,715	2,966,632
Total	<u>182,181,734</u>	<u>115,338,776</u>

Notes on Accounts:

1. No Profit & Loss Account was prepared for the accounting period since there was no operation and therefore no corresponding income from operation. All the expenses incurred were of the nature of Preliminary and Pre Operative Expenses to be capitalised when project commences operation.
2. Previous year's Figures are regrouped / rearranged wherever necessary to make them comparable with the current year.
3. Balance Sheet as at March 31, 2010 has been prepared for the purpose of disclosure and consolidation with the Accounts of Jupiter Bioscience Limited, though this does not represent the year ending of the Company.

For and on behalf of the Board

Venkat R. Kalavakolanu

Director

Place : Secunderabad

Date : May 28, 2010

ECS MANDATE FORM

If Share(s) is/are held in physical mode:

Please complete this form and send it to the
Company at the following address:

Jupiter Bioscience Limited
10-2-71 & 10-2-72/1, Road No. 3
West Marredpally
SECUNDERABAD – 500 026

If Share(s) is/are held in electronic mode:

Please complete this form and send it to the
respective Depository Participant

Dear Sir/ Madam,

Change in Mode of Payment to ECS

I hereby consent to have the amount of dividend on my equity share(s) credited through the Electronic Clearing Service [ECS] facility. The particulars are:

1. Folio No./Client ID No./DP ID No. : _____
(Folio No. given in equity share certificate(s)/customer ID No. given by your DPs)
2. Shareholder's Name : Mr./Ms./M/s. : _____
3. Shareholder's Address : _____

4. Particulars of the bank : _____
Bank Name : _____
Branch Name and Address : _____

- Telephone Number of Bank : _____
- The nine-digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank : _____
(Please attach a photocopy of a cheque or a cancelled bank cheque issued by your Bank for verifying the accuracy of the code number)
- Account Type (please tick) : Savings Current Cash Credit
- Account Number : _____
(as appearing on the cheque book)
5. Date from which the Mandate should be effective : _____

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information being furnished by me, I would not hold the Company/Registrar & Share Transfer Agent of the Company responsible. I also undertake to inform the Company/Registrar & Share Transfer Agent in writing, of any change in the particulars of my account to facilitate update of records for the purpose of credit of the dividend amount through ECS.

Signature of the first/sole shareholder



JUPITER BIOSCIENCE LIMITED

Regd. Office: 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

ATTENDANCE SLIP

25th Annual General Meeting, Monday, the 9th August, 2010 at 10.30 a.m. at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME OF THE MEMBER	FOLIO NO./CLIENT ID	NO. OF SHARES HELD

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company.

SIGNATURE OF THE MEMBER OF THE PROXY ATTENDING THE MEETING

If Member, please sign here	If Proxy, please sign here



JUPITER BIOSCIENCE LIMITED

Regd. Office: 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

PROXY FORM

Regd. Folio No.

Client. I.D. No.....

I/We

of in the District of

being a member(s) of the above named company, hereby appoint

of in the District of

as my/our Proxy to vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday, the 9th August, 2010 at 10.30 a.m. at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka and at any adjournment thereof.

Signed this day of 2010

Signature

Affix Re.1/-
Revenue
Stamp

- Note:
1. Proxy need not be a member
 2. The Proxy Form duly signed across Re.1/- Revenue Stamp should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.