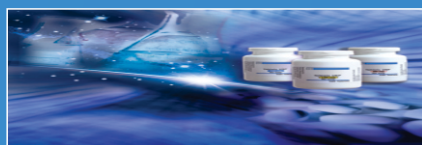


Leadership through focused Research

Innovation in support of Health Care

# CELESTIAL BIOLABS LIMITED



## ANNUAL REPORT 2011-2012

*Our Research Products*

**BIOVITA<sup>®</sup>**

(Improves logical memory, immunity and Growth)

**VENTILAIR<sup>®</sup>**

(Provides better relief to Asthma patients)



Committed to provide affordable and innovative medicines for healthier life

## List of Products

### HERBAL Formulations

Bioliv

Cel-Clear

Cel-Digest

Gynocel

Healthone

O-kof

C-Kaps Plus

Relifin

Biovita (Granuels)

Rhumacel (Oil & Lotion)

Touch (Rool on Balm)

Trem plus

Bio-Sleep

Ventilair

Glucocel

### ALLOPATHIC Formulations

Equibact & Eqibact Syrup

Abaprom

Cel-O2 & Cel-O2-OZ

Kc-Vin-500

Lavacep

Nacmocel

Nitfur-SR

Taparac

Tyclocef

Celamino

Entilin

Entilin-D

Entilin-CL

Gerdiloc-D

Paseloc & Paseloc-D

Versavit & Versavit-Pro

Cel-D-Zyme

Lysirin

Knit Cream

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## Corporate Information

### BOARD OF DIRECTORS

|                         |                   |
|-------------------------|-------------------|
| Dr. A. N. Singh         | Managing Director |
| Dr. Jeetainder Roy Gour | Director          |
| Dr. B.Siva Kumar        | Director          |
| Mrs Padma Singh         | Director          |

### REGISTERED OFFICE :

Plot No. 59, Road No : 12,  
APIIC Tech Park, IDA Nacharam  
Hyderabad 500 076, A.P. India  
Phones: +91 40 64565544, 65552697  
Web : [www.celestialbiolabs.com](http://www.celestialbiolabs.com)  
e-mail : [info@celestialbiolabs.com](mailto:info@celestialbiolabs.com)  
e-mail : [cs@celestialbiolabs.com](mailto:cs@celestialbiolabs.com)  
e-mail: [investors@celestialbiolabs.com](mailto:investors@celestialbiolabs.com)

### STATUTORY AUDITORS

Lakshmi Purna & Associates  
Chartered Accountants  
Plot No 17-24, Bhagyanagar Colony,  
Kukatpally,  
Hyderabad 500 072

### REGISTRAR SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd  
Plot No 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad – 500 081

### BANKERS

State Bank of India  
Industrial Finance Branch  
Somajuguda,  
Hyderabad

ICICI Bank  
Jubilee Hills Branch  
Plot No .1259, Road No.36  
Jubilee Hills, Hyderabad

## **Chairman's Address**

### **Dear Shareowners**

We believe in innovations. It is time taking, expensive but ultimately innovation shall provide birth to new products. New and Innovative products shall always create demand and your company shall be benefitted. No doubt, we are passing through difficult phase because of big capital project and large product development expenses. However, very shortly, majority of things shall be in order and your company will take a progressive path.

### **Performance**

We have extremely good product range in Herbal, allopathic and Bio- formulations. We are also upgrading our healthcare ERP products. Our Celsanjivani portal itself shall be able to create a huge business volume. We are moving in synergy by improving our supply chain and also introducing control measures. Our performance has not been very good, but once, our capital projects are completed, we will make rapid progress.

### **Industry**

Industry is passing through a difficult phase now, but pharma industry shall be able to keep the pace with the good quality products as there is always demand for such quality pharma products. Our most of the products are very effective and we are making every effort to meet the demand. We are struggling with production issues because of power shortages and once our facility at Biotech park is ready, the situation shall improve drastically as the Biotech park gets special status in terms of amenities like water and power supply that is missing in present situation.

The biopharmaceutical market is highly competitive. In order to have a competitive edge, our facility at Biotech park is an integrated one clubbed with extremely good facility of R&D. We will continue to pursue our R&D initiative and in order to achieve our objective; we have submitted nos of Research projects to different agencies like department of Biotechnology, Department of science and Industrial Research and Tifec., Ministry of Science and Technology, Govt Of India.

