

JUPITER BIOSCIENCE LIMITED

Creating value by process innovation,
process development and process optimisation

26th

**Annual Report
2010-2011**

Twenty Sixth Annual Report 2010-2011

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.

Chairman's Speech.....

Dear Shareholder,

The past financial year was an exceptional year considering the industry scenario and uncertain global economy. During the past year, your company continued its growth path by launching Generic Peptide APIs, APIs based on organic chemistry and Chiral Intermediates which strengthened its product pipeline. Your company's progress and achievement during the year indicated the progress and fulfillment of goals and objectives.

During the financial year, the company fortified its presence in the regulatory markets through its subsidiaries located in Switzerland and USA.

The sales for the year was Rs. 253.10 Crores which was 37.60% increase over the previous year. The Profit after tax for the year was Rs. 37.59 Crores which was 13.44% increase over the previous year. Hence your company is on the growth path.

Your company is well-equipped for the slow but positive development in our markets with a diverse product portfolio of more than 400 products which includes Peptide Building Blocks and APIs, High end Intermediates and APIs based on Organic Chemistry which was further expanded in the year under review.

Your company remains fully committed to its vision and long-term strategy. We continue to invest significantly in Research and Development to strengthen our position in Peptides and Generic products and create new business opportunities.

Warm regards

Venkat R. Kalavakolanu
Chairman & Managing Director

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NOTICE

Notice is hereby given that the 26th 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 Friday, 30th September, 2011 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, 2011 and Profit & Loss Account for the year ended as on that date together with Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year 2010-2011.
3. To appoint a Director in place of Dr. M. C. Srinivasan 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., who being eligible for re-appointment, be and is hereby re-appointed as 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 special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and is hereby altered in and to the extent following:

The following new Article (n) be inserted after the existing Article (m) in Article 136:

(n) Subject to the provisions of the Companies Act, 1956, make any loan to any other body corporate, give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person, by any body corporate: and acquire by way of subscription, purchase or otherwise the securities of any other body corporate.

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.”

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar
Date : September 5, 2011

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/herself and the proxy need not be a member of the company. In order to be effective, the Proxy Form duly completed should be deposited at the Registered Office of the Company not less than Forty-Eight hours before the scheduled time to the Annual General Meeting. Blank Proxy Form is enclosed.
2. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, additional information related to directors recommended for appointment/re-appointment at the

Jupiter Bioscience Limited

- 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 Tuesday, September 27, 2011 to Friday September 30, 2011 ((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 October 30, 2011 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 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 with the Company or with 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)
2003-04	24.10.2004	23.11.2011	4,04,682
2004-05	27.10.2005	26.11.2012	5,60,592
2005-06	28.10.2006	27.11.2013	8,24,972
2006-07	28.10.2007	27.11.2014	8,63,014
2007-08	28.10.2008	27.11.2015	10,76,504
2008-09	28.10.2009	27.11.2016	16,14,318
2009-10	06.09.2010	05.09.2017	18,25,982
			71,70,064
 10. 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 2011-2012 to the Exchange and also Annual Custody Fee payable to both the Depositories
 11. Members are advised to refer to the section titled 'SHARE HOLDERS INFORMATION' provided in the Annual Report.

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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.

EXPLANATORY STATEMENT

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

ITEM NO. 5

As per the repeated requisitions from the bankers, the Company has decided to include specific provision with regard to Section 372A of the Companies Act, 1956 with regard to making of loan, give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person, by any body corporate and acquire by way of subscription, purchase or otherwise the securities of any other body corporate.

The Special Resolution at item No.5 is proposed pursuant to Section 31 of the Companies Act, 1956. The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is concerned or interested in the Special Resolution. Hence, your Board of Directors recommends this resolution.

The relevant documents are available for inspection during the business hours on working days till the date of the meeting.

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar
Date : September 5, 2011

BRIEF RESUME OF DR. M.C. SRINIVASAN

Name : Mandayam Chakravarthi

Srinivasan

Age : 76 Years

Date of Birth : 17.08.1935

Educational

Qualifications: M.A. (Botany),
Madras University, 1955
Ph.D. (Mycology & Plant
Pathology), University of
Pune, 1959

Research and Professional Experience

Over 45 years research experience in the study of Micro Organisms and their application for the discovery of novel metabolites and Industrial Enzymes.

Associated with the Biochemical Sciences Division for the National Chemical Laboratory, Pune for over 37 Years (since October, 1957) and retired in August, 1995 as Head, Microbial Technology and Biochemical Sciences Division.

As a CSIR Emeritus Scientist, worked in the National Chemical Laboratory from September, 1995 to August, 2000.

Specialisation in Mycology, Microbial Technology and Industrial Enzyme Technology and made significant contributions in the area of Microbial Biodiversity exploration and identification of novel Microbial strains for production of Industrial Enzymes with unusual properties.

Published/Patented studies on Microbial amylase, Fungal alkaline, Protease, Cellulase and Cellulase – Free xylanases from Alkalophilic bacteria, actinomycetes and fungi.

Author of over 60 publications in National and International Journals and also several process patents in Industrial Enzyme Technology (Indian and U.S.Patents)

Awards, Honours and Membership of Academies:

J.V.Bhat – Eureka Forbes Award for excellence in Microbiology (1990)

Elected to the prestigious Fellowship of the Indian National Science Academy (INSA), New Delhi (FNA) in 1995.

Nominated member of the World Federation of Culture Collections as a specialist member of the Endangered Culture Collections committee / participated by invitation and delivered lectures at International Conferences at Prague and USA.

Member of the Editorial Board of the World Journal of Microbiology and Biotechnology, U.K.

Member of the Advisory Committees of the Department of Science and Technology, Department of Biotechnology, Government of India as an expert member for project evaluation and recommendation for support.

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the 26th ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended March 31, 2011 are as under:

	<i>(Rupees in Lakhs)</i>	
	Year ended 31.03.2011	Year ended 31.03.2010
Sales	25310.82	18394.31
Other Income	14.71	6.13
Operating Profit (Before Interest and Depreciation)	10992.42	9563.70
Interest and pre-payment Premium	2550.15	2314.83
Depreciation	4448.08	3520.70
Profit before Taxation	3994.19	3728.17
Provision for Taxation	796.06	633.79
Provision for Taxation — Earlier Years	0	0
MAT Credit Entitlement	(796.06)	(633.79)
Provision for Fringe Benefit Tax	0	0
Provision for Deferred Tax	234.65	413.94
Profit after Taxation	3759.54	3314.23
Appropriations:		
General Reserve	750.00	750.00
Dividend	624.33	322.67
Dividend Tax	106.14	54.85
Surplus Carried to Balance Sheet	17452.14	12205.65

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

37.60% and the profit after taxation has gone up by 13.44% 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 Generic peptides APIs.

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.

DIVIDEND

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

A Dividend @10% per Equity Share (Re.1/- on the Paid-up Equity Share of Rs.10/- each) for the financial year 2010-2011. The dividend payout will aggregate to Rs.624.33 Lakhs and the dividend will be paid to all eligible equity shareholders subject to approval by the Shareholders/Banks/Financial Institutions.

TECHNOLOGY FOCUS OF THE COMPANY

The Research and Development (R&D) projects of the company are directed towards supporting

Jupiter Bioscience Limited

the medium and long term business plan of the Company. The Company has experienced and qualified R&D staff with background in organic chemistry, peptide chemistry, microbiology, biochemistry to supports its R&D projects.

The company scans for business opportunities in the global pharmaceutical industry for:

1. Products/ Intermediates which are not covered under patent
2. Products where patents have expired and price competitiveness post patent expiry is the key driver
3. Products protected by process patents for developing non infringing manufacturing processes.
4. New Products under development (New Chemical Entities) of drug discovery companies for partnership in developing manufacturing process from bench scale to the clinical scale

The long term business plan provides direction for building the competence on the technology platform while the medium term plan focuses on developing the products and reducing the time to market.

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.

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 is mentioned in the table below.

The company 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
The Peptide Conference 2010	Cambridge United Kingdom March 30-31, 2010
CPHI Japan 2010	Tokyo Bigsight Exhibition Centre Tokyo, Japan April 21-23, 2010
BIO 2010	McCormick Place, Chicago IL, USA May 3-6, 2010
31st EPS 2010	Bella Centre, Denmark September 5-9, 2010
CPhi World Wide 2010	Paris Exp Porte De Versailles Paris, France October 5-7, 2010
Peptide Formulation and Product Development Forum	Austria December 2-3, 2010
47th Japanese Peptide Symposium 2010	Kyoto International Conference Centre Kyoto, Japan December 4-9, 2010

Company is focussed on high end, high quality business, in domestic and International markets, with big pharma companies in India and Mutlinal companies overseas. This will result in profiling the Company in International market ensuring higher margins and assured cash flows.

BUSINESS OUTLOOK FOR COMING YEAR

Visionary in the founder Sri K.S. Sarma who has always thinking ahead and initiated with Jupiter family.

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 today achieved the positioning of only of its kind

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business model based on technology in peptide pharmaceuticals. The company's future R&D will be to augment capability high-end Peptide Building Blocks, Specialty, Organic Intermediates and Chiral intermediates.

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

The company continues to associate with the following Institutions:

- Indian Institute of Science Bangalore – Process Development for Peptides
- Singapore University, Singapore – Novel Peptides
- University of California - Diagnostic kit for H. Pylori
- M S University Baroda – Drug Delivery Solutions
- ICGEB, New Delhi – Human Diagnostic Kit
- Deccan Hospitals, Hyderabad – Clinical Trials
- Sristek – Clinical Research Services
- University of Massachusetts, USA under the leadership of Dr.Louis Carpinio who is considered father of Peptide chemistry.

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.

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 to trade). 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. 328.98 Lakhs on account of direct exports during the year 2010-2011. The Company has expended Rs.34,836.09 Lakhs in Foreign Exchange on account of Investment in Jupiter Bioscience Inc., U.S.A., Jupiter Bioscience (HK) Limited Hong Kong, imports of raw materials International travel, and on expenses related to business development during the year 2010-11. 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 coming 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. Latin America, Central America, Malaysia, UK, France, Korea.

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

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 South East Asia, 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

Dr. M. C. Srinivasan 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

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.

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C. Jupiter Bioscience (HK) Limited, Hong Kong

The Company's 100% subsidiary in Hong Kong, Jupiter Bioscience (HK) Limited, is established to strengthen its base and presence in South East Asian Countries and other semi regulated markets.

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. 1358.55 Lakhs in 2010-11 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 has raised an amount of USD 89.72 Millions through issue of GDRs

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

- Setting up/acquisition of new manufacturing facilities.
- Upgradation / 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 acquisition of companies, new technologies, 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.

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 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

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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, 2011 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.

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar
Date : September 5, 2011

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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)

	2010-2011	2009-2010
1. Power & Fuel Consumption		
a. Electricity:		
Purchased Units	989,549	13,59,912
Total Amount (Rs. in lakhs)	62.11	61.74
Rate per Unit (Rs.)	6.28	4.54
b. Own generation through Diesel Generator		
Units	391,786	4,52,500
Total Amount (Rs. in lakhs)	21.94	25.34
Cost per Unit (Rs.)	5.60	5.60
c. Coal:		
Quantity in Tonnes	4,764	5,453
Total Cost (Rs. in lakhs)	153.19	152.69
d. Furnace Oil	—	—
2. Consumption per unit of Production		
Electricity (Rs.)	16.69	26.49
Coal (Rs.)	30.79	46.45

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:

- Process Development
- Process Optimization
- New Drug Development
- Novel Technology Platforms

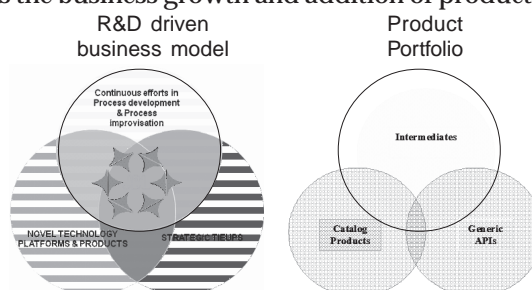
2. Benefits derived as a result of the above R & D

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



Current Focus

Synthesis of Building Blocks for DNA, PNA and RNA

The building blocks for DNA, RNA and PNA are manufactured by the synthetic chemistry. The manufacturing process for these building blocks is similar to that of peptide building blocks because of which Jupiter can get into this business segment. The company has already commenced work on synthesis of these building blocks recently. DNA, RNA and PNA are macromolecules i.e. made up of large number of molecules. Just like peptides are synthesized from 20 basic amino acids these molecules are synthesized from 4 types of nucleotides. The building blocks synthesized from these 4 types of nucleotides are known as oligo nucleotides.

DEOXYRIBONUCLEIC ACID (DNA)

Deoxyribonucleic acid is a nucleic acid that contains the genetic instructions used in the development and functioning of all known living organisms. The main role of DNA molecules is the long-term storage of information and DNA is often compared to a set of blueprints, since it contains the instructions needed to construct other components of cells, such as proteins and RNA molecules. The DNA segments that carry this genetic information are called genes, but other DNA sequences have structural purposes, or are involved in regulating the use of this genetic information. Simply put the main purpose of DNA is to carry genetic information from generation to generation. DNA is double helical in structure

RIBONUCLEIC ACID (RNA)

Ribonucleic acid, or RNA, is a nucleic acid polymer consisting of nucleotide monomers, which plays several important roles in the processes of transcribing genetic information from deoxyribonucleic acid (DNA) into proteins. RNA acts as a messenger between DNA and the protein synthesis complexes known as ribosomes, forms vital portions of ribosomes, and serves as template molecule in protein synthesis. RNA's are single standard chains

PEPTIDE NUCLEIC ACID (PNA)

Peptide nucleic acid (PNA) is an artificially synthesized polymer similar to DNA or RNA and is used in biological research and medical treatments. PNA is not known to occur naturally.

