

Leadership through focused Research

Innovation in support of Health Care

CELESTIAL BIOLABS LIMITED



ANNUAL REPORT 2013-2014

Our Research Products

Celestial
BIOVITA[™]

(Improves logical memory, immunity and Growth)



Natural Health Drink to Control Stress, Boost Intellect.



Celestial
BiovitaTM
Granules

बायोविटा



Brahmi

Increases intellectual power



Shatavari

It rejuvenates you



Shankhapushpi

A powerful brain tonic



Gokshuru

Builds up muscle strength & boosts up immunity



Ashwagandha

Beneficial in general weakness, Anxiety, Stress & Insomnia

- ☀ It is useful for students, office executives and businessmen, who suffer from stress and mental pressure.
- ☀ It improves logical memory, learning process and treats general debility, hence very effective in children.
- ☀ It improves short-term memory, intermediate memory & long-term memory & Concentration levels.
- ☀ It reduces senile dementia (old age forgetfulness), anxiety and insomnia.
- ☀ It relieves the problems associated with excessive stress among professional, intellectuals, students & elderly people.
- ☀ It is an excellent product which Improves immunity.

Scientifically formulated extract based herbs ensures better efficacy, better potency, better disease control, & better patient compliance. Derived from natural source, no side effects or adverse effects reported.

Biovita is safe and gentle and assists the brain with cognitive tasks and functions. It supports the ability of the brain and nervous system to readily store and recall information. It helps improve blood flow in the brain and to deliver increased oxygen to brain cells, thus improving cognition. Each of the herbs in this formula has been used for centuries to improve concentration, focus, memory and mental energy. It improves memory, and increase mental endurance. Biovita revitalizes the brain and also assists in improving mental clarity and vision, Biovita reduces the common lethargic feeling we commonly face & boosts up the immunity.

Dosage: 1-2 teaspoonful to be given, with warm milk Or as directed by physician.

Manufactured & Marketed by

CELESTIAL BIOLABS LIMITED

(An ISO 9001-2008 certified company)

Plot No : 59, Road No : 12, APIIC Tech Park, IDA Nacharam, Hyderabad - 500076, T.S. INDIA

Customer Care : 040- 64565544, 65552697 . E-mail : customercare@celestialbiolabs.com, Web : www.celestialbiolabs.com

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Corporate Information

BOARD OF DIRECTORS

Dr. A. N. Singh	Managing Director
Dr. Jeetainder Roy Gour	Director
Dr. B. Shiv 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
e-mail : cs@celestialbiolabs.com
e-mail: 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
Nacharam Branch
Hyderabad

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

Chairman's Address

Dear Share owners

Innovation is the key in biopharmaceuticals. Initiative towards Biopharma product development that is process driven, time taking and expensive proposition is continuing. New and Innovative products shall always create demand and your company shall be benefitted. Ultimately, our R&D initiatives have given us two research products like Cadalmin and Biovita. Lead compound to treat diabetes and 4 New molecules in peptide and 5 products in Enzymes are in advance stage of development. At this stage, when we have already invested substantial money on research and development activities, bringing further fund for R&D is difficult however; we would like to continue our product development effort with the support of Department of Science and Technology.

Performance

Herbal and Enzyme formulations can also be marketed worldwide by using online platform along with off line present marketing activities, We are moving in synergy by improving our supply chain and also introducing new control measures. We have already started advertising our Lead research product called Cadalmin, to treat arthritis and also in the process of advertising Biovita. Our effort is to establish OTC market for all our products.

Industry

The future outlook of Biopharmaceutical Industry is very good but we are passing through a difficult phase and making all our effort to complete the capital project in order to streamline all our manufacturing under one umbrella. 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 clubbed with extremely good facility of R&D. We will continue to pursue our R&D initiative in peptide, Enzymes and protein and proceed with manufacturing of these products at new facility. Project at SEZ, Biotech park shall provide us an opportunity to market our products in Domestic and overseas market.