### **Strategy**

To reduce our Interest burden, we shall be submitting a bio project to technology Development board so that GMP/ WHO compliance can be met with that financial assistance. With the WHO stamping on the premier products, our export potential shall be very high and we shall be able to penetrate in world bank, Islamic Bank and UNICEF funded project to distribute our medicines across the world.

## **Human Resource**

Quality manpower and their retention is always an challenging task and addressing this task carefully shall increase the productivity. We have taken very careful steps to retain only quality, dedicated and efficient staff. We are going to reward shortly to all our dedicated staff and business associates by offering company shares at no cost to them. Training courses and sending them to various seminars and symposium shall also be our priority.

## **Collaboration**

We are also developing collaborations with CSIR and ICAR institutions to develop the Biotech products. Collaborative research projects with these premier research organisation shall provide an competitive edge and also increase our learning graph having association with very experienced Research scientists. We are also installing software at each C&F in all the states to make our monitoring and control more effective. We are making every effort to complete the remaining work at city and Biotech park facility so that visibility so that production, supply chain can be improved in order to increase the business volume.

## **Value to the shareholders**

We have engaged reputed PR agencies to promote our company among the equity research analyst so that shares price can give true reflections. Increasing the investor wealth is our top priority and we will make rapid progress towards achieving our objective once our capital project is completed.

## **Corporate Social responsibility**

We have decided to distribute our medicines free to poor people who cannot afford to spend on medicines. This distribution is being done in villages through AWAKE RESEARCH and SERVICE FOUNDATION, a voluntary and social organization. We are also making effort to buy herbal raw material from farmers directly by giving value to farmers and also ensuring complete quality of raw material

## **Acknowledgement**

We thank you all our shareholders, stake holders, staff and business associates for their continued support and look forward to your valuable advice to reach to our objective.

**Dr A.N. Singh**



## **NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the members of **CELESTIAL BIOLABS LIMITED** will be held on Saturday the 29<sup>th</sup> September 2012 at 10.00 a.m at the registered office of the Company at Plot # 59, Road # 12, APIIC Tech Park, IDA Nacharam, Hyderabad – 500076 to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2012, the Profit & Loss Account for the year ended on that date together with the schedules and annexure thereto and the reports of the Auditors and Directors
2. To appoint a Director in place of Dr. D. B. Siva Kumar who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. Jeetainder Roy Gour who retires by rotation, and being eligible offers himself for reappointment.
4. To reappoint M/s. Lakshmi Purna & Associates, Chartered Accountants, retiring auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### **Special Business**

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all the resolution passed earlier and pursuant to the applicable provisions of the Companies Act, 1956 and any other law in force, and subject to such other approvals, consents, permissions and sanction, if any, as may be required from appropriate authorities and subject to such other conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as “The Board” which term shall include any committee of the Board) the formation and creation of a Trust viz., CELESTIAL BIOLABS EMPLOYEES AND ASSOCIATES WELFARE TRUST” be and is hereby approved by the members on such terms and in such manner as decided by the Board of Directors of the Company for the allotment of the Equity Shares to the employees and associates of the company, without any consideration to the extent of Rs. Rs. 4,91,07,000/- in the manner as laid down in explanatory statement consequent to the renunciation of the eligible sweat equity shares (final Tranche) to be allotted to Dr. A. N. Singh, the Promoter of the Company in lieu of the compensation (part) for transfer of the ownership rights of the Intellectual Property Assets (Software Programmers) developed and owned by him to the Company.

FURTHER RESOLVED THAT consent be and is hereby accorded authorizing the board to appoint trustees to act in accordance with the Trust Deed.

FURTHER RESOLVED THAT the Trust created by the Company for the said allotment of equity shares to the employees and associates of the Company shall hold the shares renounced by Dr A N Singh on behalf of the beneficiaries ( i.e. eligible employees and associates) in such manner and on such terms and conditions as would be devised in the trust deed.

FURTHER RESOLVED THAT the Board be and is hereby authorized to formulate, frame, evolve, decide upon, the broad terms and conditions as it deems fit in its own discretion from time to time and to make any modifications(s)/ variations(s)/ alteration(s)/ revision(s) in the terms and conditions of such trust deed as may be executed for the said allotment of equity shares to the employee and associate of the Company from time to time, including but not limiting to make amendment(s) to eligibility criteria or to suspend, withdraw, terminate or revise any such trust deed.

