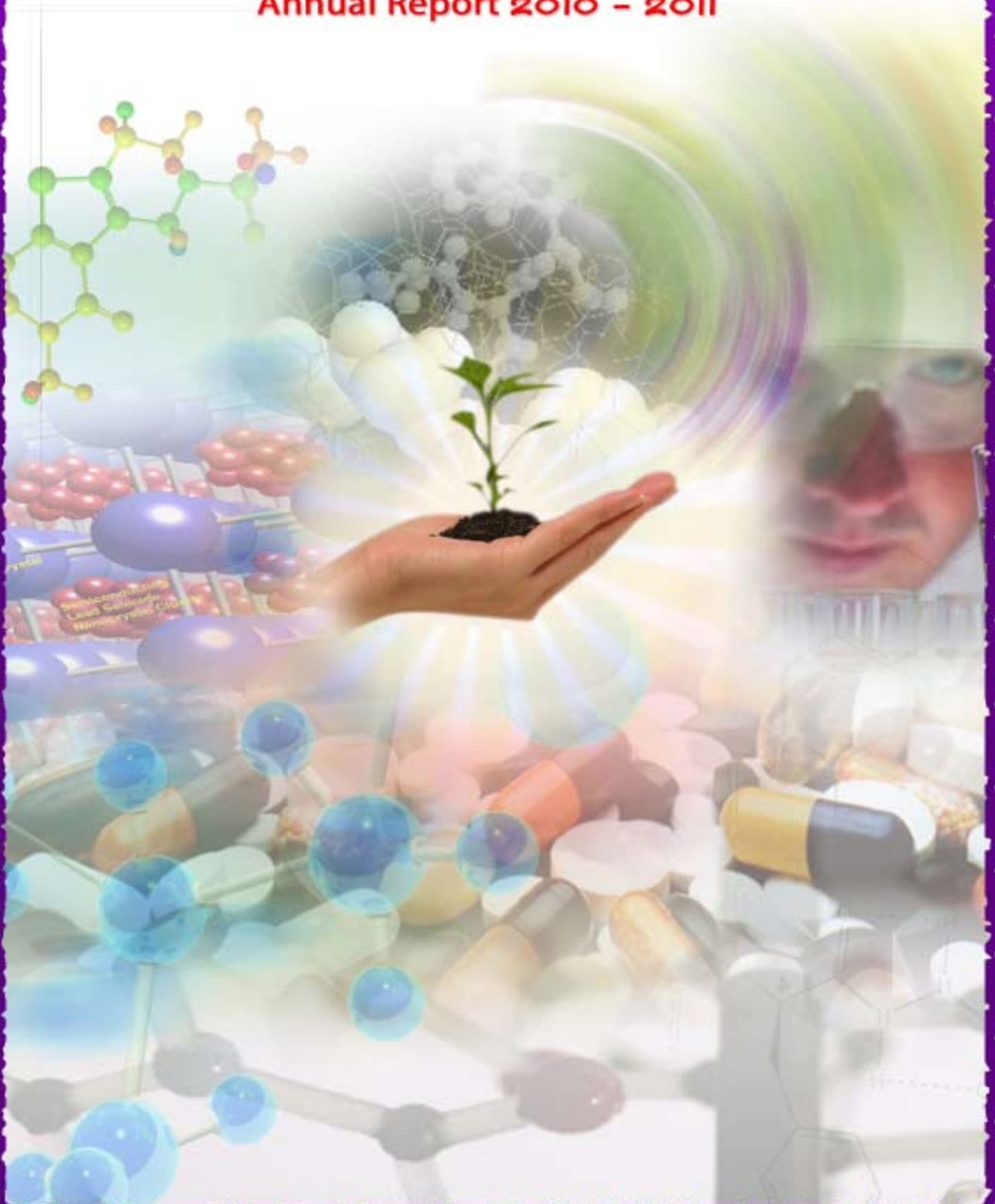




CELESTIAL  
BIOLABS LIMITED

# CELESTIAL BIOLABS LIMITED

Annual Report 2010 - 2011



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## Corporate Information

### BOARD OF DIRECTORS

Dr. A. N. Singh	Managing Director
Mrs. Padma Singh	Director
Dr. D. C. Sastry	Director
Dr. B. Siva Kumar	Director
Dr. Jeetainder Roy Gour	Director

### REGISTERED OFFICE :

Plot No. 231 A, M L A Colony,  
Road No. 12, Banjara Hills  
Hyderabad 500 034,  
A.P. India  
Phones: +91 40 23540008  
Fax: +91 40 23542844

### STATUTORY AUDITORS

Lakshmi Purna & Associates  
Chartered Accountants  
Plot No 17-24, Bhayanagar 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 Statement**

"BACKED BY OUR INNOVATIONS, EXCELLENT MANPOWER, SYSTEMS, STRATEGIES, CORPORATE GOVERNANCE AND PRODUCTS RANGE, WE ARE CONFIDENT OF ACHIEVING OUR OBJECTIVE.

The Formulation, Processes, product and packaging have been standardized. Products in each category have been moving steadily in the market.

Most of the products have been welcomed by the medical doctors and well accepted. You may be pleased to know that the company is receiving good report from Doctors, patients and Distributors about the efficacy of the products.

Both the service and corporate office and the Manufacturing facilities are getting ready very soon. We are eagerly looking forward to proudly occupy your Company's own corporate premises in Nacharam very shortly.

The facility at Biotech park will take care of our Bio formulations and most of the current products in Herbal and synthetic range shall be continued with our good contract manufacturers. This new facility will equip your company to add some value added bio formulations in order to increase volume and profitability.

The company bioinformatics facility has already been recognized by Department of Science & Industrial Research, Ministry of science and technology and now wet lab experimentation facility is also been recognized. Further, our Good Manufacturing Process meeting schedule M and WHO compliance shall be able to provide an edge in the market.

In an era of highly competitive market and extremely regulated technology and production, it is now mandatory to meet specification of the major international regulatory bodies such as the (General Manufacturing Practices (GMP). We are happy to inform you that our own new manufacturing facilities in Shameerpet have been nearly completed according to the details of GMP/ WHO guidelines. This is in addition to the regulatory prescriptions by the Pollution Control Board of India.