DNA and RNA have a deoxyribose and ribose sugar backbone, respectively, whereas the backbone of PNA is composed of repeating N-(2-aminoethyl)-glycine units linked by peptide bonds. The various purine and pyrimidine bases are linked to the backbone by methylene carbonyl bonds. PNAs are depicted like peptides, with the N-terminus at the first (left) position and the C-terminus at the right

Synthetic PNA oligomers have been used in recent years in molecular biology procedures, diagnostic assays and antisense therapies. PNA oligomers show greater specificity in binding to complementary DNAs and RNAs. PNAs are not easily recognized by either nucleases or proteases, making them resistant to enzyme degradation. PNAs are also stable over a wide pH range.

SYNTHESIS OF PNA

PNA monomers are easily synthesized into oligomers of 20 mer length using the protocols for standard peptide synthesis. Generation of PNA oligomer is carried out by solid phase synthesis process. The purification of the oligomer is similar to peptides and is carried out by reverse phase HPLC.

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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	
	2010-2011	2009-2010
a. Capital	1.19	28.59
b. Revenue	1358.55	1009.83
Total	<u>1359.74</u>	<u>1038.42</u>

FORM - C: FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year	Previous Year
	01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010
	Rs. in Lakhs	Rs. in Lakhs
Foreign Exchange Earnings	9902.55	402.87
Foreign Exchange Outgo	6830.74	1376.70
Net Foreign Exchange Earnings	3071.81	-973.83

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, 2010, on the following terms and conditions.

- The nature of employment is contractual.
- The remuneration includes all the payments, benefits made to him.

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	49	B.Sc., MBA	Chairman and Managing Director	10.03.1992	24	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

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who have not achieved adequate glycemic control using metformin, sulfonylurea and/or thiazolidinediene which are common oral drugs for type 2 diabetes. Pramlintide is the first and 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 extend.

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

OPPORTUNITIES

- 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
- Diversified product range

THREATS

- Multi- national companies setting up manufacturing bases in India and China to compete with company

- Protectionist policies in Europe, Japan and USA for importing
- Increased competition in the industry from entry of new players in both domestic and international markets

4. PRODUCT-WISE OR CATEGORY WISE PERFORMANCE

Sales	Rs. in Lakhs
Peptides (Peptide Reagents & Amino Acids)	- 11555.04
Drug Intermediates	- 10581.62
Fine Chemicals	- 2690.36
Others	- 483.80
Total	<u>25310.82</u>

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.

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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 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.

By Order of th Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar

Date : September 5, 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 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 2010-2011, EIGHTEEN Board Meetings were held on the following dates:

- i. May 10, 2010
- ii. May 29, 2010
- iii. June 30, 2010
- iv. July 02, 2010
- v. July 19, 2010
- vi. August 09, 2010
- vii. August 13, 2010

- viii. October 19, 2010
- ix. October 22, 2010
- x. November 01, 2010
- xi. November 13, 2010
- xii. December 01, 2010
- xiii. December 24, 2010
- xiv. December 30, 2010
- xv. January 20, 2011
- xvi. January 24, 2011
- xvii. February 05, 2011
- xviii. February 12, 2011

The attendance at Board Meetings held during Financial Year 2010 – 2011 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	18	Yes	1	2	0
K.N. Guha	15	Yes	2	3	2
Dr. M.C. Srinivasan	15	Yes	1	3	1
Rudolf H. Tanner	3	—	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 FOUR times during the year on May 29, 2010; August 13, 2010; November 13, 2010; and February 12, 2011.

Name	No. of Meetings Attended	No. of Meetings Held
Mr. K.N. Guha	4	4
Dr. M.C. Srinivasan	4	4
Mr. Venkat R. Kalavakolanu	4	4

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 November 13, 2010 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	Desig- nation	Remuneration paid/ to be paid for the financial year 2010-2011 (Rs. in Lakhs)
Mr. Venkat R. Kalavakolanu	Chairman & Managing Director	36.00
Mr. K.N. Guha	Independent Director	0.37
Dr.M.C.Srinivasan	Independent Director	0.37
Mr. Rudolf H.	Independent Director	0.03

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

The Committee comprises of Sri Venkat R. Kalavakolanu, Chairman & Managing Director, Dr. M. C. Srinivasan, Non Executive Independent Director, and Mr. K.N. Guha, Non-Executive Independent Director, Dr. M. C. Srinivasan is the Chairman of the Committee.

The Committee met FOUR times during the year on May 29, 2010; August 13, 2010; November 13, 2010; and February 12, 2011.

The Company received 222 queries from the investors during the year 2010-11, 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, 2011.

Name and designation of the Compliance Officer

Mr. T. Henry, Asst Manager
Investor Complaints received and
resolved during the Year.

Nature of Complaint	2010-2011	
	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)	15	15

6. Annual General Meetings

The last three Annual General meetings were held as under:

Year	Date	Location	Time
2009-2010	09.08.10	At the Regd. Office of the Company	10.30 a.m.
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.

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.

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Extraordinary General Meeting

During the year under review, Extraordinary General Meeting held on 28th February, 2011, and share holders have approved increase in Authorised Share Capital and Further issue of shares.

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

9. Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, a certificate issued by C.S. Savita Jyoti, Practising Company Secretary, regarding compliance of conditions of Corporate Governance is given as an annexure to the report.

10. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the certification from Managing Director was placed at a duly convened meeting of the Board of Directors and is given as annexure to this report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and Time : September 30, 2011 at 10.30 a.m.

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

Financial Calendar (2011-2012) : 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, 2011

2nd Quarter Results:
on or before 2nd Week of November, 2011

3rd Quarter Results:
on or before 2nd Week of February, 2012

4th Quarter/Audited Results:
2nd Week of May, 2012

AGM for the year 2011-2012:
on or before September 30, 2012

Date of Book Closure : 27th to 30th September, 2011
(both days inclusive)

Dividend Payment Date : On or before October 30, 2011

Rate of Dividend: 10% (Re.1/- per Equity Share)

Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai

Permitted to trade : National Stock Exchange of India Limited (NSE)
The Listing Fee for the year 2011-12 has been paid to BSE

Stock Code : BSE Code: 524826
NSE Code: JUPITER

Demat ISIN : INE918B01013

Number in NSDL & CDSL for equity shares

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 2010-2011.

Month	High (Rs.)	Low (Rs.)	Volume
April - 2010	95.40	83.10	41,82,480
May - 2010	92.00	74.30	16,21,280
June - 2010	92.90	79.55	23,61,509
July - 2010	94.40	86.25	25,65,142
Aug - 2010	114.50	87.65	1,21,99,471
Sept - 2010	149.00	91.55	4,64,61,539
Oct - 2010	95.50	75.00	1,91,39,865
Nov - 2010	84.70	57.00	90,06,733
Dec - 2010	75.00	51.20	3,14,27,071
Jan - 2011	57.90	27.50	6,09,81,520
Feb - 2011	29.75	18.30	3,64,55,494
Mar - 2011	22.40	18.80	75,98,879

Stock Market Data

Monthly closing share price of high and low quotations, traded in National Stock Exchange of India Limited for the year 2010-2011.

Month	High (Rs.)	Low (Rs.)	Volume
April - 2010	95.50	83.60	21,26,487
May - 2010	92.00	76.00	10,77,852
June - 2010	92.70	79.50	12,09,978
July - 2010	94.40	86.75	17,50,595
Aug - 2010	114.50	87.10	1,00,39,767
Sept - 2010	125.20	90.40	10,00,84,572
Oct - 2010	95.70	75.10	4,24,15,555
Nov - 2010	84.60	57.05	1,22,65,575
Dec - 2010	72.20	51.20	5,80,15,341
Jan - 2011	57.40	27.50	12,39,77,290
Feb - 2011	29.15	18.45	5,04,01,989
Mar - 2011	22.35	19.00	81,19,760

Distribution of Shareholding as on March 31, 2011

Category From - To	No. of Share-holders	% of Hold-ers	No. of Shares	% of Shares
1 - 500	44069	84.55	8141666	13.04
501 - 1000	7301	7.87	6021766	9.65
1001 - 2000	4028	3.66	6267939	10.04
2001 - 3000	1474	1.21	3784694	6.06
3001 - 4000	709	0.66	2533342	4.06
4001 - 5000	579	0.64	2725055	4.36
5001 -10000	820	0.84	6028042	9.66
10001 & above	721	0.57	26930966	43.14
	59701	100.00	62433470	100.00

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

Category	No. of Holders	No. of Shares	%
Promoters*	15	2885408	4.62
Mutual Funds	5	102605	0.16
FII's	1	7000	0.01
Bodies Corporate	1362	13651283	21.87
Banks/Insurance	6	316336	0.51
Non Resident Indians	572	1640548	2.63
Trusts	2	48959	0.08
Public	57738	43781331	70.12
Total	59701	62433470	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

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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 6,24,33,470 Shares of which over 98.78 of the shares are in Electronic Mode and the rest of the shares are in Physical form.

As per the directions of Securities and Exchange Board of India, trading in the company shares shall compulsorily be in dematerialised 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

Bidar
September 5, 2011

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, 2011.

For Jupiter Bioscience Limited

Place: Bidar
Date: September 5, 2011

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, 2011 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 Shareholders/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 28, 2011

**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

Bidar
September 5, 2011

Twenty Sixth Annual Report 2010-2011

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, 2011** 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, 2011, and taken on record by the Board of Directors, I report that none of the Directors are disqualified as on 31st March 2011 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, 2011**; 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)

Date : May 28, 2011

Proprietor

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, and any other Statutory dues applicable to it with the appropriate authorities. Income Tax Assessments are completed upto the Assessment Year 2009-10.
- 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 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. According to the information and explanations given to me, the company has issued 4.63 crores equity shares to the foreign investors towards its GDR issue.
20. The Company has not raised any money through a public issue during the year.
21. The company has not issued any secured debentures.
22. 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 28, 2011

Jupiter Bioscience Limited

BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	624,334,700	161,334,700
Share Application Money		449,500,000	449,500,000
Reserves & Surplus	2	6,913,488,016	3,079,039,194
B. Loan Funds			
Secured Loans	3	3,588,871,097	3,616,956,184
Unsecured Loans	4	380,020,440	253,375,943
C. Deferred Tax Liability			
		168,439,387	144,974,767
D. Sales Tax Deferment			
		70,254,274	70,254,274
Total		<u>12,194,907,914</u>	<u>7,775,435,062</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	5,394,225,897	4,455,783,330
Less: Depreciation		1,707,676,178	1,262,868,337
Net Block of Fixed Assets		3,686,549,719	3,192,914,993
Capital Work-in-Progress		1,734,995,835	1,388,605,086
B. Investments			
	6	5,030,438,069	1,778,378,729
C. Current Assets, Loans & Advances			
a. Inventories	7	674,005,034	592,823,608
b. Sundry Debtors	8	639,235,682	436,003,738
c. Cash and Bank Balances	9	31,452,336	35,999,205
d. Loans and Advances	10	<u>393,422,043</u>	<u>319,741,757</u>
Gross Current Assets		1,738,115,095	1,384,568,309
Less: Current Liabilities & Provisions	11	285,445,600	118,022,203
Net Current Assets		1,452,669,495	1,266,546,106
D. Miscellaneous Expenditure (to the extent not written off)			
	12	290,254,796	148,990,148
Total		<u>12,194,907,914</u>	<u>7,775,435,062</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 **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 28, 2011

For and on behalf of the Board

Venkat R. Kalavakolanu

Chairman & Managing Director

K.N. Guha

Director

Satyabratha Padhi

Company Secretary

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
Particulars	Schedule	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Sales	13	2,531,082,016	1,839,431,334
Other Income	14	1,471,168	612,879
Total		<u>2,532,553,184</u>	<u>1,840,044,212</u>
EXPENDITURE			
Consumption of Raw Material	15	1,133,210,461	644,826,467
Payments & Benefits to Employees	16	63,610,482	46,161,234
Financial Expenses	17	255,015,262	231,483,344
Other Expenses	18	135,602,303	114,072,037
Depreciation		444,807,841	352,070,492
Research and Development Expenses	19	135,855,145	100,982,676
Miscellaneous Expenses written off (Preliminary & Deferred revenue expenses)		36,240,843	36,240,843
		<u>2,204,342,337</u>	<u>1,525,837,093</u>
Increase in Stocks	20	71,207,825	58,610,076
		<u>2,133,134,512</u>	<u>1,467,227,017</u>
Profit for the year Before Taxation		399,418,672	372,817,195
Less: Provision for Taxation for the year		79,606,138	63,378,923
MAT Credit Entitlement		(79,606,138)	(63,378,923)
Provision for Deferred Tax for the year		23,464,620	41,394,333
Profit After Tax		<u>375,954,052</u>	<u>331,422,862</u>
Provision for Taxation - Earlier Years		(41,805,070)	(23,185,061)
Surplus brought forward		1,220,564,559	1,025,079,077
Amount available for appropriation		<u>1,554,713,541</u>	<u>1,333,316,878</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		62,433,470	32,266,940
Dividend Tax		10,613,690	5,485,380
Surplus Carried to Balance Sheet		<u>1,406,666,381</u>	<u>1,220,564,559</u>
Total		<u>1,554,713,541</u>	<u>1,333,316,878</u>
Earning Per Share (Face Value of Rs.10/- each)			
Basic		6.02	20.54
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.		Venkat R. Kalavakolanu	
Chartered Accountants		Chairman & Managing Director	
Firm Regn. No. 003245S			
CA A.G. Venugopal Reddy		K.N. Guha	
Proprietor		Director	
Membership No. 022554			
Place : Bidar (Camp)		Satyabratha Padhi	
Date : May 28, 2011		Company Secretary	