Strategy

Shift shall be towards OTC marketing, we are able to build better volume and Strengthening the manufacturing and improving marketing and distribution channel is our main focus. To reduce our Interest burden, we have made successful effort to get the fund so that GMP/ WHO compliance can be met with additional financial assistance. WHO stamping on the premier products, shall provide us an opportunity to market our products in African and south East Asian countries. Reaching everywhere through C&F and distributors is an difficult proposition and online sales will take us at every corner of India. Feed supplement to cattles, poultry and fisheries is an major task to us and celestial is continuously trying to improve the quality and increase the range of feed supplements in order to spread the sale of feed supplements across India.

Human Resource

Effective and 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. Training courses and sending them to various seminars and symposium shall also be our priority and thus we will ensure professional skill development

Collaboration

Collaborative research is essential for small companies so that we can always fulfill our research objective most economically and effectively. We are also developing collaborations with CSIR and ICAR institutions to develop the Biotech products. Collaborative research projects with these premier research organization shall provide an competitive edge and also increase our learning graph having association with very experienced Research scientists of these prominent institutions.. 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 production, supply chain can be improved in order to increase the business volume. CMFRI Kochin association has given us Cadalmin, a great product. Cadalmin efficacy is so

high that people suffering from arthritis are getting tremendous relief. Further we are moving to have an collaborative research with Osmania University of Hyderabad to develop molecule to treat diabetes

Value to the shareholders

Shareholders are very important to us. We always keep shares holders interest on priority and would like to ensure all our shares holders that we will maximize their return on investment in another two years time. 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 distributed worth Rs 9 lakhs of medicines free to poor people who did not afford to buy the 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. There is very good response from farmers to work on contract farming to grow medicinal plants.

Acknowledgment

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

Dr A.N. Singh

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of **CELESTIAL BIOLABS LIMITED** will be held on Saturday the 15th day of November, 2014 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 31st March, 2014, 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. B.Shiva Kumar (DIN: 01883849) who retires by rotation, and doesn't offers himself for reappointment.
3. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 M/s. Lakshmi Purna & Associates. Chartered Accountants, (Firm Regn. No. 012323S), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the financial year 2014-15 to 2016-17 of the Company, subject to ratification of their appointment by the Members of the Company at every Annual General Meeting after this Annual General Meeting as per the provisions of the Companies Act, 2013, on such remuneration which may be decided by the Board of Directors of the Company

Special Business:

4. To consider and if thought fit to pass the following resolution as special resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV & the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Jeetainder Roy Gour (DIN 02810147), Director of the Company who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 1-4-2014 and shall hold office up to 31-03-2019, not liable to retire by rotation.”

5. To consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED THAT pursuant to the provisions of Section.160 and other applicable provisions if any of the Companies Act, 2013, consent of the members be and is hereby accorded for the appointment of Dr. D C Sastri as the Director of the Company w.e.f 15.11.2014

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV & the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. D C Sastri (DIN 02682897), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 15.11.2014 and shall hold office up to 14.11.2019, not liable to retire by rotation.”

6. To consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED that pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 consent of the members be and is hereby accorded to the enhancement of gross monthly remuneration of Mr.Amit Singh, (son of Dr A N Singh, Chairman and Managing Director of the Company) who holds an office or place of profit as Associate Vice President, upto Rs.1,00,000/- together with the usual allowances and benefits, amenities and facilities including staff superannuation fund, retiring gratuity, and provident funds benefits as applicable to other employees occupying similar post or posts within the same salary grade”

FURTHER RESOLVED THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of central government, where necessary, increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.”

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution.

“RESOLVED THAT pursuant to Section 62 (1) (C) & Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchanges and subject to such approvals, consents, permissions and sanctions of all other appropriate and / or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers conferred by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue, allot and deliver 20,00,000 (Twenty Lacs only) convertible warrants on preferential basis in one or more tranches, convertible into 20,00,000 (Twenty Lacs only) equity shares (one Equity Share for one warrant issued) of the Company of the face value of Rs.10/- each to the following categories of persons for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with SEBI (ICDR) Regulation, 2009 or other provisions of the law as may be prevailing at the time; provided that the minimum price of the warrants so issued shall not be less than the price arrived at in accordance with provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

S.No.		No. of Warrants to be allotted
1	Promoters:	
	I.Anita Singh	72,000
2	Non Promoters:	
	I.Lakshmi Distributors (ultimate beneficiaries – Mr Virendra Singh & Mr Gaurav Uplap)	9,00,000
	II.Deccan Enterprises (ultimate beneficiaries – Mr Virendra Singh & Mr Gaurav Uplap)	8,11,333
	III.Balaji Medicom (ultimate beneficiaries – Mr Gaurav Uplap & Mr Pankaj Kumar)	2,16,667
	Total	20,00,000

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (ICDR) Regulation, 2009, shall be 30 days prior to the date of the General Meeting at which the

approval of the shareholders in terms of Section 62(1)(C) & section 42 of the Companies Act, 2013 is obtained.