In the knowledge driven society of today, it is excellent manpower that builds a company and we are making all effort to achieve our objective in this regard. The manpower is being increased in Research, production and marketing. After going through complete selection process and recruitment, a suitable orientation shall be given to new employees.

Your company is putting major emphasis on product improvisation, operational efficiency & investing in technology for better tomorrow. Your company is improving decision support system backed by advance IT initiative. We are extremely confident that your company shall be able to perform better in very near future. Our diversified business model is unique. We are working in a mix model of Products & Services to serve the biopharma communities.

We are developing intellectual property rights both in the form of biotools & biopharma products that will provide internal strength to our business in terms of quality and quantity. Our Herbal & Enzyme products are getting wider recognition among the consumers and we are coming out with different formulation to meet the expectation of the market. We are scaling up our marketing network in South East Asian and African countries. We are also registering our products in East, West and South African countries.

We appreciate our staff members, our business partners, vendors, business associates as well as the statutory authorities for their valuable support. We would like to thank our shareholders for their trust, encouragement & support.

**Dr. D.C. Sastry**

**NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the members of **CELESTIAL BIOLABS LIMITED** will be held on Monday the 26<sup>th</sup> September, 2011 at 2.30 P.M at The Federation of Andhra Pradesh Chamber of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500 004 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2011, 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. C. Sastry who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Smt. Padma Singh who retires by rotation, and being eligible offers herself 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.

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

Place: Hyderabad  
Date : 29.08.2011

Dr. A. N. Singh  
(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. 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 22<sup>nd</sup> September 2011 to 26<sup>th</sup> September 2011, 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 Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.
7. 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.

**ANNEXURE TO NOTICE**

Information under Clause 49 of the Listing Agreement, with respect to Directors seeking appointment/re-appointment in this Annual General Meeting

<b>SI No</b>	<b>Particulars</b>	<b>Dr. D C Sastry</b>	<b>Padma Singh</b>
1	Qualification	Ph.D in Botany	Graduate and post graduate Diploma in Computer
2	Experience	Over 3 decades in research and development in Bio Products	Over a decade of experience as a social activist
3	Directorships in other companies	No	No
4	Membership in committees of Board of Directors of other Companies	No	No
5	Shareholding in the company	5000	926350

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2011. The Report also includes the Management Discussion and Analysis Report in accordance with the Guidelines on Corporate Governance and consolidated Financial Statements.

The highlights of the financial results for the year 2010-11 in comparison to the year 2009-10 are as follows:

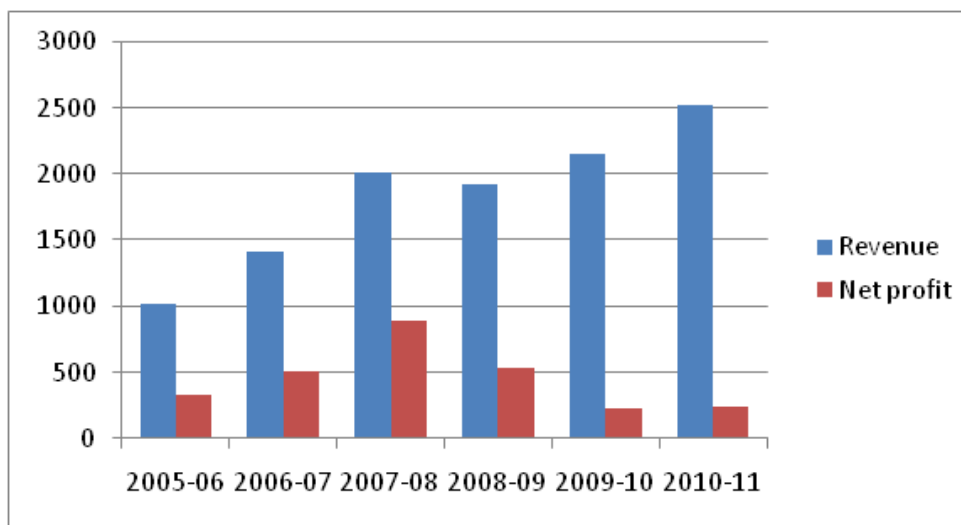
(Rs. In Lakhs)

Particulars	2010-11	2009-10
Sales	2532.86	2183.41
Profit before Depreciation	594.00	315.88
Depreciation	315.21	50.20
Profit Before Tax	278.79	265.68
Deferred Tax	(20.22)	(6.88)
Provision for MAT	56.86	38.87
Provision for FBT	NIL	NIL
Net Profit for the year	242.15	233.68
Profit & Loss Account balance brought forward	1821.46	1611.14
Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL

**Performance**

We have been able to achieve a turnover of Rs.2532.86 Lakhs. The percentage increase in the turnover is 16% and increase in net profit 9% respectively when compared to that of previous year.

(Rs. In Lakhs)



**Future Outlook:**

The company is having a wide range of Bio pharmaceutical products already approved on Celestial Biolabs name to manufacture and market for domestic as well as export requirement. The company is making aggressive strategy to make penetration in African and South East Asian countries market. The company own Bioformulation facility shall be operational by December 2011 at Genome valley of Andhra Pradesh. Further the Company has plan to setup Pentavalent type Vaccine facility at Genome Valley, Turkapally, Rangareddy District, Andhra Pradesh and in this regard, the Land and its development activities are already completed. However the vaccine facility shall be setup only in 2 years time once the present bio formulation is fully established and start performing.

**Share Capital:**

During the financial year the under review the paid up capital of the Company had been enhanced from Rs. 11,78,30,000 to Rs.14,60,30,000. The increase is consequent to allotment of

- a) 6,20,000 equity shares of Rs.10/- each to Dr A N Singh, Managing Director of the Company in lieu of part compensation for transfer of ownership rights of Intellectual property assets (Software programme –worth Rs.8.17 Crores) developed and owned by him to the Company and
- b) on conversion of warrants into 22,00,000 equity shares of Rs.10/- each on 14.12.2010.

**Corporate Governance:**

As per Clause 49 of the Listing Agreement with the Stock exchanges, 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 Clause 49 of the Listing Agreement is annexed to this Report.

**Management Discussion and Analysis:**

A detailed section of the Management Discussion and Analysis for the period under review as required under Clause 49 of the Listing Agreement is given as a separate statement forming part of the Annual Report.