Jupiter Bioscience Limited

SCHEDULES TO BALANCE SHEET

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Share Capital	<u>700,000,000</u>	<u>300,000,000</u>
7,00,00,000 Equity Shares of Rs.10/- each		
Issued, Subscribed and Paid-up Capital	<u>624,334,700</u>	<u>161,334,700</u>
6,24,33,470 Equity Shares of Rs.10/- each fully paid-up in cash		
Total	<u>624,334,700</u>	<u>161,334,700</u>
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	<u>534,805,346</u>	<u>459,805,346</u>
Transferred from Profit & Loss Account	<u>75,000,000</u>	<u>75,000,000</u>
	609,805,346	534,805,346
Central Subsidy	<u>419,000</u>	<u>419,000</u>
Investment Allowance Reserve	<u>261,579</u>	<u>261,579</u>
Share Premium	<u>4,802,917,210</u>	<u>1,229,570,210</u>
Capital Reserve	<u>93,418,500</u>	<u>93,418,500</u>
Surplus	<u>1,406,666,381</u>	<u>1,220,564,559</u>
Total	<u>6,913,488,016</u>	<u>3,079,039,194</u>
SCHEDULE 3: SECURED LOANS		
Working Capital Limits		
Industrial Development Bank of India	<u>232,928,840</u>	<u>216,336,537</u>
ING Vysya Bank	<u>131,441,066</u>	<u>98,181,376</u>
Karur Vysya Bank	<u>74,630,347</u>	<u>68,784,904</u>
Punjab & Sind Bank	<u>—</u>	<u>50,546,936</u>
Central Bank of India	<u>101,423,338</u>	<u>—</u>
Total	<u>540,423,591</u>	<u>433,849,752</u>
Term / Corporate / Short Term Loans		
LIC of India	<u>565,860,524</u>	<u>515,690,662</u>
UCO Bank	<u>473,736,948</u>	<u>555,462,955</u>
IFCI Limited	<u>472,500,000</u>	<u>600,000,000</u>
PNB International Limited	<u>410,964,385</u>	<u>262,899,015</u>
Rabo India Finance Limited	<u>274,046,290</u>	<u>425,405,768</u>
Catholic Syrian Bank	<u>204,503,885</u>	<u>205,005,452</u>
Central Bank of India	<u>181,205,887</u>	<u>176,822,861</u>
State Bank of Mysore	<u>177,037,911</u>	<u>205,834,491</u>
SICOM	<u>150,000,000</u>	<u>—</u>
Development Bank of Singapore	<u>86,105,912</u>	<u>100,000,000</u>
Indian Bank	<u>39,518,117</u>	<u>67,206,393</u>
Punjab & Sind Bank	<u>12,967,646</u>	<u>68,778,834</u>
Total	<u>3,048,447,506</u>	<u>3,183,106,432</u>
Total Secured Loans	<u>3,588,871,097</u>	<u>3,616,956,184</u>
SCHEDULE 4: UNSECURED LOANS		
Bank of India	<u>—</u>	<u>9,630,758</u>
SICOM	<u>99,714,889</u>	<u>—</u>
SIDBI	<u>59,072,277</u>	<u>42,578,698</u>
Canbank Factors Ltd	<u>40,269,038</u>	<u>19,254,867</u>
Department of Biotechnology	<u>13,500,000</u>	<u>—</u>
Other Unsecured Loans	<u>167,464,236</u>	<u>181,911,620</u>
Total	<u>380,020,440</u>	<u>253,375,943</u>

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SCHEDULE 5: FIXED ASSETS - DEPRECIATION

Description of Assets	(Amount in Rupees)											
	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
	As at 01.04.2010 Rs.	As at Additions to Assets Rs.	As at 31.03.2011 Rs.	As at 01.04.2010 Rs.	For the Year Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.		
Land	3,258,958	-	3,258,958	-	-	-	3,258,958	3,258,958	3,258,958	3,258,958		
Buildings	162,287,910	11,544,297	173,832,207	18,793,786	5,396,959	24,190,745	149,641,462	149,641,462	143,494,124	143,494,124		
Plant & Machinery	3,320,995,142	759,466,820	4,080,461,962	1,042,386,128	336,646,003	1,379,032,131	2,701,429,831	2,701,429,831	2,278,609,014	2,278,609,014		
Furniture & Fixtures	4,547,635	291,996	4,839,631	1,885,825	282,565	2,168,390	2,671,241	2,671,241	2,661,810	2,661,810		
Lab Equipment	633,485,900	107,323,538	740,809,438	101,960,660	73,954,076	175,914,736	564,894,702	564,894,702	531,525,240	531,525,240		
R & D Equipment	63,836,252	119,080	63,955,332	30,144,449	811,852	30,956,301	32,999,031	32,999,031	33,691,803	33,691,803		
Electrical Installation	251,894,577	57,356,042	309,250,619	59,261,940	26,136,421	85,398,361	223,852,258	223,852,258	192,632,637	192,632,637		
Vehicles	5,247,861	1,204,051	6,451,912	1,882,392	553,479	2,435,871	4,016,041	4,016,041	3,365,469	3,365,469		
Office Equipment	4,811,570	368,535	5,180,105	2,623,358	451,896	3,075,254	2,104,851	2,104,851	2,188,212	2,188,212		
Computers	5,417,525	768,208	6,185,733	3,929,799	574,590	4,504,389	1,681,344	1,681,344	1,487,726	1,487,726		
TOTAL	4,455,783,330	938,442,567	5,394,225,897	1,262,868,337	444,807,841	1,707,676,178	3,686,549,719	3,686,549,719	3,192,914,993	3,192,914,993		
Previous Year	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	3,192,914,993	2,561,988,810	2,561,988,810		

Note: There are no deletions in the Fixed Assets.

Jupiter Bioscience Limited

SCHEDULES TO BALANCE SHEET	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 6: INVESTMENTS		
Un-Quoted: (Non-trade, Long term, at cost)		
Investment in Subsidiary Company		
Sven Genetech Ltd.	1,546,828,917	1,434,172,134
Jupiter Bioscience Inc.	991,806,163	334,206,595
Jupiter Bioscience (HK) Limited	2,481,802,989	—
Quoted: (Long term at cost)	10,000,000	10,000,000
SBI Mutual Fund Units (SBI Magnum Sector Funds Umbrella - IT)		
Total	<u>5,030,438,069</u>	<u>1,778,378,729</u>
SCHEDULE 7: INVENTORIES		
Raw Materials	197,981,213	188,640,122
Consumables	3,128,230	2,867,640
Packing Materials	2,383,680	2,219,860
Coal & Fuels	2,972,400	2,764,300
Finished Goods	237,856,932	198,940,572
Semi Finished goods	229,682,579	197,391,114
Total	<u>674,005,034</u>	<u>592,823,608</u>
SCHEDULE 8: SUNDRY DEBTORS (Unsecured and considered good)		
Outstanding for Less than Six Months	577,686,864	392,763,423
Outstanding for More than Six Months	61,548,818	43,240,315
Total	<u>639,235,682</u>	<u>436,003,738</u>
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	395,831	354,456
Balances with Scheduled Banks in Current Accounts	5,571,960	28,498,340
Fixed Deposit with Scheduled Bank (Including accrued interest)	25,484,545	7,146,409
Total	<u>31,452,336</u>	<u>35,999,205</u>

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SCHEDULES TO BALANCE SHEET	As at 31.03.2011 Rs.	As at 31.03.2010 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	146,463,307	142,217,367
Other Advances	8,656,000	18,720,270
Other Deposits	23,491,854	23,599,376
Mat Credit entitlement/Pre Paid Taxes	214,770,432	135,164,294
Total	<u>393,422,043</u>	<u>319,741,757</u>
SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	11,057,334	9,873,396
Other Creditors including Provisions for Expenses	64,897,653	31,396,946
B. Provisions:		
Provision for Dividend	62,433,470	32,266,940
Provision for Income Tax	136,443,452	38,999,541
Provision for Dividend Tax	10,613,690	5,485,380
Total	<u>285,445,600</u>	<u>118,022,203</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Research & Development and Other Expenses	290,254,796	148,990,148
Total	<u>290,254,796</u>	<u>148,990,148</u>

Jupiter Bioscience Limited

SCHEDULES TO PROFIT & LOSS ACCOUNT	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	1,155,504,405	1,039,040,074
Drug Intermediates	1,107,186,848	493,852,616
Speciality and Fine Chemicals	268,390,763	306,538,644
Total	<u>2,531,082,016</u>	<u>1,839,431,334</u>
SCHEDULE 14: OTHER INCOME		
Interest	1,619,389	142,736
Miscellaneous & Other Income	(148,221)	470,143
Total	<u>1,471,168</u>	<u>612,879</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	188,640,122	151,269,638
Add: Purchases during the year	1,230,479,750	750,005,714
	<u>1,419,119,872</u>	<u>901,275,352</u>
Less: Raw Material Consumed for Research	87,928,198	67,808,763
Less: Closing stock of Raw Material	197,981,213	188,640,122
RAW MATERIALS CONSUMED	<u>1,133,210,461</u>	<u>644,826,467</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages & Bonus	54,623,545	40,899,002
Contribution to Provident Fund & ESI	5,132,525	3,750,223
Gratuity	1,743,403	873,815
Leave encashment	2,111,009	638,195
Total	<u>63,610,482</u>	<u>46,161,234</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	198,150,388	212,780,279
Interest on Un-Secured Loans	56,864,874	18,703,066
Total	<u>255,015,262</u>	<u>231,483,344</u>

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SCHEDULES TO PROFIT & LOSS ACCOUNT	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Consumables	17,082,905	16,923,795
Packing Material	4,920,496	4,730,567
Coal, Power & Fuel	23,723,544	23,030,134
Carriage Inwards	3,788,594	3,589,286
Repairs & Maintenance - Machinery	3,389,261	2,763,693
Effluent Treatment Charges	1,211,756	1,497,755
Insurance	4,306,742	4,962,693
Rent	3,153,376	2,953,110
Rates & Taxes	11,292,526	1,546,091
Travelling & Conveyance	8,481,328	7,926,638
Communication Expenses	3,029,340	2,656,963
Printing & Stationery	3,085,822	2,345,404
Business Development Expenses	5,618,379	2,279,350
Clearing & Forwarding Charges	2,643,354	1,304,767
Professional Charges	21,038,446	20,826,711
Directors' Remuneration	3,600,000	3,600,000
Electricity Charges	663,147	429,395
General Expenses	14,573,287	10,705,687
Total	<u>135,602,303</u>	<u>114,072,037</u>
SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES		
Raw Material Consumed	87,928,198	67,808,763
Financial expenses	25,337,047	19,487,005
Other expenses	22,589,900	13,686,909
Total	<u>135,855,145</u>	<u>100,982,676</u>
SCHEDULE 20: INCREASE IN STOCKS		
Closing Stocks:		
Finished Goods	237,856,932	198,940,572
Semi-finished Goods	229,682,579	197,391,114
Total A	<u>467,539,511</u>	<u>396,331,686</u>
Opening Stocks:		
Finished Goods	198,940,572	169,678,110
Semi-finished Goods	197,391,114	168,043,500
Total B	<u>396,331,686</u>	<u>337,721,610</u>
Increase in Stocks (A-B)	71,207,825	58,610,076

SCHEDULE 21: NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

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.1127.49 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 2010-2011 amounting to Rs.362.41 Lakhs.

During the financial year, the company has spent an amount of Rs.1775.05 Lakhs towards its GDR issue and is considered as deferred revenue expenditure and the same will be written off over a period of 10 years from the financial year 2011-2012.

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 115 JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT. Credit receivable

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has been recognized on the basis of return of Income filed 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.

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.234.65 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.1684.39 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.19,37,114/- towards Gratuity and Rs.23,45,566/- 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, 2011** 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.

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.2607.88 Lakhs and the borrowing cost charged to revenue expenses is Rs.2550.15 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	:	24981.84
Export Sales		
Bangladesh	:	1.71
Belgium	:	1.10
England	:	0.07
France	:	27.85
Germany	:	53.72
Ghana	:	1.75
Iran	:	22.17
Japan	:	1.60
Kenya	:	6.63
Latin America	:	26.25
Pakistan	:	109.04
Switzerland	:	74.25
U.K.	:	2.84
Total Sales	:	<u>25310.82</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 Jupiter Bioscience Ltd.
- 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.15468.29 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. 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.