RESOLVED FURTHER THAT

- a) each warrant be convertible into one equity share can be exercised at any time within a period of 18 months from the date of issue of such Warrants and on such other terms and conditions, subject to SEBI (ICDR) Regulation, 2009, as may be applicable, from time to time.
- b) In accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, 25% of the consideration payable for the warrants (and the equity shares into which they are converted), shall be paid by the proposed allottees to the Company upon issue and allotment of the warrants
- c) The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.
- d) Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari passu in all respects with the then existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections as they may deem fit and appropriate and give such directions/instructions as may be necessary to settle any questions, difficulties or doubts that may arise in regard to the offer, issue or allotment of the said securities and with a power to change the number of warrants hereby created, issued and offered to the person (s) referred above and within the limit mentioned above and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed."

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

"RESOLVED THAT in accordance with the provisions of Section 62 & Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with the enabling provisions of the Memorandum and Articles of Association of the Company [including any statutory modification(s) or re-enactment thereof for the time being in force and relevant provisions of the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999 and the Issue of Foreign Currency Convertible Bonds, Global Depository Receipts and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Guidelines prescribed by the Securities and Exchange Board of India (SEBI) and subject to such approval(s), consent(s), permission(s) and/or sanction of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms, conditions, modifications and alterations as may be prescribed and specified by any of them in granting such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to offer, issue and allot, in the course of offerings, in domestic and/or one or more foreign markets, any Securities including Equity Shares, Global Depository Receipts and/or American Depository Receipts, Foreign Currency Convertible Bonds, Convertible Bonds, Euro-convertible Bonds/Shares/Debentures, Preference Shares whether Cumulative/ Redeemable/ Partly convertible/ convertible at the option of the company and / or at the option of the holders of the Security(s), Securities partly or fully convertible into Equity shares and/or securities linked to Equity Shares and/or any instruments or securities with or without detachable warrants, secured or unsecured or such other types of securities representing either Equity Shares or Convertible Securities (hereinafter referred to as "Securities") to Companies in the process of acquiring companies, either by way of swap of equity shares or by way of cash payments, or a mix of both swap and cash, to Foreign/Domestic Investors, Non-residents, Foreign Institutional Investors/ Foreign Companies/ NRI(s) / Foreign National(s)/Banks/Mutual Funds/Financial Institutions or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company, through Prospectus, Offering Letter, Circular to the general public and/or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions as the Board may in its absolute discretion deem fit for an amount to be raised not exceeding US \$ 50.00 million or equivalent thereof through ECB/ FCB or soft loan, including green shoe option on such terms and conditions, as the Board may in its sole discretion decide including pricing, the form and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares as may be required to be issued and allotted upon conversion of any such securities referred to above or as may be in accordance with the terms of the offering(s) and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT such of these securities to be issued as are not subscribed may be disposed of by the Board to such person(s)/entity (ies) in such manner and on such terms as the Board in its absolute discretion thinks fit, in the best interest of the Company and as is permissible in law.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for issue of Depository Receipts representing underlying equity Shares/ Preference Shares/ GDR's and other securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent.

RESOLVED FURTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the securities in the international market and may be governed by applicable foreign laws.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in such tranche, issue price, face value, premium amount on issue/conversion of Securities, Exercise of Warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute discretion deems fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, the Appointment of Registrar, Book-Runner, Lead-Managers, Trustees/Agents, Bankers, Global co-coordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies/intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and/or in one or more international stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or Company Secretary/Compliance Officer or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

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

Place: Hyderabad
Date : 14.10.2014

**Dr. A. N. Singh
(Chairman & Managing Director)
DIN: 01756827**