**Renunciation of Sweat Equity Shares by Dr. A. N. Singh:**

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, 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

However, Dr Singh has expressed his intention of renouncing the shares he is eligible in the final tranche [Comprising 60% (approx) of the total consideration of the IPR's] in favour of the members and employees of the Company.

In this regard the Company is in the process of obtaining approvals from all the statutory authorities as required. The Shareholders would be timely intimated of any progress or development in this regard.

**Employee Relations:**

During the year under review, the company has enjoyed cordial relationship with almost all section of employees. The company believes that the employees play a vital role in increasing the turnover and profitability of the company and the

strength of the company lie in harnessing the manpower in achieving sustained long-term growth in all spheres.

**Directors:**

Dr. D. C. Sastry and Mrs. Padma Singh, retire by rotation and being eligible have offered themselves for re-appointment. The brief profiles of the director(s) seeking appointment/reappointment at the ensuing Annual General Meeting are presented in the Annual Report.

**Auditors:**

The existing Statutory Auditors, M/s. Lakshmi Purna & Associates, Chartered Accounts retire at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed.

**Internal Control Systems:**

Your company has well-established procedures for internal control system commensurate with its size and operations. Information as required under Section.217 (1)(e) of the Companies Act, 1956 is annexed and forms part of this report

**Directors' Responsibility Statement:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed.

- i. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2011, the applicable accounting standards have been followed along with proper explanations for marking all departures, if any.
- ii. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as 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 the year under review.
- iii. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and from preventing and detecting fraud and other irregularities.
- iv. That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2011 on a going concern basis.

**Particulars of employees**

The Information required under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) (Amendment ) Rules 2002, be treated as NIL as none of the employees of the company draw remuneration in excess of Rs. 5,00,000 P.M.

**Fixed deposits**

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act 1956 and the Rules made there under.

**Acknowledgements**

Your Company places on record their appreciation of the continued support and co-operation received from Government of Andhra Pradesh, State Bank of India and ICICI Bank Limited for their kind cooperation. Your company also thanks vendors, customers, consultants, auditors and other who have been assisting and guiding the company in various facts of operation.

Your company wishes to place on record its appreciation of employees at all levels for their dedicated contribution towards growth of the company.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date : 29.08.2011

**Dr D C Sastry**  
(Chairman)

**Dr A N Singh**  
(Managing Director)

**ANNEXURE TO DIRECTOR'S REPORT**

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 \READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THIS REPORT.

A	Energy Conservation measures taken	Team has been made to take care of energy conservation
B	Additional investments & proposals, if any being implemented for reduction of consumption of energy	No
C	Impact of measures at (a) and (b) above for reduction of energy consumption & consequent impact on the cost of production	Continuous monitoring has reduced the energy bill
D	Total Energy Consumption & Energy Consumption per unit of production	

**FORM A**

(Form for Disclosure of particulars with respect to Consumption of Energy)

As the company has not yet commenced commercial manufacturing activity, reporting under this section is not required.

A. Power & Fuel Consumption

Electricity	Current year 2010-11	Previous year 2009-10
1 a) Purchased:		
Units		
Total Amount	Not applicable	Not applicable
Rate / Unit		
b) Through Diesel Generator:	Not applicable	Not applicable
Units		
Unit per Ltr. Of Diesel Oil		
Cost / Unit		
2 Coal (specify quantity & where used)		
Quantity (tones)	Not applicable	Not applicable
Total cost		
Average rate		

**TECHNOLOGY ABSORPTION:**

A. Research & Development (R & D)

1	Specific area in which R & D carried out by the company	Bio tools, Software Package and Drug Molecule Development
2	Benefits derived as a result of the above R & D	Products are ready and few products we have started marketing and few are under optimization
3	Future plan of action	We will continue to work on clinical trial of Bio drug Molecule and optimization of Bio IT tools. We will also make all efforts to have herbal formulations patented at Celestial Biolabs Limited

4	Expenditure on R&D:	(Rs. In Lakhs)	
	<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
	a. Capital	167.04	159.03
	b. Recurring	186.93	50.86
	c. Total	353.97	209.89
	d. Total R&D expenditure as a percentage of total turnover	13.97%	9.6%

**B. Technology Absorption, Adaptation and Innovation**

1	Efforts, in brief, made towards technology absorption, adaptation & innovation	Not applicable
2	Benefits derived as a result	Not applicable
3	Import of technology	Not applicable

**C. Foreign Exchange Earnings & Outgo**

(Rs. In Lakhs)		
<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
Expenditure in Foreign currency	1.32	105.21
Earning in Foreign Exchange	12.63	732.10

## REPORT ON CORPORATE GOVERNANCE

### 1. Company philosophy on Corporate Governance

Your Company has always been committed to executing sustainable business practices and creating long term value for all its shareholders. It has always remained as a responsible Corporate Citizen which always strive to protect the interest of its share owners.

To pursue these objectives, all the business operations of the company are conducted on principles of transparency, fairness, integrity, accountability while maintain legal and ethical standards

In accordance with clause 49 of the listing agreement with Stock Exchanges in India and the best practices followed internationally on corporate governance, the details of governance system and process are as follows

### 2. Board of Directors

- i) The Board of the Company comprises of five Directors. The Chairman is non executive independent director. Two directors are independent directors.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March 2011 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below.

Names of Director	Category	Board Meetings Held during the Period of directorship	Board Meetings attended	Weather attended last AGM	Directorships held in other public limited companies incorporated in India
Dr.D.C Sastry Chairman	Independent Non Executive	5	5	No	Nil
Dr.A.N.Singh Managing Director	Promoter Executive	5	5	Yes	Nil
Mrs. Padma Singh	Non Independent Non Executive	5	4	No	Nil
Mr.B.Siva Kumar	Independent Non Executive	5	4	No	Nil
Mr Jeetainder Roy Gour	Non Independent Non Executive	5	5	Yes	Nil

- iv) Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

10<sup>th</sup> May, 2010; 12<sup>th</sup> August, 2010; 6<sup>th</sup> October, 2010; 10<sup>th</sup> November, 2010 and 14<sup>th</sup> February 2011.