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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.9918.06 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. c. Related party Disclosures	:	(AS 18)
Name of the related Company	:	Jupiter Bioscience (HK) Limited
Description of the relationship	:	Jupiter Bioscience (HK) Limited is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of Jupiter Bioscience (HK) Ltd. 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 (HK) 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 Jupiter Bioscience (HK) Ltd. and invested an amount of Rs.24818.03 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.3759.54 Lakhs
b. Equity Shares of Rs.10/- Each	:	6,24,33,470 Shares
c. Basic and Diluted Earnings Per Share (a/b) in Rupees	:	6.02
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.		

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The Deferred Tax Liability for the Current Year amounting to Rs.234.65 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
	31.03.2011	31.03.2010
Difference between Book and Tax Depreciation	Rs.5222.93 Lakhs	Rs.4265.22 Lakhs
Deferred Tax Liability thereon	Rs.1684.39 Lakhs	Rs.1449.75 Lakhs

11. The investment in Sven Genetech Limited, Jupiter Bioscience Inc. and Jupiter Bioscience (HK) Limited 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.
13. Reduction in Share Capital for the equity shares allotted to the Chairman and Managing Director of the company to the extent of 7,50,000 equity shares as per the resolution passed in the Extraordinary General Meeting of the company held on 14th July, 2010, not effected in the equity share capital of the company due to non receipt of necessary approvals from the statutory authorities.
14. According to the information and explanations given to me, the company has issued 4.63 crores equity shares to the foreign investors towards its GDR issue and raised an amount of Rs.403.63 Crores. The said GDR issue proceeds were utilized for the following purposes.
 - * Setting up/acquisition of manufacturing facilities in India and overseas.
 - * Upgradation / Modernization of existing manufacturing facilities.
 - * Augmenting long term working capital needs
 - * To meet the requirements of ongoing research and process development.
15. 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.

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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, 2011.

	Valuation date 31-03-2011	Valuation date 31-03-2010
I. ASSUMPTIONS AS AT		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.30%	8.00%
Rate of Increase in compensation	5.00%	5.00%
Rate of nature (Expected) on plan assets	—	9.00%
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	5,856,343	3,773,799
Interest Cost	453,696	250,919
Current service Cost	1,118,680	834,489
Benefits paid	(370,274)	(378,470)
Actuarial (gain)/loss on obligation	554,154	1,375,606
PVO at end of period	7,612,599	5,856,343
III. CHANGES IN FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at beginning of period	3,594,257	2,826,925
Expected return on plan assets	(3,018)	264,400
Contributions	306,500	600,000
Benefit Paid	(370,274)	(378,470)
Actuarial gain/(Loss) on plan assets	(114,066)	281,402
Fair value of plan assets at end of period	3,413,399	3,594,257
IV. FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at beginning of period	3,594,257	2,826,925
Actual Return on Plan Asset	(3,018)	545,802
Contributions	192,434	600,000
Benefit paid	(370,274)	(378,470)
Fair value of plan assets at end of period	3,413,399	3,594,257
Funded Status	(4,199,200)	(2,262,086)
Excess of actual over estimated return on Plan Assets	(114,066)	281,402
V. ACTUARIAL GAIN/(LOSS) RECOGNISED		
Actuarial gain/(Loss) for the period (obligations)	(554,154)	(1,375,606)
Actuarial gain/(Loss) for the period (plan assets)	(114,066)	281,402
Total gain/(loss) for the period	(668,220)	(1,094,204)
Actuarial gain/(loss) recognized for the period	(668,220)	(1,094,204)
Unrecognized actuarial gain/(loss) at end of period	—	—

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	Valuation date 31-03-2011	Valuation date 31-03-2010
VI. AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT		
PVO at end of period	7,612,599	5,856,343
Fair value of plan assets at end of period	3,413,399	3,594,257
Funded status	(4,199,200)	(2,262,086)
Un recognized actuarial gain/(loss)	—	—
Net Asset / (Liability) recognized in the Balance Sheet	(4,199,200)	(2,262,286)
VII. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT		
Current service cost	1,118,680	834,489
Interest cost	453,696	250,919
Expected return on plan assets	(306,500)	(264,400)
Net Actuarial gain/(loss) recognized for the period	668,220	1,094,204
Expense recognized in the statement of Profit & Loss account	1,934,096	1,915,212
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN BALANCE SHEET		
Opening Net liability	2,262,086	946,874
Adjustment to opening fair value of plan assets	3,018	—
Expenses as above	1,934,096	1,915,212
Contribution paid	—	600,000
Closing Net liability	4,199,200	2,262,086
IX. EXPERIENCE ANALYSIS		
Actuarial gain/(loss) due to change in basis	(288944)	—
Experience (gain)/loss due to change in experience	843098	—
Total	554154	—
The expected on 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.		
16.	Remuneration to Auditors (Including Service Tax):	
	:	Rs. 60,000
	:	Rs. 20,000
	:	Rs. 20,000
	Total	Rs. 1,00,000
17.	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 Mirco, Small and Medium Enterprise Development Act, 2006 as at March 31, 2011.	

Jupiter Bioscience Limited

18. The figures are adjusted to the nearest rupee.
19. Previous year's figures are regrouped / rearranged wherever necessary to make them comparable with the current year.
20. Accounting Standards prescribed by the Institute of Chartered accountants of India have been followed wherever applicable.
21. 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 31.03.2011		As on 31.03.2010	
	Installed Capacity	Actual Production	Installed Capacity	Actual Production
Peptide Reagents & Protected Amino Acids	250	162.745	226	147.445
Drug Intermediates & API's	300	255.419	144	118.502
Speciality & Fine Chemicals	140	80.717	140	62.751

SALES :	Year 2010-2011		Year 2009-2010	
	Qty. in Tonnes	Amount Rs. in Lakhs	Qty. in Tonnes	Amount Rs. in Lakhs
Peptide Reagents & Protected Amino Acids	159.434	11555.04	142.183	10390.40
Drug Intermediates & API's	254.911	10581.62	119.812	4938.53
Speciality & Fine Chemicals	82.792	2690.36	61.262	3065.39
Others	—	483.80	—	—
Total	497.137	25310.82	323.258	18394.31

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	Year 2010-2011		Year 2009-2010	
	Qty. in Tonnes	Amount Rs. in Lakhs	Qty. in Tonnes	Amount Rs. in Lakhs
Raw Materials Consumed :				
Total Raw Material Consumed	3218.610	11332.10	5561.872	6511.18
Major Raw Material Consumed				
Name of the Raw Material				
1,3 Cyclo Hexanedione	36.565	466.71	49.400	430.72
Succinic Anhydride	16.508	37.31	57.240	129.36
D.C.H.A.NHSU – Salt	14.188	246.70	10.268	177.09
Potassium Iodide	42.176	269.96	58.907	371.34
Resorcinol	83.465	443.02	77.500	411.57

	Year 2010-2011	Year 2009-2010
	Amount Rs. in Lakhs	Amount Rs. in Lakhs
Stores & Spares (Consumables)	170.83	169.24
Packing Material	49.20	47.31
Coal	236.86	228.59
Earning in Foreign Exchange	9902.55	402.87
Expenditure in Foreign Exchange	6830.74	1376.70

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

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 28, 2011

For and on behalf of the Board
Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Satyabratha Padhi
Company Secretary

Jupiter Bioscience Limited

**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.	Jupiter Bioscience (HK) Ltd.
1.	Financial Year of the Subsidiary ended on	31.03.2011	31.03.2011	31.03.2011
2.	Holding Company's Interest in the Subsidiary	2,08,74,300 Shares of Rs.10/- each (90.86%)	100 Common Shares of 1 \$ per share (100%)	1 Common Share 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	Rs. in Lakhs
	i. Dealt with / provided for in the accounts of the holding company	NIL	NIL	NIL
	ii. Not dealt with/provided for in the accounts of the holding company	1539.13	NIL	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	Rs. in Lakhs
	i. Dealt with / provided for in the accounts of the holding company	NIL	NIL	NIL
	ii. Not dealt with/provided for in the accounts of the holding company	953.89	NIL	NIL

For and behalf of the Board

Venkat R. Kalavakolanu
Chairman & Managing Director

Place : Bidar
Date : May 28, 2011

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BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details

Registration Number : 6726 of 1985
State Code : 08
Balance Sheet Date : 31.03.2011

2. Capital Raised during the year : (Amount Rs. in Thousands) :	Public Issue-Call Money NIL Bonus Issue NIL GDR Issue 4,036,347	Rights Issue NIL Private Placement NIL
--	--	---

3. Position of mobilisation and deployment of funds

(Amount Rs. in Thousands)

Total Liabilities : 12,194,908 Total Assets : 12,194,908

Sources of Funds

Paid up Capital : 624,335	Reserves & Surplus : 6,913,488
Deposit against Share Warrants & Application Money : 449,500	Secured Loans : 3,588,871
Unsecured Loans : 380,020	Deferred Tax : 168,439
Sales Tax deferment : 70,254	

Application of Funds

Net Fixed Assets : 3,686,550	Capital Work in Progress : 1,734,996
Net Current Assets : 1,452,669	Misc. Expenditure : 290,255
Investments : 5,030,438	Accumulated Losses : NIL

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

Turnover : 2,532,553	Total Expenditure : 2,133,135
Profit before tax : 399,419	Profit after Tax : 375,954
Earnings per Share in Rs. : 6.02	Dividend Rate % : 10%

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

Satyabratha Padhi
Company Secretary

Jupiter Bioscience Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	2010-2011 Rs.	2009-2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	399,418,672	372,817,195
Adjustments for:		
Depreciation	444,807,841	352,070,492
Interest	255,015,262	231,483,344
Misc. Income	148,221	(470,143)
Interest Received	(1,619,389)	(142,736)
Misc. Expenditure Written Off	36,240,843	36,240,843
Operating Profit Before Working Capital Changes	1,134,011,450	991,998,996
Adjustments for		
Trade and Other Receivables	(276,912,230)	(108,961,179)
Inventories	(81,181,426)	(96,484,820)
Trade Payables	190,888,017	(26,021,309)
Total Adjustments	(167,205,639)	(231,467,308)
Cash generated from Operations	966,805,811	760,531,688
Less: Tax Paid/Payable	79,606,138	63,378,923
Net Cash generated from Operations	<u>887,199,673</u>	<u>697,152,765</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	938,442,567	982,996,675
Investments	3,252,059,340	299,534,883
Capital Work In Progress	346,390,749	444,489,906
Misc. Exp.	177,505,491	—
Misc. Income	148,221	(470,143)
Interest Received	(1,619,389)	(142,736)
Net Cash used in Investing Activities	<u>4,712,926,979</u>	<u>1,726,408,585</u>

Twenty Sixth Annual Report 2010-2011

Particulars	2010-2011 Rs.	2009-2010 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	463,000,000	—
Share Application Money Deposit	—	157,500,000
Share Premium	3,573,347,000	—
Long Term Loans	(28,085,087)	1,074,047,109
Unsecured Loans	126,644,497	96,491,268
Interest Paid	(255,015,262)	(231,483,344)
Dividend Paid/Payable	(62,433,470)	(32,266,940)
Dividend Tax Payable	(10,613,690)	(5,485,380)
Provisions for Taxation - Earlier year	(41,805,070)	(23,185,061)
MAT Credit Entitlement	79,606,138	63,378,923
Deferred Tax	(23,464,620)	(41,394,333)
Net Cash used in Financing Activities	3,821,180,436	1,057,602,242
D. Net Increase/Decrease in Cash and Cash Equivalents	(4,546,871)	28,346,421
E. Cash and Cash Equivalents as on April 01, 2010	35,999,206	7,652,785
F. Cash and Cash Equivalents as on March 31, 2011	31,452,336	35,999,206

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 **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 28, 2011

**CONSOLIDATED FINANCIAL STATEMENTS
OF
JUPITER BIOSCIENCE LIMITED**

Consolidated Balance Sheet 2010-2011

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, 2011 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, Jupiter Bioscience (HK) Limited, subsidiaries, whose financial statements reflect total assets of Rs. 6,123,064,388 as at March 31, 2011 and total revenues of Rs. 781,549,116 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., Jupiter Bioscience (HK) Ltd., 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, 2011; 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, 2011.

