

*Leadership through focused Research*

*Innovation in support of Health Care*



## **ANNUAL REPORT 2016-2017**

**Committed to provide affordable and innovative medicines for healthier life**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Dr. A N Singh (DIN: 01756827)	-	Managing Director, Executive & Non Independent
Dr. Jeetainder Roy Gour (DIN: 02810147)	-	Independent & Non Executive
Dr.D.C. Sastry (DIN: 02682897)	-	Independent & Non Executive
Smt.Padma Singh (DIN: 01448915)	-	Non Independent & Non Executive

### **STATUTORY AUDITORS**

M/s. Lakshmi Purna & Associates, Chartered Accountants, Hyderabad - 500 072  
(upto the ensuing AGM)

### **INTERNAL AUDITORS**

Mrs P.Usha

### **SECRETARIAL AUDITORS**

M/s.GMVDR & Associates, Company Secretaries, Hyderabad - 500029

### **BANKERS**

State Bank of India, Nacharam Branch, Hyderabad  
ICICI Bank, Jubilee Hills Branch, Hyderabad  
HDFC Bank Nacharam Hyderabad

### **REGISTRARS & SHARE TRANSFER AGENTS**

Karvy Computershare Private Limited.  
"Karvy Selenium Tower-B", Plot No.31&32  
Gachibowli, Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032  
Tel: +91-40-67162222/33211000,  
Email Id: support@karvy.com  
Website: www.karvycomputershare.com

### **REGISTERED OFFICE**

Celestial Biolabs Limited  
Plot # 59, Road # 12, TSIIC Tech Park  
IDA Nacharam, Hyderabad - 500 076, Telangana  
Phone: +91 40 65552697/64565544  
Email: cs@celestialbiolabs.com  
Website:www.celestialbiolabs.com  
CIN- L72200TG1997PLC028374

## **CHAIRMAN'S ADDRESS**

### **Dear Members**

Clinically validated research formulations shall differentiate our products from rest of the products in herbal range. Initiative towards Biopharma product development that is process driven, time taking and expensive is continuing with limited resources. 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. 4 New molecules in peptide and 5 products in Enzymes are in advance stage of development. Anti diabetes product fully validated and clinically tested is ready to be launched shortly At this stage, biovia, a prominent herbal health drink and cadalminGae and cadalmin ADE shall be the key products that will be advertised and promot

### **Performance**

Anti arthritis and Biovita have already made an established mark in the market. 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, Our effort is continuing to establish OTC market for all our products. We shall spread our domestic marketing in 15 states during the next year

### **Industry**

Biopharmaceutical Industry scenario is very good but we are addressing with great care to revamp our business model. 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 developing effective supply chain management by introducing new CSA and stockiest at different places. We are also introducing incentive scheme to stockiest sales person in order to increase the volume of sales

The biopharmaceutical market is highly competitive. In order to have a competitive edge, our facility at Biotech park is an integrated facility clubbed with extremely good facility of R&D where product development of innovative project shall be the key factor. 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. This will provide us an opportunity to market our products in Domestic and overseas market.

### **Strategy**

Every effort and established processes are in place towards brand building and advertising to handle OTC marketing, We are able to build better volume by Strengthening the manufacturing, marketing and distribution We are in the process of meeting WHO stamping on the premier products and that shall provide us an opportunity to market our products in African and south East Asian countries attracting premier pricing.. 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 cattle's, poultry and fisheries is an major task to us and celestial is continuously trying to improve the reach and increase the range of feed supplements in order to spread the sale of feed supplements across India.

### **Human Resource**

This aspect is a recognized tool to increase productivity. 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. We have taken a Person with Company secretary and chartered accountancy qualification and also are in the process of recruiting Business development and Research and developmental professionals

**Collaboration**

Innovation and development cost is becoming more and more day by day and it needs an optimization effort. Collaborative research is essential for a company like us so that we can always fulfill our research objective most economically and effectively. We are also developing collaborations with CSIR and ICAR and ICMR institutions to develop the Biotech products. Collaborative research projects with these premier research organization shall provide a 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 launch a much needed research product 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 shall be benefitted immensely. . Increasing the investor wealth is our top priority and we will make rapid progress towards achieving our objective once our capital project is completed. We always address any complaint by shareholders very promptly in order to increase share holders value, we are in the process of reorganizing our research and manufacturing.