- v) Disclosure of shareholding of Non-executive Directors required under Clause 49(iv)(e)

Names of the Directors	Shares held on 31.03.2011
Mrs.Padma Singh	9,26,350
Mr.D.C.Sastry	5000
Dr.B.Siva Kumar	Nil
Dr Jeetainder Roy Gaur	6,00,000

- vi) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration. The board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of Non-compliance.

**Code of Conduct**

The company has in place a code of conduct applicable to all employees of the company and the board members. All Board Members and Senior Management of the company have confirmed Compliance with the Code for the year ending March 31<sup>st</sup> 2011. Annual report contains the declaration to this effect signed by Dr. A.N.Singh, Managing Director of the Company.

**3. Audit Committee:**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

- a. Brief description of terms of reference.

- Authority to investigate any matter pertaining to the items specified in section 292A of the Companies Act or referred to it by the Board
- Investigate any activity within its terms of reference
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Reviewing with management the annual financial statements
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Reviewing the Company's financial and risk management policies
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

- b. The present composition of the Audit Committee is as follows

Name & Designation	Category	No of meetings	
		Held	attended
Dr. D. C. Sastry-Chairman	Non Executive Independent	4	4
Dr B Siva Kumar	Non Executive Independent	4	3
Dr Jeetainder Roy Gour	Non Executive Non Independent	4	4

The Secretary of the Company acts as Secretary to the Audit Committee. The audit committee meetings are also attended by the Managing Director, Internal Auditors and Statutory Auditors of the Company.

- c. Meetings of the Committee

The committee met 4 times during the financial year on 10<sup>th</sup> May, 2010; 12<sup>th</sup> August, 2010; 10<sup>th</sup> November, 2010 and 14<sup>th</sup> February 2011 there was no time gap of four months between any meetings. The necessary quorum was present at all meetings

#### 4. Remuneration Committee

- i. The Company has constituted a Remuneration Committee of Directors.
- ii. The broad terms of reference of the Remuneration Committee are as under:
- To approve the terms and conditions for appointment and remuneration payable to Managing Director and other Executive Directors
  - To approve the remuneration payable to executives of the Company and other matters related thereto.

The remuneration committee of the Company comprises of Dr B.Siva Kumar as Chairman, Dr. D. C. Sastry and Dr. Jeetainder Roy Gour as members of the committee. The Committee performs the functions of Remuneration Committee as recommended in the Listing Agreement to be entered into with the Stock Exchanges. It will determine the Company's policy on specific packages for Executive Directors. The company pays sitting fees to the Non-Executive Directors and reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

- iii. Details of Remuneration for the year ended March 31<sup>st</sup> March, 2011:

**a. Non-Executive Directors**

Name	Sitting Fees (Rs)
Smt Padma Singh	10,000
Dr D C Sastry	12,500
Dr B Siva Kumar	10,000
Dr Jeetainder Roy Gour	12,500

**b. Managing Director & Executive Directors**

Name	Salary, perquisites & Allowances(in Rs)
Dr. A. N. Singh	6,60,000/-

**5. Share transfer committee**

- i) The Company has constituted a Share transfer Committee of Directors to look into the approval of transfer / transmission / demat / remat of shares, issue of duplicate, split-up, consolidation, renewal of share certificate, non receipt of balance sheet, non receipt of declared dividends etc.
- ii) Four meetings of the Share transfer Committee were held during the year on 10<sup>th</sup> May, 2010; 12<sup>th</sup> August, 2010; 10<sup>th</sup> November, 2010 and 14<sup>th</sup> February 2011
- iii) The Share Transfer committee of the company at present comprises of three Non- executive directors namely Dr.D.C.Sastry Chairman, Mrs. Padma Singh and Dr B Siva Kumar as members.

**iv) Name, designation and address of Compliance Officer**

Ms. T A Veena  
Company Secretary  
Celestial Biolabs Ltd  
231A, M L A Colony,  
Road # 12, Banjara Hills  
Hyderabad – 500 034  
Tel: 040 23540008 Fax: 040 23542844

**v) Details of Complaints received:**

Opening Balance	Received during the year	Resolved during theYear	Closing Balance
0	7	7	0

The company's Registrar & Transfer agents (R&T Agents) Karvy Computershare Private Limited, are adequately equipped to carry out activities connected with transfer of shares both in physical and demat form and redressal of shareholder's/investor's complaints. The company maintains continuous interaction with the said R&T agents and takes steps for resolving complaints/queries of the shareholder's/investor's and also take initiative and actions for resolving critical issues. Periodic reminders are sent to the shareholder for encashment of unclaimed refund order amount.

The committee has been authorized to approve proposals from transfer of shares in order to expedite the transfer process as also for deletion/spitting/consolidation of share certificates. Valid transfer proposals are approved frequently and the transfer process is completed within the stipulated time period.

**6. General body meetings**

- i) Location and time, where last three AGMs held.

Details of Meeting	Venue	Day	Date	Time
Annual General Meeting 2009-10	FAPCCI	Thursday	30.09.2010	9.00 A.M
Annual General Meeting 2008-09	FAPCCI	Wednesday	30.09.2009	9.00 A.M
Annual General Meeting 2007-08	FAPCCI	Thursday	14.08.2009	2.30 P. M

At the Annual General Meeting of the Company held on 14<sup>th</sup> August 2008, special resolutions were passed for allotment of sweat equity shares to Dr A N Singh, Managing Director of the Company in lieu of compensation for transfer of Intellectual Property rights owned and developed by him to the Company in two tranches of 5,89,000 equity shares and 6,20,000 equity shares.

Further at the Annual General Meeting held on 30<sup>th</sup> September 2009 special resolution were passed for i) Approving the appointment of Mr Amit Singh who holds an office or place of profit and ii) Approving the issue of 8,45,000 convertible warrants on preferential basis.