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 28, 2011

Jupiter Bioscience Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	645,334,700	182,334,700
Share Application Money		449,500,000	449,500,000
Reserves & Surplus	2	7,441,035,532	3,450,640,077
B. Loan Funds			
Secured Loans	3	4,056,504,805	3,920,458,855
Unsecured Loans	4	418,504,426	283,971,704
C. Deferred Tax Liability			
		207,781,730	178,803,246
D. Sales Tax Deferment			
		70,254,274	70,254,274
Total		<u>13,288,915,467</u>	<u>8,535,962,855</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	7,302,718,860	5,659,576,030
Less: Depreciation		2,171,969,613	1,584,352,057
Net Block of Fixed Assets		<u>5,130,749,247</u>	<u>4,075,223,973</u>
Capital Work-in-Progress		2,593,825,135	2,166,036,753
B. Investments			
	6	3,005,194,774	175,373,503
C. Current Assets and Loans & Advances			
a. Inventories	7	779,057,037	684,084,266
b. Sundry Debtors	8	820,510,647	583,489,601
c. Cash and Bank Balances	9	42,924,224	64,418,849
d. Loans and Advances	10	442,705,175	356,573,836
Gross Current Assets		<u>2,085,197,083</u>	<u>1,688,566,552</u>
Less: Current Liabilities & Provisions	11	348,851,670	192,564,760
Net Current Assets		<u>1,736,345,413</u>	<u>1,496,001,791</u>
D. Miscellaneous Expenditure (to the extent not written off)			
	12	822,800,898	623,326,835
Total		<u>13,288,915,467</u>	<u>8,535,962,855</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 28, 2011

Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha

Director

Satyabratha Padhi
Company Secretary

Consolidated Balance Sheet 2010-2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011			
Particulars	Schedule	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Sales	13	3,312,631,132	2,325,481,267
Other Income	14	1,561,831	1,435,992
Total		<u>3,314,192,963</u>	<u>2,326,917,259</u>
EXPENDITURE			
Consumption of Raw Material	15	1,369,505,125	789,590,268
Payments & Benefits to Employees	16	101,668,409	76,148,902
Financial Expenses	17	293,536,826	261,343,921
Other Expenses	18	171,420,784	144,272,170
Depreciation		587,617,556	443,767,492
Research and Development expenses	19	222,138,410	152,531,535
Misc. Expenses written off (Preliminary & Deferred revenue expenses)		65,659,745	36,240,843
		<u>2,811,546,854</u>	<u>1,903,895,131</u>
Increase in Stocks	20	80,169,531	67,635,613
		<u>2,731,377,323</u>	<u>1,836,259,518</u>
PROFIT FOR THE YEAR BEFORE TAXATION		582,815,640	490,657,741
Less: Provision for Taxation for the Year		119,808,054	83,745,619
MAT Credit Entitlement		(79,606,138)	(63,378,923)
Provision for Deferred Tax for the year		28,978,484	45,513,153
PROFIT AFTER TAX		513,635,240	424,777,892
Provision for Taxation - Earlier Years		(43,887,246)	(23,187,346)
Surplus brought forward		1,405,199,507	1,114,327,216
Amount available for appropriation		<u>1,874,947,500</u>	<u>1,515,917,762</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		62,433,470	32,266,940
Dividend Tax		10,613,690	5,485,380
Surplus Carried to Balance Sheet		1,726,900,340	1,403,165,442
Total		<u>1,874,947,500</u>	<u>1,515,917,762</u>
Earning Per Share (Face Value of Rs.10/- each)		7.96	23.30
Diluted		7.96	23.22
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.		Venkat R. Kalavakolanu	
Chartered Accountants		Chairman & Managing Director	
Firm Regn. No. 003245S			
CA A.G. Venugopal Reddy		K.N. Guha	
Proprietor		Director	
Membership No. 022554			
Place : Bidar (Camp)		Satyabratha Padhi	
Date : May 28, 2011		Company Secretary	

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
7,00,00,000 Equity Shares of Rs.10/- each	<u>700,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid-up:		
6,45,33,470 Equity Shares of Rs.10/- each fully paid-up in cash	<u>645,334,700</u>	<u>182,334,700</u>
Total	<u>645,334,700</u>	<u>182,334,700</u>
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	719,440,293	459,805,346
Transferred from Profit & Loss Account	<u>75,000,000</u>	<u>75,000,000</u>
	<u>794,440,293</u>	<u>534,805,346</u>
Central Subsidy	419,000	419,000
Investment Allowance Reserve	261,579	261,579
Share Premium	4,991,917,210	1,418,570,210
Capital Reserve	93,418,500	93,418,500
Surplus	1,560,578,950	1,403,165,442
Less: Provision for Deferred Tax Liability	—	—
Total	<u>7,441,035,532</u>	<u>3,450,640,077</u>
SCHEDULE 3: SECURED LOANS		
Working Capital Limits		
Industrial Development Bank of India	232,928,840	216,336,537
ING Vysya Bank Limited	131,441,066	98,181,376
Karur Vysya Bank	74,630,347	68,784,904
Punjab & Sind Bank	—	50,546,936
Central Bank of India	<u>101,423,338</u>	<u>—</u>
Total	<u>540,423,591</u>	<u>433,849,752</u>
Term/Corporate/Short Term Loans		
IFCI Limited	472,500,000	600,000,000
UCO Bank	473,736,948	555,462,955
LIC of India	565,860,524	515,690,662
Rabo India Finance Limited	274,046,290	425,405,768
PNB International Limited	410,964,385	262,899,015
State Bank of Mysore	177,037,911	205,834,491
Catholic Syrian Bank	204,503,885	205,005,452
Central Bank of India	181,205,887	176,822,861
DBS Bank	86,105,912	100,000,000
Punjab & Sind Bank	12,967,646	68,778,834
Indian Bank	39,518,117	67,206,393
SICOM	150,000,000	—
State Bank of India	213,593,489	—
Punjab National Bank	149,960,129	164,971,523
Syndicate Bank	—	12,206,588
State Bank of Bikaner & Jaipur	73,421,147	85,366,972
Kotak Mahindra Bank Ltd.	<u>30,658,944</u>	<u>40,957,588</u>
Total	<u>3,516,081,214</u>	<u>3,486,609,102</u>
Total Secured Loans	<u>4,056,504,805</u>	<u>3,920,458,855</u>

Consolidated Balance Sheet 2010-2011

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

Description of Assets	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2010 Rs.	Additions Rs.	As at 31.03.2011 Rs.	As at 1.04.2010 Rs.	For the Year Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Land	12,123,170	-	12,123,170	-	-	12,123,170	12,123,170
Buildings	237,539,265	37,791,047	275,330,312	27,787,640	8,136,514	239,406,158	209,751,625
Plant & Machinery	4,419,992,396	1,199,206,067	5,619,198,463	1,350,147,083	457,944,145	3,811,107,235	3,069,845,313
Furniture & Fixtures	6,795,959	1,001,184	7,797,143	2,594,253	463,926	4,738,964	4,201,706
Lab Equipment	649,334,587	344,729,820	994,064,407	104,434,471	92,267,634	797,362,302	544,900,116
R & D Equipment	63,836,252	119,080	63,955,332	30,144,449	811,852	32,999,031	33,691,803
Electrical Installation	251,894,577	57,356,042	309,250,619	59,261,940	26,136,421	223,852,258	192,632,637
Vehicles	5,247,861	1,204,051	6,451,912	1,882,392	553,479	4,016,041	3,365,469
Office Equipment	6,321,945	945,171	7,267,116	3,407,582	635,991	3,223,543	2,914,363
Computers	6,490,018	790,368	7,280,386	4,692,247	667,595	1,920,545	1,797,771
TOTAL	5,659,576,030	1,643,142,830	7,302,718,860	1,584,352,057	587,617,556	4,075,223,973	4,075,223,973
Prev. Year's Total	4,309,787,113	1,349,788,917	5,659,576,030	1,140,584,565	443,767,492	4,075,223,973	3,169,042,296

Note: There are no deletions in the Fixed Assets.

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 4: UNSECURED LOANS		
Bank of India	—	9,630,758
SICOM	99,714,889	—
SIDBI	59,072,277	42,578,698
Canbank Factors Ltd	40,269,038	19,254,867
Department of Biotechnology	13,500,000	—
Other Unsecured Loans	205,948,222	212,507,381
Total	<u>418,504,426</u>	<u>283,971,704</u>
SCHEDULE 6: INVESTMENTS		
Quoted : (Long term at cost) (SBI Mutual Fund Units)	10,000,000	10,000,000
Investment in Jupiter Bioscience AG	514,047,774	165,373,503
Investment in Agrotech Pte Ltd.	2,481,147,000	—
Total	<u>3,005,194,774</u>	<u>175,373,503</u>
SCHEDULE 7: INVENTORIES		
Raw Materials	228,224,755	214,462,165
Consumables	4,964,960	4,296,230
Packing Materials	2,383,680	2,219,860
Coal & Fuels	2,972,400	2,764,300
Finished Goods	276,600,196	233,563,425
Semi Finished goods	263,911,046	226,778,286
Total	<u>779,057,037</u>	<u>684,084,266</u>
SCHEDULE 8: SUNDRY DEBTORS (Unsecured and considered good)		
Outstanding for Less than Six Months	758,961,829	513,907,256
Outstanding for More than Six Months	61,548,818	69,582,345
Total	<u>820,510,647</u>	<u>583,489,601</u>
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	626,505	3,438,853
Balances with Scheduled Banks in Current Accounts	11,399,506	49,575,867
Fixed Deposit with Scheduled Bank and Bank Guarantees (Including accrued interest)	30,898,213	11,404,129
Total	<u>42,924,224</u>	<u>64,418,849</u>

Consolidated Balance Sheet 2010-2011

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured and Considered good)		
a. Deposits with Statutory Authorities:	952,923	40,450
b. Advances Recoverable in Cash or Kind or for Value to be received:		
Advances to Raw Material Suppliers	180,470,759	171,855,263
Other Advances	22,970,190	21,895,963
Other Deposits	23,491,854	27,568,849
MAT Credit entitlement/Pre Paid Taxes	214,770,432	135,164,294
Interest Receivable	49,017	49,017
Total	<u>442,705,175</u>	<u>356,573,836</u>
SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	17,923,550	44,859,113
Other Creditors including Provision for Expenses	82,735,592	53,087,090
B. Provisions:		
Provision for Dividend	62,433,470	32,266,940
Provision for Income Tax	175,145,368	56,866,237
Provision for Dividend Tax	10,613,690	5,485,380
Total	<u>348,851,670</u>	<u>192,564,760</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Research and Development Expenses	822,800,898	623,326,835
Total	<u>822,800,898</u>	<u>623,326,835</u>

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	1,653,291,870	1,426,117,542
Drug Intermediates	1,107,186,848	493,852,616
Speciality and Fine Chemicals	268,390,763	306,538,644
Formulations	283,761,651	98,972,466
Total	<u>3,312,631,132</u>	<u>2,325,481,267</u>
SCHEDULE 14: OTHER INCOME		
Interest	1,710,052	224,960
Miscellaneous Income	(148,221)	1,211,032
Total	<u>1,561,831</u>	<u>1,435,992</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	214,462,165	175,095,006
Add: Purchases during the year	<u>1,533,069,547</u>	<u>928,168,999</u>
	1,747,531,712	1,103,264,005
Less: Raw Material Consumed for Research	149,801,832	99,211,572
Less: Closing stock of Raw Material	<u>228,224,755</u>	<u>214,462,165</u>
Raw Materials Consumed	<u>1,369,505,125</u>	<u>789,590,268</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus	89,912,725	68,078,515
Contribution to Provident Fund	6,827,457	5,780,718
Gratuity	2,032,750	1,651,474
Leave encashment	2,895,477	638,195
Total	<u>101,668,409</u>	<u>76,148,902</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	232,673,198	237,062,471
Interest on Unsecured Loans	60,863,628	24,281,450
Total	<u>293,536,826</u>	<u>261,343,921</u>

Consolidated Balance Sheet 2010-2011

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Consumables	23,316,145	22,893,951
Packing Material	4,920,496	4,730,567
Coal, Power & Fuel	26,534,282	25,495,397
Carriage Inwards & Transportation	5,339,767	4,698,064
Repairs & Maintenance - Machinery	4,341,619	3,715,534
Effluent Treatment Charges	1,211,756	1,497,755
Insurance	5,626,512	5,565,782
Rent	3,860,176	3,472,091
Rates & Taxes	17,170,781	5,087,283
Travelling & Conveyance	11,780,643	11,146,127
Communication Expenses	3,669,660	3,105,697
Printing & Stationery	4,627,864	3,264,910
Business Development Expenses	11,428,290	6,836,675
Clearing & Forwarding Charges	2,643,354	1,304,767
Professional Charges	21,911,564	22,653,568
Directors' Remuneration	3,600,000	3,600,000
General Expenses	19,437,876	15,204,002
Total	<u>171,420,784</u>	<u>144,272,170</u>
SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES		
Raw Material Consumed	149,801,832	99,211,572
Financial expenses	36,844,651	19,487,005
Other Expenses	35,491,927	33,832,958
Total	<u>222,138,410</u>	<u>152,531,535</u>
SCHEDULE 20: INCREASE IN STOCKS		
Closing Stocks :		
Finished Goods	276,600,196	233,563,425
Semi-finished Goods	263,911,046	226,778,286
Total A	<u>540,511,242</u>	<u>460,341,711</u>
Opening Stocks :		
Finished Goods	233,563,425	198,864,182
Semi-finished Goods	226,778,286	193,841,916
Total B	<u>460,341,711</u>	<u>392,706,098</u>
Increase in Stocks (A—B)	<u>80,169,531</u>	<u>67,635,613</u>

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. 2902.55 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 2010-2011 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.2647.70 Lakhs. Miscellaneous expenses/Preliminary and Pre-operative Expenses on account of Jupiter Bioscience Inc. to the extent not written off or adjusted is Rs.2673.42 Lakhs. Miscellaneous expenses/Preliminary & Pre operative expenses on account of Jupiter Bioscience (HK) Ltd. to the extent not written off or adjusted is Rs. 4.34 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

Consolidated Balance Sheet 2010-2011

- 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. Jupiter Bioscience Ltd. - 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.19,37,114/- towards Gratuity and Rs.23,45,566/- towards Leave encashment of the employees.

Sven Genetech Ltd. - 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.3,21,497/- towards Gratuity of the employees and Rs.8,71,631/- towards Leave

encashment 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, Stae 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 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 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 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, Second paripassu charge on the current assets of the

company, Corporate guarantee of Jupiter Bioscience Limited and also the personal guarantee of the Chairman & Managing Director 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.