**Corporate Social responsibility**

Good industries need to support social cause. We are providing medicines on a very concessional rate to under privileged and handicap people who can not afford to buy the expensive 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 driven source directly by giving value to farmers and also ensuring good quality of raw material. There is very good response from farmers to work on contract farming to grow medicinal plants and shall be moving shortly to have such agreement with farmers cooperative society

**Acknowledgment**

We always appreciate and acknowledge the valuable input and advise from our shareholders., 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 at regular interval

**Dr. D C Sastri**

## **NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the members of CELESTIAL BIOLABS LIMITED will be held on Thursday the 28th day of September, 2017 at 9.00 a.m. at Federation House, 11-6-841, FTAPCCI Marg, Red Hills, Hyderabad – 500 004 to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2017, 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 Smt.Padma Singh (DIN:01448915) who retires by rotation, and being eligible offers herself 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(2) and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014, M/s. M/s.A S Naidu & Co, Chartered Accountants, (Firm Regn. No.008549S), be and are hereby appointed as Statutory Auditors of the Company for a period 5 years from conclusion of 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting, in place of M/s.Lakshmi Purna & Associates. Chartered Accountants, (Firm Regn. No. 012323S), the retiring auditors at such remuneration as may be decided by the Board of Directors from time to time, 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,

### **Special Business:**

4. To consider, and if thought fit, to pass, with or without modifications, 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 Mr.Amit Kumar Singh (DIN:01824426) as the Director of the Company.

“FURTHER RESOLVED THAT subject to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Mr.Amit Kumar Singh be designated as Executive Director of the Company for a period of 5 years at a remuneration upto Rs.36.00 Lacs p.a.

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

Place: Hyderabad  
Date: 02.09.2017

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

## **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. 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.
4. 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.
5. Register of Members and Transfer Books of the Company will be closed from 26<sup>th</sup> September, 2017 to 28<sup>th</sup> September, 2017 both days inclusive.
6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s. Karvy Computershare Private Limited, "Karvy Selenium Tower-B", Plot No.31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Phone: 040-6716 2222 (Board) Fax: 040-2300 1153, Toll Free: 1800-345-4001.
7. Pursuant to Section 125 of the Companies Act, 2013, 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 are requested to encash the same immediately.
8. Shareholders may inspect the documents / certificates referred to in the notice and / or explanatory statement at the Registered office of the company during the business hours on any working day upto the date of AGM.
9. E-Voting: Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Karvy Computershare Private Limited for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on **21<sup>st</sup> September 2017** (Cut -off date fixed for this purpose). **The e-voting period will commence at 10.00 a.m. on Monday 25<sup>th</sup> September, 2017 and will end at 5.00 p.m. on Wednesday 27<sup>th</sup> September, 2017.** The Company has appointed Mr.G.M.V.Dhanunjaya Rao, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice
10. Members are requested to avail the e-communication facility for receiving the Annual Reports, other communications from the Company, by updating their email IDs with the RTA so as to save paper & the Mother Nature.

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 173 (2)) of the Companies Act, 2013**

**Item: 4**

Mr.Amit Kumar Singh (DIN 01824426) is working with the Company since 2008 in various positions. Based on his experience in various functional areas, the Board at their meeting held on 02.09.2017 proposed him to appoint as Executive Director of the Company. The Nomination and Remuneration Committee in its meeting held on 02.09.2017 has recommended his appointment as Executive Director & his remuneration. Brief resume of Mr.Amit Kumar Singh, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships / Chairmanships of Board, Committees, shareholding and relationships between Directors *inter-se* are provided in the Corporate Governance Report forming part of this Annual Report

Your Company has received a notice under Section 160 together with a deposit of requisite amount from a shareholder proposing the candidature of Mr.Amit Kumar Singh to the office of Director of the Company. As per Section 160 of the Companies Act, 2013 approval of members is required for his appointment. Further your directors propose his appointment as the Executive Director of the Company.

The Board recommends the resolution for approval. Mr.Amit Kumar Singh is the son of Dr.A.N.Singh, Managing Director & Smt Padma Singh, Director of the Company. None of the Directors, KMP except Dr A N Singh and Smt Padma Singh are concerned or interested in the resolution.