No Extraordinary General meeting was held during the financial year under consideration

## **7. Disclosure**

- i) The company has complied with the provisions of Companies Act, 1956 & other applicable provisions w.r.t related party transaction during the financial year.
- ii) Details of Non-compliance by the Company, penalties strictures imposed on the Company stock exchange or SEBI or any statutory authorities or any matter related to capital markets during last three years- Nil
- iii) In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- iv) The Company adopted the Code of Conduct for Directors and Senior Management. The code has been circulated it to all the members of the Board and Senior Management. The Board members and senior management have affirmed their compliance with the code.
- v) A certificate from the CEO (Managing Director) and CFO (Director (Finance)) was placed before the Board under clause 49 (V) of the Listing Agreement.
- vi) In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, the Company has framed a Code of Conduct for prevention of insider trading by the company insiders.
- vii) A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- viii) The Board in its report have confirmed that the financial accounts for the period ended 31<sup>st</sup> March 2011 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.
- ix) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreements with the Stock Exchanges:

## **8. Means of communication**

The quarterly, half yearly and Annual results of the Company are normally published in Business Standard and Andhra Prabha and are also sent to The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. A management Discussion and Analysis statement is a part of the Company's Annual Report.

**9. General Shareholder information**

- i) Annual General Meeting  
Date : 26<sup>th</sup> September 2011  
Time : 2.30 P.M  
Venue : Federation of Andhra Pradesh Chamber of Commerce and Industry, Hyderabad
- ii) Financial Year ending : 31<sup>st</sup> March 2011
- iii) Date of Book closure : 22<sup>nd</sup> September to 26<sup>h</sup> September 2011(Both days inclusive)
- iv) Dividend Payment Date : Not applicable
- v) Listing on Stock Exchanges :               Bombay Stock Exchange Limited, Floor, 25, P.J.Towers, Dalal Street, Mumbai – 400 001  
National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Listing Fees as applicable have been paid.

- vi) Stock Code / Symbol  
Bombay Stock Exchange Ltd : 532871 / CELESTIAL  
National Stock Exchange Ltd : CELESTIAL

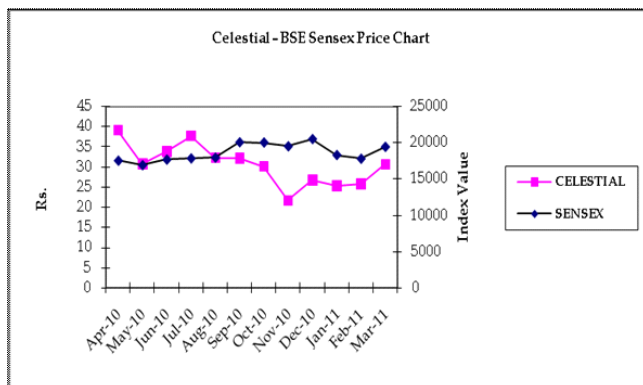
- vii) Market Price Data: High, Low during each month in last financial year

Month	BSE		NSE	
	High	Low	High	Low
April 2010	42.70	35.00	42.65	35.25
May 2010	41.00	28.90	39.20	29.00
June 2010	35.75	29.75	40.40	29.70
July 2010	45.20	32.75	45.20	33.35
August 2010	39.90	31.90	39.40	31.75
September 2010	35.20	31.75	35.30	31.80
October 2010	33.60	29.75	33.70	29.75
November 2010	32.15	20.25	32.30	20.10
December 2010	27.80	20.10	27.50	20.05
January 2011	31.40	21.75	31.50	20.60
February 2011	27.80	18.25	28.05	18.20
March 2011	32.50	25.80	32.85	25.80

- viii) Relative moment chart

The chart below gives the relative movement of the closing price of the company's shares and the BSE Sensex relative to the closing price for the period covering from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011. The management cautions that the price movement of the stock shown below should not be considered indicative of potential future stock price performance.

**Performance of share price in comparison with BSE SENSEX**



**ix) Registrar and Transfer Agents**

The company has appointed M/s. Karvy Computershare Private Limited as its Registrar & Share Transfer Agents. Shareholders are advised to approach M/s. Karvy Computershare Private Limited on the following address for any share and demat related queries and problems:

**Karvy Computershare Private Limited**

17-24, Vital Rao nagar, Madhapur, Hyderabad – 500 081

Tel: 91 40 23420814/23420857, Fax: 91 40 23420815-28

Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

**x) Share Transfer System**

All activities relating to transfer of shares both physical and demat form are handled by the company's R & T Agents, Karvy Computershare Private Limited. Valid share transfer proposals are processed by them and approved by share transfer committee at least twice a month or more depending up on the transfer proposals. Shares of the Company are traded compulsorily on dematerialized form. Transfers are effected by sending certificates within the stipulated period of 30 days from the date of receipt, if all the required information is completed in all respects.

**xi) Distribution of shareholding**

**a. Distribution of shareholding as on 31<sup>st</sup> March, 2011:**

**DISTRIBUTION SCHEDULE AS ON 31/03/2011**

Sno	Category	No of Cases	% of Cases	No of shares	%
1	upto 1 - 5000	8420	83.01	1464516	10.03
2	5001 - 10000	893	8.80	763058	5.23
3	10001 - 20000	387	3.82	621746	4.26
4	20001 - 30000	145	1.43	381635	2.61
5	30001 - 40000	54	0.53	194488	1.33
6	40001 - 50000	51	0.50	247370	1.69
7	50001 - 100000	93	0.92	703510	4.82
8	100001 & ABOVE	100	0.99	10226677	70.03
	<b>Total:</b>	<b>10143</b>	<b>100.00</b>	<b>14603000</b>	<b>100.00</b>

**b. Categories of Shareholders as on 31<sup>st</sup> March 2011:**

Category	No of shares	Percentage
Promoters	5572178	38.16
Non Resident Indians	189553	1.30
Foreign Nationals	1750	0.01
HUF	416931	2.86
Clearing Members	41303	0.28
Bodies Corporate	1208574	8.28
Resident Individuals	7172711	49.11
<b>Total</b>	<b>14603000</b>	<b>100.00</b>

**xii) Dematerialization of shares and liquidity**

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE 221I01017. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by SEBI.

**Details as on 31/03/2011**

SI No	Description	No of Holders	Shares	% To Equity
1	Physical	53	2517211	17.24
2	NSDL	6697	9367277	64.15
3	CDSL	3393	2718512	18.62
	<b>Total:</b>	<b>10143</b>	<b>14603000</b>	<b>100.00</b>

(\*) 22,00,000 equity shares allotted on conversion of warrants into equity shares are included in physical mode as the same were yet to be credited to NSDL/CDSL in the above table.

**xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

**Not Applicable**

**xiv) Address for correspondence**

**Registered Office**

231A, M L A Colony,  
Road # 12, Banjara Hills,  
Hyderabad – 500 034  
Telephone : +91 40 23540008  
Fax : 091 40 23542844

**Plant Location:**

Lalgadi Malakpet Village  
Shameerpet Mandal  
Ranga Reddy District  
Hyderabad.

**CORPORATE GOVERNANCE REPORT**

To the Members of  
Celestial Biolabs Limited

1. We have examined the compliance of conditions of corporate governance by Celestial Biolabs Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing agreement of the Company with stock exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation there of, adopted by the Company for ensuring compliance with the condition of Corporate Governance as stipulated in the said Clause. It is neither audit nor an expression of opinion of the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the corporate governance as stipulated in clause 49 of the above mentioned listing agreement.
4. We further state that such compliance is neither assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Lakshmi Purna & Associates**  
**Chartered Accountants**

**Ch.L.Purnachandra Rao**  
**PROPRIETOR**  
**Membership No.22139**  
**Firm Registration No. 012323S**

Place:Hyderabad  
Date : 29.08.2011

### **CEO and CFO Certification**

The Board of Directors  
Celestial Biolabs Limited  
231A, MLA Colony,  
Road No:12, Banjara Hills  
Hyderabad – 500 034

I, Dr A N Singh, Managing Director of Celestial Biolabs Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance sheet and Profit and Loss account (Consolidated and standalone), and all the schedules and notes on accounts, as well as cash Flow statements, and the directors' report.
2. Based on my knowledge and information, these statements, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under such statements were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, the financial condition, results of operations and cash flow of the company as of, and for, the periods presented in this report, and are in compliances with the existing accounting standards and / or applicable laws and regulations.
4. To the best of my knowledge and behalf, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company's, and I have:
  - a) Designed such disclosure controls and procedures to ensure that materials information relating to the Company, including its consolidated subsidiaries, is made known to us by other within those entities, particularly during the period in which this report is being prepared.
  - b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Generally Accepted Accounting Principles (GAAP).
  - c) Evaluated the effectiveness of the company's disclosure, controls and procedures.
  - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has material affected, or is reasonably likely to materially affected, the Company's internal control over financial reporting.
6. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions).
  - a) There were no deficiencies in the design or operation of internal controls that could adversely affected the Company, ability to record, process, summarize and report financial data, and there have been no material weakness in internal controls over financial reporting including any corrective action with regard to deficiencies.
  - b) There were no significant changes in internal controls during the year covered by this report.
  - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - d) There were no instances of fraud of which I am aware, that involve the Management of other employees who have a significant role in the Company's internal control system.
7. In the event of any materially significant misstatements or omissions, I will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.
8. I affirm that I have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
9. I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Dr. A. N. Singh  
Managing Director

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Research based Herbal formulations

Native to India, Ayurveda is the ancient medicinal form, developed during the Vedic times, about 5000 years ago. The word 'Ayur' means life, while 'Veda' means science. Therefore, Ayurveda literally means the 'Science of Life'. It is not just a medicinal system, but also a way of life. Ayurveda gives thrust on holistic and natural therapies which cure the patient. Balancing the mind and body of patients, Ayurvedic herbs cure the physical body with medicines abundantly available in nature. Unlike Allopathic medicines which are being used as a reactive mechanism to fight disease once it occurs, Ayurvedic herbs are being used to strengthen and nourish the body and soul of patient.

Today, Ayurveda is an officially recognized system of medicine in India. Globally, the World Health Organization (WHO) recognizes it as Traditional Medicine (TRM). It is estimated that the total market size of the Indian Ayurveda market is Rs.8000 crore and it is growing substantially between 10-15 percent, with the same growth rate targeted for the next 10 years. Research driven herbal formulations that is effective and the need of hour is our ultimate objective and we have prepared formulations of 50 herbal products and 15 are under lab testing and 5 are under clinical testing.

With the basic concept of Ayurvedic, the company has developed research based and clinically tested Herbal formulations, filed the patent and obtained license from Regulatory authorities to manufacture and market in domestic and overseas market.

### Nutraceuticals

The role of food in total health care is not something new to mankind. More than 2,000 years ago, Hippocrates, considered as the father of medicine, said, "Let food be your medicine and medicine be your food." It is this principle that eventually led to the explosion of the nutraceuticals industry.

The nutraceuticals industry is concerned with nutraceuticals, that is, "food or part of a food that offers medical and/or health benefits including prevention or treatment of disease."

Nutraceuticals, a mixture of nutrition and pharmaceutical, refers to extracts of foods claimed to have a medicinal effect on human health. The nutraceuticals is usually contained in a medicinal format such as a capsule, tablet or powder in a prescribed dose. More rigorously, nutraceuticals implies that the extract or food is demonstrated to have a physiological benefit or provide protection against a chronic disease.

Nutraceuticals is widely popular in the US, Canada, Japan, and Europe. The Nutraceuticals industry, which focuses on the use of foods and food components in disease treatment and prevention is already an \$80 billion global industry, and has been growing worldwide due to consumer awareness of the links of diet and disease, aging population, rising health care cost and innovations in food technology and nutrition.

The US has been the major market for Nutraceuticals with India and China becoming fastest growing markets. Vitamins, Minerals and Nutrients constitute about 85% of the market while antioxidants and anti-agents account for 10%, while other segments such as herbal extracts occupy 5% of the market, globally

Celestial has already begun the process of expanding its manufacturing facility in natural ingredients exclusively derived from traditional Indian medicine. Your Company strongly believes that technology is the way to reinvent the immense knowledge base of traditional medicine resulting in quality ingredients that add to taste and health needs, from our solid base of research & innovation

### BIOPHARMACEUTICALS

The term biopharma captures a broadening of discussion about pharmaceutical policy and the growing significance of biotechnology. Indeed, the commercialization of the discoveries of the biological sciences, oriented towards an understanding of living cells at the molecular level, is widely seen as potentially sustaining another long wave of economic growth, 'making reality of the prediction that this will be the century of biotechnology.

The significance of India, China, South Korea and other Asian countries is growing. Indian firms have achieved a position as significant players in global biopharma markets. In particular, low costs coupled with high quality personnel make Indian firms competitive suppliers of manufacturing and R&D services, and other outsourced activities. China is considered to be ahead of India in biology and to have made notable advances in gene therapy and stem cell research.