Corporate loan availed from State Bank of India is secured by the first paripassu charge on the entire fixed assets, Second Paripassu charge on the entire Current assets of the Company, personal guarantee of the Chairman & Managing Director of the Company, Corporate guarantee of Jupiter Bioscience Limited and the collateral security of open land property belongs to the Chairman & Managing Director 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, 2011 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 “.

Consolidated Balance Sheet 2010-2011

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.32,764.43

Export Sales

Bangladesh : Rs. 1.71

Belgium : Rs. 1.10

England : Rs. 0.07

France : Rs. 27.85

Germany : Rs. 86.62

Ghana : Rs. 1.75

Iran : Rs. 22.17

Japan : Rs. 1.60

Kenya : Rs. 6.63

Latin America : Rs. 26.25

Pakistan : Rs. 109.04

Switzerland : Rs. 74.25

U.K. : Rs. 2.84

Total Sales : Rs.33,126.31

- 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 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.15,468.29 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.

Jupiter Bioscience Limited

Any other elements of the related party : There are no inter company business transactions with Jupiter Bioscience Inc.
transactions
The amounts or appropriate : The Company is the holding company of proportions of outstanding items pertaining to related parties at the Balance Sheet date : Jupiter Bioscience Inc. and invested an amount of Rs.9918.06 Lakhs in the form of Share Capital and Share Application Money.
Provisions for doubtful debts due from : NIL 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.

c. Related party Disclosures : (AS 18)

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

Any other elements of the related party : There are no inter company business transactions with Jupiter Bioscience (HK) Ltd.

The amounts or appropriate : The Company is the holding company of proportions of outstanding items pertaining to related parties at the Balance Sheet date : Jupiter Bioscience (HK) Ltd., and invested an amount of Rs.24818.03 Lakhs in the form of Share Capital and Share Application Money
Provisions for doubtful debts due from : NIL 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

4. Earning Per Share (AS-20):

a. Net Profit after Tax : Rs. 5136.35 Lakhs

b. Equity Shares of Rs.10/- Each : 6,45,33,470 Shares

c. Earnings Per Share (a/b) in Rupees : 7.96

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.

Consolidated Balance Sheet 2010-2011

Deferred Tax Liability for the current year amounting to Rs. 234.65 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. 1684.39 Lakhs.

Deferred Tax Liability for the current year amounting to Rs.55.14 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.393.42 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, Jupiter Bioscience Inc. and Jupiter Bioscience (HK) Ltd., are the subsidiary Companies and considered for consolidation. The extent of share holding as on 31.03.2011 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 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 28, 2011

Satyabratha Padhi
Company Secretary

Jupiter Bioscience Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	2010-2011 Rs.	2000-2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	582,815,640	490,657,741
Adjustments for :		
Depreciation	587,617,556	443,767,492
Interest	293,536,826	261,343,921
Misc. Income	148,221	(1,211,032)
Interest Received	(1,710,052)	(224,960)
Misc. Expenditure Written Off	65,659,745	36,240,843
Operating Profit Before Working Capital changes	<u>1,528,067,936</u>	<u>1,230,574,005</u>
Adjustments for :		
Trade and Other Receivables	(323,152,385)	(147,770,788)
Inventories	(94,972,771)	(107,652,163)
Trade Payables	185,265,394	29,646,969
Total Adjustments	<u>(232,859,762)</u>	<u>(225,775,982)</u>
Cash generated from Operations	1,295,208,173	1,004,798,023
Less: Tax Paid/Payable	119,808,054	83,745,619
Net Cash Generated from Operations	<u>1,175,400,119</u>	<u>921,052,402</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,643,142,830	1,349,788,917
Investments	2,829,821,271	79,255,353
Capital Work In Progress	427,788,382	709,115,702
Misc. Income	148,221	(1,211,032)
Interest Received	(1,710,052)	(224,960)
Miscellaneous Expenditure	244,786,185	64,808,895
Net Cash used in Investing Activities	<u>5,143,976,837</u>	<u>2,201,532,875</u>

Consolidated Balance Sheet 2010-2011

Particulars	2010-2011 Rs.	2009-2010 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	463,000,000	21,000,000
Share Application Money	—	157,500,000
Share Premium	3,573,347,000	189,000,000
Secured Loans	136,045,950	1,157,635,605
Unsecured Loans	134,532,722	108,456,474
Interest Paid	(293,536,826)	(261,343,921)
Dividend Paid/Payable	(62,433,470)	(32,266,940)
Dividend Tax Payable	(10,613,690)	(5,485,380)
Provision for Taxation - Earlier years	(43,887,246)	(23,187,346)
MAT Credit Entitlement	79,606,138	63,378,923
Deferred Tax	(28,978,484)	(45,513,153)
Fringe Benefit Tax	—	—
Net Cash used in Financing Activities	<u>3,947,082,094</u>	<u>1,329,174,260</u>
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(21,494,624)	48,693,787
E. CASH AND CASH EQUIVALENTS AS ON APRIL 01, 2010	64,418,848	15,725,061
F. CASH AND CASH EQUIVALENTS AS ON MARCH 31, 2011	42,924,224	64,418,848

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 28, 2011

Satyabratha Padhi
Company Secretary

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

M. VIJAY KRISHNA

AUDITORS

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

BANKERS

State Bank of India
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.
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Eleventh Annual Report 2010-2011

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of SVEN GENETECH LIMITED will be held at the Registered Office of the Company at 10-2-71 & 72/1, Road No. 3, West Marredpally, Secunderabad – 500 026, on Thursday, September 29, 2011 at 5:00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Venkat R. Kalavakolanu who retires by rotation and being eligible, offers himself for re-appointment.
3. 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. Vijay Kumar & Co., Chartered Accountants who being eligible, for re-appointment be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the

conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between Board of Directors of the Company and the Auditors, in addition to reimbursement of all out-of-pocket expenses in connection with the Audit of the Company."

By Order of the Board
For **Sven Genetech Limited**

Venkat R. Kalavakolanu
Chairman

Date: September 05, 2011
Place: Secunderabad

Note:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

The Members
Sven Genetech Limited

Your Directors have pleasure in presenting herewith the ELEVENTH ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the period ended March 31, 2011.

FINANCIAL HIGHLIGHTS

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

(Rupees in Lakhs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales	7815.50	4860.50
Other Income	9.07	8.23
Manufacturing, Administrative & Selling Expenses	5807.46	3669.98
Profit before Taxation	2017.11	1198.75
Provision for Taxation including FBT	402.10	203.67
Profit after Taxation	1539.13	953.89
Surplus carried to Balance Sheet	3385.48	1846.35

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 60.80 % while the growth in profitability was 61.35 % .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, peptide formulations as well as from the generic 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:

Formulations

Your company is expanding its business in the finished dosage form and has developed and

introduced several generic products in the domestic market with a focus on pain management

The existing Product portfolio of your company consists of the following products.

Leuprolide Acetate

This is mainly used in treatment of prostate cancers and in treatment of infertility. Leuprolide Acetate is available as a regular injection as well as one month and three month depot form. The current formulated dosage is 3.75 mg and 11.25 mg respectively. The depot formulation has been developed by the company and currently this product is being marketed in India. The company has plans to launch this product in other unregulated markets in a phased manner.

Peptide based anti ageing cream

Sven has launched an in-house developed anti-ageing peptide based cream. This cream has been developed using a proprietary formulation. The ageing of skin is primarily due to depletion of a compound called collagen in the skin. The peptide used in the anti-ageing creams triggers the production of collagen resulting in reduction of wrinkles.

Peptide based hair growth gel

The loss of hair in men is linked with the production of testosterone. In conditions where there is excessive hair loss such as cancer, arthritis and other endocrine disorder patients this gel can stimulate the growth of hair. This is currently sold in gel form.

The peptide based anti-ageing cream and the hair growth gel has received very good response from the market.

Coenzyme Q10

Your company has launched this antioxidant in the domestic market and the neighboring regions. Coenzyme Q10 stimulates the immune system and protects the heart from damage caused by some chemotherapy drugs.

Imatinib

This a cytotoxic drug. Imatinib is used to treat certain types of leukemias (cancer that begins in the white blood cells). Imatinib is also used to treat gastrointestinal stromal tumors (GIST; a type

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of tumor that grows in the walls of the digestive passages and may spread to other parts of the body). Imatinib is also used to treat tumor that forms under the top layer of skin when the tumor cannot be removed surgically,. Imatinib is in a class of medications called protein-tyrosine kinase inhibitors. It works by blocking the action of the abnormal protein that signals cancer cells to multiply. This helps stop the spread of cancer cells. Your company is marketing this in dosage of 100 mg capsules and 400 mg tablets.

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. The products introduced in the last financial year are:

Svenpar

Svenpar contains Paracetamol which is a widely used over-the-counter analgesic (pain reliever) and antipyretic (fever reducer). It is commonly used for the relief of headaches, other minor aches and pains, and is a major ingredient in numerous cold and flu remedies. In combination with opioid analgesics, paracetamol can also be used in the management of more severe pain such as post surgical pain and providing palliative care in advanced cancer patients

Paragesics

Paragesics contain two active ingredients, ibuprofen and paracetamol, which are simple painkilling medicines used to relieve mild to moderate pain and fever. Ibuprofen is a type of medicine called a non-steroidal anti-inflammatory drug (NSAID). It is effective at reducing

inflammation and pain. Paracetamol is as effective as aspirin at relieving mild to moderate pain and fever. Paragesics is used in Short-term treatment relief of mild to moderate pain, such as headache, migraine, toothache, sore throat, muscular and rheumatic pain, non-serious arthritis, backache (lumbago), strains, sprains, period pain, Cold and flu symptoms and Fever.

Svenmet

Svenmet contains Metformin which is an oral antidiabetic drug in the biguanide class. It is the first-line drug of choice for the treatment of type 2 diabetes, in particular, in overweight and obese people and those with normal kidney function. Evidence is also mounting for its efficacy in gestational diabetes, although safety concerns still preclude its widespread use in this setting. It is also used in the treatment of polycystic ovary syndrome, and has been investigated for other diseases where insulin resistance may be an important factor.

Svengin

Svengin contain two active ingredients, paracetamol and caffeine. Paracetamol is as effective as aspirin at relieving mild to moderate pain and fever. Caffeine enhances the painkilling effect of paracetamol. Svengin is used in mild to moderate pain, such as headache, migraine, toothache, sore throat, muscular and rheumatic pain, nerve pain (neuralgia), backache (lumbago) and period pain. Also it is used in relieving aches, pains, sore throat and fever associated with colds and flu.

Parafenac

Parafenac contain two active ingredients, paracetamol and aceclofenac. Paracetamol is a clinically proven analgesic and antipyretic agent with weak anti-inflammatory effect. Aceclofenac relieves pain and inflammation through a variety of mechanisms and in addition exerts stimulatory effects on cartilage matrix synthesis. Parafenac is used for relief from severe pain and inflammation in Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis, Low back pain, Dental pain, Gynaecological pain and painful & Inflammatory conditions of ear, nose & throat.

Svenultra

Svenultra contains two different medicines tramadol hydrochloride and paracetamol. They both work in different ways to help relieve moderate to severe pain.

FUTURE OUTLOOK AND NEW PRODUCTS

Future Outlook

Your company is working on several new products for expanding the business of the company from this area. The business areas and the products planned to be introduced is mentioned below:

1. Formulations

The company is planning to launch in the near future formulations in the areas of Cardiology, Diabetology, Oncology, Nephrology, Anti-infectives, Antifungals, Antimenorrhagic agents, Dermatologicals, Neutraceuticals and Cosmeceuticals. The products planned are as follows:

A. Peptide based formulations

- Highly purified FSH
- Desmopressin Nasal spray
- Goserelin
- Buserelin
- Triptorelin
- Cetrorelix

B. Generic formulations

a. Anti Diabetics

- SVENRYL
- SVENGLIT
- SVENMET G
- SVENCLAMIDE M
- SVENRYL M

b. Anti-infectives:

- Cefixime
- Amoxicillin + Clavulanic Acid
- Ciprofloxacin + Ornidazole

c. Antifungal:

- Itraconazole-Tab & Cream

d. Antimenorrhagic agent:

- Tranexamic acid + Mefenamic acid

e. Neutraceuticals:

- Coenzyme Q10+Lycopene+L-carnitine
- Methylcobalamine + gabapentin
- Calcium Ascorbate + Zinc
- Whey Protein Powder

f. Dermatologicals:

- Betamethasone ointment
- Betamethasone + Calcipotriol

g. Oncology & Nephrology

- Erlotinib
- Oxaloplatin
- Voricanazole
- Amphotericin-B
- Tacralimus
- Nurch- Predigestive Protein Liquid.
- Evirolimus
- Glutamine

2. Clinical Enzymes

Proposed Products

A brief overview on the products proposed to be developed and commercialized is given below:

- Enzymes for Bio-catalysis
- Industrial Enzymes
- Diagnostic Enzymes

Enzymes for Bio-catalysis : The enzymes manufactured on commercial scale for bio-transformation include Protease, Xylanase, Lipase and Acylase.