FURTHER RESOLVED THAT for the purpose of giving effect to the foregoing resolutions and to settle any question, difficulty or doubt that may arise in this regard, the Board of Directors of the Company or the Chairman or the Managing Director as may be delegated by the Board be and is hereby authorized severally to do all such acts, deeds, matters, and things and execute deeds, agreements, all such documents, authorization letters, instruments and writings as they may be in their sole and absolute discretion deem fit, necessary or expedient.”

**For and on behalf of the Board of Directors  
For Celestial Biolabs Limited**

Place: Hyderabad  
Date : 03.09.2012

**Dr. A. N. Singh  
(Chairman & Managing Director)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Member / proxy should bring the attendance slip sent herewith, duly filed in, for attending the meeting.
3. An Explanatory Statement as required under Sec.173 (2) is annexed herewith.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DPID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
6. Register of Members and Transfer Books of the Company will be closed from 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 both days inclusive.
7. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s. Karvy Computershare Private Limited Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.
8. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed refunds of the Public Issue for more than seven years from the date it became due shall be transferred to Investor Education and Protection Fund (the fund). Hence those persons, who have not encashed their refund and requested to encash the same immediately.



## EXPLANATORY STATEMENT

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

### Item # 5

As you all are aware that the Company had earlier by way of postal ballot obtained the consent of the members for the issue and allotment of sweat equity shares to Dr A N Singh, Chairman and Managing Director who is the promoter of the Company in lieu of the compensation for transfer of the ownership rights of the Intellectual Property Assets (Software Programmes - worth of Rs.8.17 Cr.) developed and owned by him to the Company. Dr A N Singh had transferred intellectual property worth Rs.8.17 crores to the company. However he has been compensated by allotting shares with all the necessary approvals as tabled hereunder

| Sl.No | Particulars   | Amount of consideration in Rs |
|-------|---|-------------------------------|
| 1     | Total value of the IPRs transferred   | 8,17,50,000                   |
| 2     | Value of shares allotted as sweat equity in Tranche I   | 1,59,03,000                   |
| 3     | Value of shares allotted as sweat equity in Tranche II  | 1,67,40,000                   |
| 4     | Value of the Consideration due to Dr Singh which he is eligible for being considered in allotment of sweat equity shares (1- (2+3)) | 4,91,07,000                   |

This is to reiterate all the members that Dr A N Singh has renounced his unallotted portion of sweat equity shares in the Extra Ordinary General Meeting held on 28.04.2011. In supersession of the resolution passed in the EGM as mentioned above Dr A N Singh had requested the Board to allot the equity shares renounced by him in favor of the employees and associates for the reasons mentioned hereunder in the present industrial scenario employee retention is posing a significant challenge to the management. Potential competition and wide ranging needs of employees being the main cause for higher employee turnover. In view of these facts Dr A N Singh had requested the Board to form a trust which shall hold the shares on behalf of the employees and associates (hereinafter referred to as "beneficiaries") until the same are allotted to the beneficiaries based on the criteria to be decided by the trust. Considering the request of Dr A N Singh and also to confront the challenge of employee retention your directors have decided to constitute a trust to whom the so renounced equity shares would be allotted and who in turn would hold the same on behalf of the beneficiaries (i.e Employees and Associates) till the same be allotted/transferred to the beneficiary.

The trust shall frame the criteria, terms and conditions on basis of which the said equity shares would be allotted to the beneficiaries. The beneficiaries of the trust would be determined on the basis of seniority, performance, position and responsibilities, nature of service to the company, period of service of the employees/associates, employees/associates value addition to the company and other related parameters.

Relevant date for the purpose of the said allotment shall be in accordance with SEBI Guidelines/Regulations.

The Board of directors are severally authorized to do all such acts, deeds and things and execute all such documents as may be deemed necessary to conclude the transaction, form and constitute the trust. This regard your company seeks the approval of its members to allot the equity shares eligible by Dr A N Singh to the employees and associates of the Company and also to authorize the Board of Directors of the Company to constitute a trust and do all the acts, deeds and things as may be required to give effect to this transaction.

The Board commends the Special resolution for the member's approval.

None of the director of the Company is concerned or interested in the proposed resolutions, except to the extent of their shareholding in the company and/or to the extent of the benefits that may be offered to them under the trust.

**For and on behalf of the Board of Directors  
For Celestial Biolabs Limited**

Place: Hyderabad  
Date : 03.09.2012

**Dr. A. N. Singh  
(Chairman & Managing Director)**