The recent crisis was widespread and global which changed the way biotech and pharmaceutical companies look at drug development. Biotech demonstrated unprecedented industry profitability, sustained strength in deals and had rebounded well from the crisis

**Performance of CELESTIAL**

During the year under review, your company has achieved a turnover of Rs.2,532.86 lakh as compared to Rs.2,183.41 lakh in the previous fiscal year 2009-10. The sales have increased by 16%.

The profitability has been increased by 9%.

**Business Analysis -Products of CELESTIAL**

**Formulation**

❖ Herbal formulation:

Celestial has a strong research team that formulates & develops the different herbal products, analyze by using accredited labs approved by Ayush. After getting the analysis report from the agencies approved by Ayush, Celestial gets clinical trails and reports by a team of senior practicing doctors and submits to Ayush for approvals. Celestial has already been licenced 55 herbal products for manufacturing. Some of the products manufacture by celestial include Biovita granules (Herbal drink for Health and Intellect), Cel-digest tablet(Indigestion, acidity, & burning sensation), C-Kaps(New horizon in the treatment of neuro muscular & cerebrovascular disorders), Cel-clear syrup (blood purifier), Gynocel Syrup (Effective in all kinds of gynecological disorders) etc.

❖ Synthetic Formulation:

Celestial Manufactures list of premium synthetic products at Medchal Hyderabad by adopting Good Manufacturing Practice having compliance level of WHO. Celestial is also in the process of manufacturing 4th immune suppression biotech products based on liquid fermentation process that will be marketed in India and some of the overseas countries

❖ Nutraceuticals:

Celestial produce and markets a whole array of products that include Glucosamine, carnitine, Omega, Lycopene etc in this segment.

**Products Profile:**

**SOME OF OUR PRODUCTS**  
**All Brands are Trade Mark Registered**

S.No	PRODUCT & COMPOSITION	THERAPY CLASS
1	AMOXCYLLIN CAPSULES IP <b>ENTILIN-250</b>	<b>ANTI-BIOTICS</b>
2	AMOXCYLLIN CAPSULES IP <b>ENTILIN-500</b>	
3	AMOXCYLLIN DICLOXACILLIN CAPSULES <b>ENTILIN-D</b>	
4	AMOXCYLLIN AND CALVULANICACID CAPSULES <b>ENTILIN-CL-375</b>	
5	AMOXCYLLIN AND CALVULANICACID CAPSULES <b>ENTILIN-CL-625</b>	
6	CEFPODOXIME DTTABLETS USP <b>LAVACEP-50</b>	
7	CEFPODOXIMETABLETS USP <b>LAVACEP-100</b>	
8	CEFPODOXIMETABLETS USP <b>LAVACEP-200</b>	
9	CEFIXIME DISPERSIBLE TABLETS <b>TYCLOCEF-50</b>	
10	CEFIXIMETABLETS <b>TYCLOCEF-100</b>	

11	CEFIXIME TABLETS <b>TYCLOCEF-200</b>	ANTI-BIOTIC
12	OFLOXACIN TABLETS IP <b>CELO2-200</b>	
13	OFLOXACIN TABLETS IP <b>CELO2-400</b>	
14	OFLOXACIN AND ORNIDAZOLE TABLETS <b>CELO2-OZ</b>	
15	AZITHROMYCIN DISPERSIBLE TABLETS IP <b>ABAPROM-100</b>	
16	AZITHROMYCIN TABLETS IP <b>ABAPROM-250</b>	
17	AZITHROMYCIN TABLETS IP <b>ABAPROM-500</b>	
18	CIPROFLOXACIN HYDROCHLORIDE TABLETS IP <b>EQUIBACT-500</b>	
19	RABEPRAZOLE SODIUM TABLETS IP <b>GRDEX</b>	STOMACH ULCERS
20	ENTERIC COATED RABEPROZOLE SODIUM AND DOMPRIDONE (SR) CAPSULES <b>GRDEX-D</b>	STOMACH ULCERS WITH NAUSEA
21	RABEPRAZOLE AND ITOPRIDE CAPSULES <b>GRDEX -I</b>	STOMACH ULCER WITH MOTILITY
22	OMEPRAZOLE CAPSULES <b>PASELOC</b>	STOMACH ULCERS
23	OMEPRAZOLE AND DOMPERIDONE (SR) CAPSULES <b>PASELOC-D</b>	STOMACH ULCERS WITH NAUSEA
24	ACECLOFENAC SUSTAIN RELEASE TABLETS IP <b>APARACE (SR)</b>	ANALGESIC
25	ACECLOFENAC AND PARACETAMOL TABLETS IP <b>APARACE</b>	ANALGESIC WITH ANTI-PYRETIC
26	ROXITHROMYCIN TABLETS IP <b>PREBARGO</b>	ANTIBIOTIC
27	PARACETAMOL, CAFFEINE, PHENYLEPHRINE HYDROCHLORIDE, CHLORPHENIRAMINE MALEATE TABLETS <b>CELERGY-PC</b>	ANTI ALLERGIC FOR COMMON COLD
28	CALCIUM AND VITIMIN D3 TABLETS <b>KC-VIN-250</b>	CALCIUM SUPPLEMENT
29	CALCIUM AND VITIMIN D3 TABLETS <b>KC-VIN-500</b>	CALCIUM SUPPLEMENT
30	DISODIUM HYDROGEN CITRATE SYRUP <b>GASECRIN</b>	ALKALISER
31	DICLOFENAC SODIUM AND PARACETAMOL TABLETS <b>EPISTENAC</b>	ANALGESIC WITH ANTI-PYRETIC