Industrial Enzymes : The enzymes to be manufactured on commercial scale are :

- Pectinase
- Phytase

Diagnostic Enzymes : The enzymes proposed to be manufactured on a commercial scale include:

- Cholesterol Oxidase
- Cholesterol Esterase

Market

The total market for enzymes worldwide is 4 billion USD. In US alone the market is about USD 1.5 billion. The market is growing at a rate of 8-10% annually. The largest segment by applications is pharmaceuticals (41%) followed by food and feed industry (18%) and detergent industry (17%).

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.

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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.114.48 Lakhs on account of direct exports made during the year. The Company has expended Rs.27.72 Lakhs in foreign exchange on account of import of Lab chemicals, Equipment and Travel related expenses.

DIRECTORS

Mr. Venkat R. Kalavakolanu, 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 judgements 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 or loss of the Company for that period :
- * 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, 2011 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 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.

By Order of the Board
For **Sven Genetech Limited**

Venkat R. Kalavakolanu
Chairman

Place : Secunderabad
Date : September 5, 2011

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

FORM A : CONSERVATION OF ENERGY

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

	2010-2011	2009-2010
1. Power & Fuel Consumption		
a. Electricity :		
Purchased Units	135,704	1,83,094
Total Amount (Rs. In Lakhs)	11.04	11.48
Rate per Unit (Rs.)	8.14	6.27
b. Own generation through Diesel Generator		
Litres of Diesel Oil	42580	51,547
Total Amount inclusive of other expenses (Rs. In Lakhs)	17.07	19.33
Cost per Unit (Rs.)	14.02	12.10

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.

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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, 2011 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, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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

-
- 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, 2011 outstanding for a period of more than six months from the date they became payable.
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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.
- 18.1 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, 2011

Sven Genetech Limited

BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a. Share Capital	1	229,750,000	221,000,000
b. Reserves & Surplus	2	606,297,516	373,634,947
		<u>836,047,516</u>	<u>594,634,947</u>
2. Share Application Money Deposit Pending Allotment		<u>1,259,335,917</u>	<u>1,234,179,134</u>
3. Loans Funds			
a. Secured Loans	3	467,633,709	303,502,671
b. Unsecured Loans	4	21,730,840	13,869,603
4. Deferred Tax Liability		<u>39,342,343</u>	<u>33,828,479</u>
		<u>1,788,042,809</u>	<u>1,585,379,886</u>
TOTAL		<u>2,624,090,325</u>	<u>2,180,014,833</u>
II. APPLICATION OF FUNDS			
1. Fixed Capital Expenditure	5		
a. Gross Block		1,655,237,994	1,187,944,013
b. Less: Depreciation		<u>443,506,066</u>	<u>319,009,909</u>
c. Net Block		1,211,731,928	868,934,104
d. Capital Work-in-Progress		<u>858,829,300</u>	<u>777,431,667</u>
		<u>2,070,561,228</u>	<u>1,646,365,771</u>
2. Current Assets, Loans & Advances:			
a. Inventories	6	105,052,003	91,260,658
b. Sundry Debtors	7	181,274,965	147,485,862
c. Cash and Bank Balances	8	11,118,879	25,557,935
d. Other Current Assets	9	49,017	49,017
e. Loans and Advances	10	<u>46,058,425</u>	<u>33,607,369</u>
		<u>343,553,289</u>	<u>297,960,841</u>
Less: Current Liabilities and Provisions			
a. Current Liabilities	11	16,092,391	40,634,098
b. Provisions	12	<u>38,701,916</u>	<u>17,866,696</u>
		<u>54,794,307</u>	<u>58,500,795</u>
Net Current Assets		<u>288,758,982</u>	<u>239,460,046</u>
3. Miscellaneous Expenditure to the extent written off	13	<u>264,770,114</u>	<u>294,189,016</u>
TOTAL		<u>2,624,090,325</u>	<u>2,180,014,833</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, 2011

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

K.N. Guha
Director

M. Vijay Krishna
Company Secretary

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	Schedule	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
INCOME			
Sales		781,549,116	486,049,934
Other Income	14	90,663	823,113
TOTAL		781,639,779	486,873,047
EXPENDITURE			
Materials Consumed		236,294,664	144,763,801
Payment & Benefits to Employees	15	38,057,927	29,987,668
Manufacturing, Selling and Administrative Expenses	16	35,818,481	30,200,134
Financial Expenses	17	38,521,565	29,860,577
Depreciation		124,496,157	89,662,937
Research and Development Expenditure	18	86,283,264	51,548,858
Miscellaneous Expenses Written Off		29,418,902	—
		588,890,959	376,023,974
Less: Adjustment for Stocks	19	8,961,706	9,025,537
		579,929,253	366,998,437
Profit for the year before Taxation		201,710,525	119,874,609
Provision for Taxation		40,201,916	20,366,696
Provision for Deferred Tax for the Year		5,513,864	4,118,820
Provision for Taxation - Earlier Years		2,082,176	—
Net Profit after Taxes		153,912,569	95,389,093
Excess Provision for Income Tax written back		—	(37,361)
Short Provision for FBT written back		—	35,076
Provision for Deferred Tax Liability (earlier years)		—	—
Profit Carried forward from previous year		184,634,947	89,248,139
Profit carried to the Balance Sheet		338,547,516	184,634,947

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, 2011

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

K.N. Guha
Director

M. Vijay Krishna
Company Secretary

Sven Genetech Limited

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Capital		
3,50,00,000 Equity Shares of Rs.10/- each	<u>350,000,000</u>	<u>350,000,000</u>
Issued, Subscribed and Paid-up Capital		
2,29,75,000 Equity Shares of Rs.10/- each	<u>229,750,000</u>	<u>221,000,000</u>
	<u>229,750,000</u>	<u>221,000,000</u>
SCHEDULE 2: RESERVES & SURPLUS		
Surplus	<u>338,547,516</u>	<u>184,634,947</u>
	<u>338,547,516</u>	<u>184,634,947</u>
Share Premium	<u>267,750,000</u>	<u>189,000,000</u>
	<u>606,297,516</u>	<u>373,634,947</u>
SCHEDULE 3: SECURED LOANS		
Term/Short Term Loans		
Punjab National Bank	149,960,129	164,971,523
State Bank of India	213,593,489	—
Syndicate Bank	—	12,206,588
State Bank of Bikaner & Jaipur	73,421,147	85,366,972
Kotak Mahindra Bank Limited	30,658,944	40,957,588
	<u>467,633,709</u>	<u>303,502,671</u>
SCHEDULE 4: UNSECURED LOANS		
Security Deposits from Distributors	2,400,000	2,100,000
Other Unsecured Loans	19,330,840	11,769,603
	<u>21,730,840</u>	<u>13,869,603</u>
SCHEDULE 6: INVENTORIES		
As per inventories taken and certified by the Management		
Raw Material	30,243,542	25,822,043
Consumables	1,836,730	1,428,590
Semi Finished Goods	34,228,467	29,387,172
Finished Goods	38,743,264	34,622,853
	<u>105,052,003</u>	<u>91,260,658</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	148,206,879	121,143,832
Outstanding for more than six months	33,068,086	26,342,030
	<u>181,274,965</u>	<u>147,485,862</u>

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SCHEDULE 5: FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK			
	Balance as on 31.03.2010 Rs.	Additions during the year Rs.	Total as on 31.03.2011 Rs.	Upto 31.03.2010 Rs.	For the year Rs.	Total upto 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Land	8,864,212	-	8,864,212	-	-	-	8,864,212	8,864,212
Buildings	75,251,355	26,246,750	101,498,105	8,993,854	2,739,555	11,733,409	89,764,696	66,257,501
Plant, Machinery and R & D Eqmt.	1,098,997,254	439,739,247	1,538,736,501	307,760,955	121,298,142	429,059,097	1,109,677,404	791,236,299
Office Equipment	1,510,375	576,636	2,087,011	784,224	184,095	968,319	1,118,692	726,151
Furniture & Fixtures	2,248,324	709,188	2,957,512	708,428	181,361	889,789	2,067,723	1,539,896
Computers	1,072,493	22,160	1,094,653	762,448	93,005	855,453	239,200	310,045
Total	1,187,944,013	467,293,981	1,655,237,994	319,009,909	124,496,157	443,506,066	1,211,731,928	868,934,104
Previous year's 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

Note: There are no deletions in the Fixed Assets.

Sven Genetech Limited

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 8: CASH & BANK BALANCES		
Cash on Hand	230,674	222,688
Balance with Scheduled Banks - Current Accounts	5,474,538	21,077,527
Margin Money for Bank Guarantees	5,413,668	4,257,720
	<u>11,118,879</u>	<u>25,557,935</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	34,007,452	29,637,896
Deposits and other Advances	12,050,973	3,969,473
	<u>46,058,425</u>	<u>33,607,369</u>
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors	6,866,216	34,985,717
Other Liabilities	9,226,175	5,648,381
	<u>16,092,391</u>	<u>40,634,098</u>
SCHEDULE 12: PROVISIONS		
Provision for Income Tax	38,701,916	17,866,696
	<u>38,701,916</u>	<u>17,866,696</u>
SCHEDULE 13: MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Research & Development Expenditure	264,770,114	294,189,016
	<u>264,770,114</u>	<u>294,189,016</u>
Particulars	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
SCHEDULE 14: OTHER INCOME		
Interest	90,663	82,224
Miscellaneous Income	—	740,889
	<u>90,663</u>	<u>823,113</u>
SCHEDULE 15: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries & Wages	35,289,180	26,908,635
Provident Fund and ESI	1,694,932	2,030,495
Gratuity	289,347	777,660
Staff Welfare	—	270,878
Leave Encashment	784,468	—
	<u>38,057,927</u>	<u>29,987,668</u>

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Particulars	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
SCHEDULE 16: MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENDITURE		
Consumables	6,233,240	5,970,156
Power & Fuel	2,810,738	2,465,263
Repairs & Maintenance-Plant	952,358	951,841
Insurance	1,319,770	603,089
Rent	706,800	518,981
Rates, Taxes & Filing Fees	5,878,255	3,541,192
Travelling & Conveyance	3,299,315	3,219,490
Communication Expenses	640,320	448,734
Printing & Stationery	1,542,041	919,506
Freight & Transportation	1,551,172	1,108,778
Sales Commission	753,536	701,306
Business Development expenses	5,809,911	4,557,326
Legal & Professional Charges	873,118	1,826,857
General Expenses	3,447,906	3,367,615
	<u>35,818,481</u>	<u>30,200,134</u>
SCHEDULE 17: FINANCIAL EXPENSES		
Interest on Term Loans	34,522,811	24,282,193
Interest on other Loans and Deposits	3,998,754	5,578,384
	<u>38,521,565</u>	<u>29,860,577</u>
SCHEDULE 18: RESEARCH AND DEVELOPMENT EXPENSES		
Material Consumed	61,873,634	31,402,809
Payment & Benefits to Employees	4,228,659	3,331,963
Other Overheads	20,180,972	16,814,086
	<u>86,283,264</u>	<u>51,548,858</u>
SCHEDULE 19: ADJUSTMENT FOR STOCKS		
Opening 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>
Closing Balance:		
Finished Goods	38,743,264	34,622,853
Semi Finished Goods	34,228,467	29,387,172
	<u>72,971,731</u>	<u>64,010,025</u>
Increase in Stocks	8,961,706	9,025,537

SCHEDULE 20

NOTES FORMING A PART OF THE ACCOUNTS AS AT MARCH 31, 2011

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. Miscellaneous Expenditure amounting to Rs.2941.89 Lakhs relating to Research & 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 2010-2011 amounting to Rs.294.19 Lakhs.
 - 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. Taxation :
An Income Tax expense comprises current tax.
2. The sales during the year reflect sale of products from Research & Development, Pilot scale production activity and Formulations of the Company.
 3. 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 & Managing Director of the Company.
 4. Term loan availed from Punjab National Bank is fully secured by first paripassu charge on the fixed assets of the company, Second paripassu charge on the current assets of the company, Corporate guarantee of Jupiter Bioscience Limited and also the personal guarantee of the Chairman & Managing Director of the company.
 5. Term Loan (Equipment Finance) availed from Kotak Mahindra Bank is secured by the corporate guarantee of Jupiter Bioscience Limited, personal guarantee of the Chairman & Managing Director of the Company and the collateral security of open land property belongs to the Chairman & Managing Director of the company.
 6. Corporate loan availed from State Bank of India is secured by the first paripassu charge on the entire fixed assets, Second Paripassu charge on the entire Current assets of the Company, personal guarantee of the Chairman & Managing Director of the Company, Corporate guarantee of Jupiter

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Bioscience Limited and the collateral security of open land property belongs to the Chairman & Managing Director of the Company.

7. The Company is a subsidiary company of Jupiter Bioscience Limited and the parent company has invested an amount of Rs.154.68 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. 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,2011 is amounting to Rs.55,13,864 has been adjusted in the profit and loss account in accordance with the Accounting Standard 22.

10. 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.2,89,347/- towards Gratuity of the employees.

11. 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.