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

Place: Hyderabad  
Date: 02.09.2017

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



**Additional disclosures under Schedule V of the Companies Act, 2013**

**I. Information about the appointees**

Particulars	Smt.Padma Singh	Mr Amit Kumar Singh														
Date of Birth	04.04.1960	04.08.1982														
Date of Appointment	30.09.2005	Not Applicable														
Qualifications	Graduate in social science.	M.Com														
Expertise in specific functional areas	Over a decade of experience as a social activist	General Administration, Finance & Marketing activities.														
Chairmanships / Directorships of other Companies (excluding Foreign Companies and Section25 Companies)	Total Health Kare International Private Limited	Total Health Kare International Private Limited														
Chairmanships / Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/Investors Grievance Committee)	Nil	Nil														
Number of shares held in the Company	15,73,354	7,64,250														
Other details as required under Schedule V	Smt.Padma Singh is a Non Executive Non Independent Director of the Company.	<table><tr><td>Background details</td><td>Associated with the Company since 2008</td></tr><tr><td>Past remuneration</td><td>Rs.24.00 Lacs p.a.</td></tr><tr><td>Recognition or awards</td><td>Nil</td></tr><tr><td>Job profile and his suitability</td><td></td></tr><tr><td>Remuneration proposed</td><td>Rs.36.00 Lacs p.a.</td></tr><tr><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</td><td>Postgraduate in commerce with more than 10 years of marketing experience . Sallary is relevant to profile and position and responsibility.</td></tr><tr><td>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</td><td>Promoter &amp; .Mr. Amit Kumar Singh is the son of Dr.A.N.Singh, Managing Director &amp; Smt Padma Singh, Director of the Company</td></tr></table>	Background details	Associated with the Company since 2008	Past remuneration	Rs.24.00 Lacs p.a.	Recognition or awards	Nil	Job profile and his suitability		Remuneration proposed	Rs.36.00 Lacs p.a.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Postgraduate in commerce with more than 10 years of marketing experience . Sallary is relevant to profile and position and responsibility.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter & .Mr. Amit Kumar Singh is the son of Dr.A.N.Singh, Managing Director & Smt Padma Singh, Director of the Company
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Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter & .Mr. Amit Kumar Singh is the son of Dr.A.N.Singh, Managing Director & Smt Padma Singh, Director of the Company															
Past remuneration	Nil	Rs.24.00 Lacs p.a.														
Remuneration proposed	Nil	Rs.36.00 Lacs p.a.														

**II. Other Information**

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement & Expected increase in productivity and profits in measurable terms.	N.A.
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## **DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2017. The Report also includes the Management Discussion and Analysis Report in accordance with the Guidelines on Corporate Governance and Financial Statements.

The highlights of the financial results for the year 2016-17 in comparison to the year 2015-16 are as follows:

**(Rs.In Lakhs)**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Sales	3866.23	3285.54
Other income	----	28.95
Total revenue	3866.23	3314.49
Profit before Depreciation	697.84	755.61
Depreciation	330.40	570.55
Profit Before Tax	367.44	185.06
Deferred Tax	(35.98)	(58.22)
Provision for MAT	70.02	35.26
Provision for FBT	NIL	NIL
Net Profit for the year	333.41	208.02
Profit & Loss Account balance brought forward	2541.67	2378.11
Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL

### **Performance**

We have been able to achieve a turnover of Rs. 3866.23 Lacs. The percentage increase in the turnover is 18% and increase in net profit is 60% respectively when compared to that of previous year.

### **Future Outlook**

Celestial shall be promoting biovita as a prominent herbal health drink through OTC and retail outlet with the help of doctors and consumer support. Biovita now has been validated clinically and the results shall be shared with doctors. Celestial has already launched CadalminGAe (a drug to treat arthritis) in collaboration with CMFRI Cochin (a prestigious ICAR Institute). Cadalmin anti-diabetics natural drug shall be launched shortly. Celestial plans to advertise these two product in addition to biovita (A natural health Drink) and Trem (A fairness herbal cream) in the leading newspaper in ten states to increase the business volume. Further initiatives of demerger of research and developmental activities and focused collaborative research commerce shall be of great advantage to shareholders. Many leading pharmaceuticals majors have already taken leading steps in this regard and got huge benefits. In the domain of herbal and enzyme research, our efforts may be treated as a leading and land mark steps. Initiatives have already been taken to establish biovia in the category of granules as an house hold products. Seaweeds two products ie anti arthritis and anti diabetes shall provide the required relief to our indian citizens. Slowly the whole world community shall be benefitted with online sales.

### **Dividend**

The Company has not declared any dividend during the year.

### **Corporate Governance**

As per Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance is enclosed herewith which forms part of the Annual Report. A certificate from the Auditors of the Company on compliance with the conditions of Corporate Governance as stipulated under the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.