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

Production	Year 2010-11		Year 2009-10	
	Qty. in Kgs.	Qty. in Kgs.	Qty. in Kgs.	Qty. in Kgs.
Peptide precursors & Others	596.281		378.410	

	Year 2010-11		Year 2009-10	
	Qty. in Kgs.	Amount Rs. in Lakhs	Qty. in Kgs.	Amount Rs. in Lakhs
Sales				
Peptide Precursors & Others	726.123	7815.49	359.360	3633.28
Opening Stock				
Peptide Precursors & Others	58.056	213.54	39.006	172.69
Closing Stock				
Peptide Precursors & Others	33.714	224.67	58.056	213.54

Sven Genetech Limited

	Year 2010-11		Year 2009-10	
	Qty. in Kgs.	Amount Rs. in Lakhs	Qty. in Kgs.	Amount Rs. in Lakhs
Major Raw Material Consumed:				
Benzyl Acrylic Acid	1292	41.27	763	24.02
Para Iodo Anisole	408	6.52	185	4.54
Raney Nickel	87	14.74	108	18.25
Penta Fluorophenol	95	23.78	71	17.72
Palladium Catalyst	32	19.17	26	15.31
Others		1750.07		1074.43

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

g. Break up of Raw Material Consumption	:	Year 2010-11	Year 2009-10
Indigenous	:	100%	100%
		Rs.1854.13 Lakhs	Rs.1154.27 Lakhs
Imported	:	100%	100%
		Rs.1.42 Lakhs	Rs.6.75 Lakhs
h. Earnings in Foreign Exchange	:		
- FOB value of exports of Finished goods			32.90 (50.33)
i. Expenditure in Foreign Exchange			
Laboratory Chemicals, Equipment and others	:		1.81 (0.47)
j. Payments to Auditors			(Amount in Rs.)
1. As Auditors	:		1,00,000 (1,00,000)

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

Signatures on Schedules 1 to 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, 2011

For and on behalf of the Board of Directors

Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

M. Vijay Krishna
Company Secretary

Eleventh Annual Report 2010-2011

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details

Registration Number : 01-33456
State Code : 01
Balance Sheet Date : 31.03.2011

2. **Capital Raised during the year** : Public Issue Rights Issue
(Amount Rs. in Thousands) : NIL NIL
Bonus Issue Private Placement
NIL 8,750

3. Position of mobilisation and deployment of funds

(Amount Rs. in Thousands)

Total Liabilities : 2,624,090 Total Assets : 2,624,090

Sources of Funds

Paid up Capital : 229,750 Reserves & Surplus : 606,298
Share Application Money : 1,259,336 Secured Loans : 467,634
Unsecured Loans : 21,731 Deferred Tax : 39,342

Application of Funds

Net Fixed Assets : 1,211,732 Capital Work-in-Progress : 858,829
Net Current Assets : 288,759 Misc. Expenditure : 264,770
Accumulated Losses : —

4. Performance of the Company

(Amount Rs. in Thousands)

Turnover : 781,549 Total Expenditure : 579,929
Profit before tax : 201,710 Profit after Tax : 153,912
Earning per Share in Rs. : 6.70 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, 2011

M. Vijay Krishna
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Particulars	2010-2011 Rs.	2009-2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	201,710,525	119,874,609
Adjustments for:		
Depreciation	124,496,157	89,662,937
Interest	38,521,565	29,860,577
Misc. Income	—	(740,889)
Interest Received	(90,663)	(82,224)
Miscellaneous Expenditure Written Off	29,418,902	—
Operating Profit Before Working Capital Changes	394,056,486	238,575,010
Adjustments for		
Trade and Other Receivables	(46,240,159)	(38,809,609)
Inventories	(13,791,345)	(11,167,343)
Trade Payables	1,807,376	47,332,809
Total Adjustments	(58,224,127)	(2,644,142)
Cash generated from Operations	335,832,358	235,930,868
Less: Tax Paid/Payable	40,201,916	20,366,696
Net Cash generated from Operations	295,630,442	215,564,171
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	467,293,981	361,889,597
Capital Work In Progress	81,397,633	264,625,796
Misc. Income	—	(740,889)
Interest Received	(90,663)	(82,224)
Net Cash used in Investing Activities	548,600,951	625,692,280

Eleventh Annual Report 2010-2011

Particulars	2010-2011 Rs.	2009-2010 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	8,750,000	21,000,000
Share Application Money Deposit	25,156,783	165,990,754
Share Premium	78,750,000	189,000,000
Long Term Loans	164,131,038	83,588,497
Unsecured Loans	7,861,237	2,768,006
Interest Paid	(38,521,565)	(29,860,577)
Provision of Taxation - Earlier year	(2,082,176)	(37,361)
Provision for FBT - Earlier year	—	35,076
Deferred Tax	(5,513,864)	(4,118,820)
Fringe Benefit Tax	—	—
Net Cash used in Financing Activities	238,531,454	428,365,575
D. Net Increase/Decrease in Cash and Cash Equivalents	(14,439,055)	18,237,467
E. Cash and Cash Equivalents as on April 01, 2010	25,557,935	7,320,468
F. Cash and Cash Equivalents as on March 31, 2011	11,118,879	25,557,935

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, 2011

For and on behalf of the Board of Directors

Venkat R. Kalavakolanu
Chairman

K.N. Guha
Director

M. Vijay Krishna
Company Secretary

DIRECTORS' REPORT

Jupiter Bioscience Inc (JB Inc.) has been promoted as a wholly owned subsidiary of Jupiter Bioscience Limited in USA . The company has taken a pharmaceutical manufacturing facility in the State of Maryland on a long term lease which is one of the manufacturing hubs for the pharmaceutical and the biotech sector in the US.

The company has dedicated this facility for manufacturing peptides by the solid phase synthesis. The buildings with cGMP layout have been completed and all the utilities and services have been set up. The company has taken additional facility for storage of materials and solvents. The company in the initial phase is being equipped with solid phase peptide synthesizers and preparative and analytical HPLC columns.

Jupiter Bioscience Inc will focus on the following business segments

- Generic peptide APIs by solid phase synthesis
- APIs for peptide in clinical trials by solid phase
- Custom synthesis of peptides and peptidomimetics
- Peptide Libraries and microarrays

The company would start the commercial manufacture of following peptide APIs in the next financial year

- Calcitonin
- Desmopressin
- Oxytocin
- Octreotide

The products in the pipeline for commercialization are

- Exenatide
- Bivaluridin

Jupiter Bioscience AG

During the financial year 2008-09 your company acquired through its subsidiary Jupiter Bioscience Inc, a peptide manufacturing facility located at Läuelfingen, Switzerland from Merck, Germany. Jupiter Bioscience AG will focus on manufacturing of synthetic peptides by the solution phase .

Jupiter Bioscience AG will focus on manufacturing in following areas

- Generic peptide APIs by solution phase
- APIs for peptide in clinical trials
- High end peptide building blocks
- Custom peptides
- Generic Peptide APIs by solution phase

Jupiter Bioscience AG is manufacturing the following Generic peptide APIs in the facility

- Leuprolide
- Goserelin
- Somatostatin
- Pseudoproline Peptides

The products in the pipeline for commercialization are

- Buserilin

Your Directors are presenting herewith the Balance Sheet of Jupiter Bioscience Inc as on 31.03.2011. The Profit and Loss Account was not prepared for the period as there was 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, 2011

Jupiter Bioscience Inc.

BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	As at 31.03.2011 Amount in Rs.	As at 31.03.2010 Amount in Rs.
SOURCES OF FUNDS			
Common Stock	A	4,831	4,831
Advance towards Share Capital from Jupiter Bioscience Ltd., India		991,801,333	334,201,764
Unsecured Loans		16,726,158	16,726,158
Accounts Payable	B	8,611,764	16,041,763
Total		<u>1,017,144,086</u>	<u>366,974,516</u>
APPLICATION OF FUNDS			
Laboratory Equipment		253,254,969	15,848,687
Less: Depreciation		20,787,368	2,473,811
		<u>232,467,600</u>	<u>13,374,876</u>
Investment in Jupiter Bioscience AG		514,047,774	165,373,504
Checking Account - SunTrust Bank		103,563	2,861,709
Advances for Consulting / Services		3,182,693	3,182,693
Preliminary & Preoperative Expenses	C	267,342,456	182,181,734
Total		<u>1,017,144,086</u>	<u>366,974,516</u>

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : May 28, 2011

SCHEDULES TO BALANCE SHEET

Particulars	As at 31.03.2011 Amount in Rs.	As at 31.03.2010 Amount in Rs.
SCHEDULE - A		
COMMON STOCK		
Authorised Share Capital 5,000 Common Shares of \$ 1 per share	241,533	241,533
Issued, Subscribed and Paid-up Capital 100 Common Shares of \$ 1 per share	4,831	4,831
Total	4,831	4,831
SCHEDULE - B		
ACCOUNTS PAYABLE		
Professional Fees Payable	3,552,633	3,388,840
Salaries and Contributions Payable	588,761	3,828,062
Rentals Payable	4,470,370	5,287,131
Other Overheads	—	3,537,730
Lab Equipment	—	—
Total	8,611,764	16,041,763
SCHEDULE - C		
PRELIMINARY & PREOPERATIVE EXPENSES		
Administrative and General Expenses	104,029,658	78,176,338
Depreciation	20,820,937	2,507,379
Legal & Professional fees & Expenses	56,433,007	36,873,607
Rentals & Maintenance - Office	60,399,604	51,085,604
Other Expenses	15,999,396	8,886,092
Raw Materials	9,659,853	4,652,715
Total	267,342,456	182,181,734

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, 2011 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

Place : Secunderabad
Date : May 28, 2011

Venkat R. Kalavakolanu
Director

Jupiter Bioscience (HK) Ltd.

DIRECTORS' REPORT

Jupiter Bioscience (Hong Kong) Ltd. has been promoted as a wholly owned subsidiary of Jupiter Bioscience Limited. The purpose of establishing the subsidiary in Hong Kong was to mainly to explore the Business synergies in China and South east Asia which can help the company in maximizing its business opportunities, sourcing, Logistics and in turn profitability for the company.

During the financial year 2010-11 your company through its subsidiary Jupiter Bioscience (HK) Ltd. has acquired 45% stake in Agrotech Management Pte Ltd based in Singapore . Agrotech Management Pte Ltd is a holding company having its investment in Chakra Biotech Pte Ltd.

Chakra Biotech Pte Ltd was established in 2001 in Singapore. They have in-licensed several intellectual property assets that permits the discovery of novel chemical entities and a technology platform as discovery engine.

Chakra Biotech is focused on the development of drugs for CNS disorders, currently a rapidly growing USD50 billion market opportunity.

The company has established a neurobehavioural screening facility Chakra Biotech Sdn Bhd in Malaysia to facilitate discovery of novel compounds targeted towards various aspects of psychiatric illnesses.

Chakra Biotech Pte Ltd has an exclusive world-wide license to six composition of matter patent

applications. The chemistry of these compounds present some very novel opportunities to develop first-in-class and best-in-class candidates for psychiatric illnesses. The chemical manufacturing process is also proprietary and facilitates the syntheses of chiral compounds from the start.

Schizophrenia is a devastating disease that occurs in early adulthood. It affects 0.8 - 1 percent of the population, some 80 million people worldwide and is characterized by symptoms of hallucinations, delusional beliefs, disorganized thinking or speech, social withdrawal and apathy. The social and financial effects of schizophrenia are significant, with the estimated cost of lost productivity and medical care to be about US\$32.5 billion per year in the U.S. alone. Drugs for psychiatric disorders (antipsychotics) have an global annual market of USD18.2 billion growing at 11%

Your Directors are presenting herewith the Balance Sheet of Jupiter Bioscience (HK) Ltd. as on 31.03.2011. The Profit and Loss Account was not prepared for the period as there was 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, 2011

Jupiter Bioscience (HK) Ltd.

BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule	As at 31.03.2011 Amount in Rs.
SOURCES OF FUNDS		
Common Stock	A	46
Advance towards Share Capital from Jupiter Bioscience Ltd., India		2,481,802,943
Other Unsecured Loans		26,988
Total		<u>2,481,829,977</u>
APPLICATION OF FUNDS		
Investment in Agro Tech Management Pte Ltd.		2,481,147,000
Cash at Bank		249,446
Preliminary & Preoperative Expenses	B	433,531
Total		<u>2,481,829,977</u>

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : May 28, 2011

Jupiter Bioscience (HK) Ltd.

SCHEDULES TO BALANCE SHEET

Particulars	As at 31.03.2011 Amount in Rs.
SCHEDULE - A	
COMMON STOCK	
Authorised Share Capital (10,000 Common Shares of \$ 1 per share)	<u>444,650</u>
Issued, Subscribed and Paid-up Capital (1 Common Shares of \$ 1 per share)	<u>46</u>
Total	<u><u>46</u></u>

SCHEDULE - B

PRELIMINARY & PREOPERATIVE EXPENSES

Administrative and General Expenses	26,988
Bank Charges	<u>406,543</u>
Total	<u><u>433,531</u></u>

Notes on Accounts:

1. The company is incorporate during the financial year 2010 - 11. There are no commercial operations during the year and no corresponding year figures are available.
2. 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.
3. Balance Sheet as at March 31,2011 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.

Place : Secunderabad
Date : May 28, 2011

For and on behalf of the Board
Venkat R. Kalavakolanu
Director



JUPITER BIOSCIENCE LIMITED

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

ATTENDANCE SLIP

26th Annual General Meeting, Friday, the 30th September, 2011 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 26th 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 26th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 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 2011

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.

BOOK-POST
PRINTED MATTER



If undelivered, please return to:
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West Marredpally
Secunderabad - 500 026.
Andhra Pradesh. INDIA.
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