32	<b>CEL-D-ZYME SYRUP</b>	<b>DIGESTIVE ENZYME</b>
33	CETIRIZINE TABLETS IP <b>CELERGY</b>	<b>ANTI ALLERGIC</b>
34	OFLOXACIN SUSPENSION 60 ML <b>CELO2-60ML</b>	<b>ANTI-BIOTIC FOR GASTRO ENTERITIS</b>
35	FERROUS ASCORBATE AND FOLIC ACID TABLETS <b>CELFE XTAB</b>	<b>IRON SUPPLEMENT</b>
36	Antioxidants + Multivitamin + Multi-mineral Capsules (For Therapeutic use) <b>VERSAVIT CAPSULES</b>	<b>VITAMINS WITH MULTI MINERALS</b>
37	FOLIC ACID TABLETS IP <b>CELVITANIN</b>	<b>SUPPLEMENT DURING PREGNANCY</b>
38	COUGH SYRUP 60 ML / 100 ML <b>TEGAMBRO</b>	<b>FOR ASTHMATIC COUGH</b>
39	PANTOPRAZOLE TABLETS <b>CELINPROP</b>	<b>STOMACH ULCERS</b>
40	Entric Coated PANTOPRAZOLE & DOMPERIDONE (SR) CAPSULES <b>CELINPROP-D</b>	<b>STOMACH ULCERS WITH NAUSEA</b>
41	FLUCONAZOLE TABLETS <b>TREAFUNGIN</b>	<b>ANTI-FUNGAL</b>
42	MECOBALAMINE TABLETS <b>CELECOMIN</b>	<b>FOR NEURONAL DISORDER &amp; ANEMIA</b>
43	PROTIEN MULTIVITAMINS AND MINERALS SYRUP <b>VERSAVIT – PRO</b>	<b>MULTI-VITAMINS WITH PROTEIN</b>
44	CALCIUM, FOLIC ACID, VIT-D3, B12 (SYRUP) <b>KC-VIN PLUS (SYRUP)</b>	<b>CALCIUM SYRUP WITH VITAMINS</b>
45	FLUOXETINE Tablets IP 20 mg <b>PREVENSER</b>	<b>ANTI DEPRESSANT</b>
46	Propranolol HCL and Alprazolam Tablets <b>ADREBAL</b>	<b>ANTI-HYPERTENSIVE</b>
47	Gliclazide Tablets BP <b>LOBLOS-80</b>	<b>ANTI-DIABETIC</b>
48	Glimepiride Tablets IP <b>OPECAC -1 mg</b>	
49	Glimepiride Tablets IP <b>OPECAC- 2 mg</b>	
50	Metformin Tablets IP <b>IBSUCON</b>	<b>ANTI-DIABETIC</b>
51	Ramipril Capsules IP 1.25 mg <b>ACIOPAN - 1.25</b>	<b>ANTI-HYPERTENSIVE</b>
52	Ramipril Capsules IP 2.5 mg <b>ACIOPAN-2.5</b>	
53	Losartan Potassium & Amlodipine Besylate Tablets <b>LOSAMBLO</b>	

54	Telmisartan Tablets 40 mg <b>ANGIRANTEL-40</b>	
55	Telmisartan and Hydrochlorothiazide Tablets <b>ANGIRANTEL-H</b>	
56	ROXITHROMYCIN TABLETS IP <b>PREBAGRO-150</b>	<b>ANTIBIOTIC FOR RESPIRATORY TRACT</b>
57	Levocetirizine Tablets IP <b>CELECTIZIN</b>	<b>ANTI-ALLERGIC</b>
58	Levofloxacin Tablets IP 500 mg <b>GOLINBACTIN-500</b>	<b>ANTI-BIOTIC</b>
59	Levocetirizine Hydrochloride & Montelukast Tablets <b>CELECTIZIN -M</b>	<b>ANTI-ALLERGIC</b>
60	Deflazacort Tablets 6 mg <b>ISAFOCOR-6</b>	<b>STEROID</b>
61	Ondansetron Tablets IP 4 mg <b>NAVONDAN-4</b>	<b>ANTI-EMETIC</b>
62	DICLOFENAC POTASSIUM AND PARACETAMOL TABLETS <b>EPISTENAC</b>	<b>ANALGESIC WITH ANTIPYRETIC</b>
63	Tramadol Hydrochloride & Paracetamol Tablets <b>TAPARAC</b>	
64	Tadalafil Tablets <b>COITEUR - 20</b>	<b>FOR ERECTILE DYS FUNCTION</b>
65	Tadalafil Tablets <b>COITEUR - 10</b>	
66	CODEINE PHOSPHATE & CHLORPHENIRAMINE MALEATE SYRUP <b>PHECOD (COUGH SYRUP)</b>	<b>FOR DRY COUGH</b>
67	ALUMINUM AND MAGNESIUM HYDROXIDE GEL <b>ACIMAGSIM-R</b>	<b>FOR HYPERACIDITY</b>
68	Magaldrate and Simethicone Oral Suspension USP <b>ACIMAGSIM</b>	
69	Artesunate Tablets <b>ARFALCID-50</b>	<b>ANTI-MALARIAL</b>
70	Lycopene with Multi vitamin & Multi minerals <b>VITALYCO Syrup</b>	<b>ANTIOXIDANT WITH VITAMINS</b>
71	Cyproheptadine and Tricholine Citrate <b>TRICYPIN</b>	<b>APPETIZER</b>
72	NITROFURANTOIN 100 mg SUSTAIN RELEASE TABLETS <b>NITFUR-SR</b>	<b>ANTIBIOTIC FOR URINARY INFECTION</b>
73	SUCRALFATE, POVIDONE IODINE & TINIDAZOLE CREAM <b>KNIT CREAM 30 grams</b>	<b>FOR WOUND INFECTION</b>
74	SILYMARIN & LECITHIN SUSPENSION <b>LYSIRIN suspension 200ml</b>	<b>FOR LIVER</b>
75	CEFPODOXIME AND DICLOXACILLIN TABLETS <b>PROVOXYL-DUO</b>	<b>ANTI BIOTIC</b>
76	ENTERIC COATED RABEPRAZOLE & SUSTAIN RELEASE DOMPERIDONE <b>GERDILOC-D</b>	<b>FOR ANTI-ULCER AND NAUSEA</b>

77	ACECLOFENAC & PARACETAMOL TABLETS <b>NACMOCEL</b>	ANALGESIC AND ANTIPYRETIC
78	OFLOXACIN & ORNIDAZOLE TABLETS <b>COLONFIX</b>	ANTIBIOTIC FOR DYSENTERY
79	MESALAMINE 1.2 gm SUSTAIN RELEASE TABLETS <b>ULCOD</b> MESALAMINE 1.2 gm	FOR ULCERATIVE COLITIS
80	TROSPIUM CHLORIDE SUSTAIN RELEASE <b>URILO</b>	FOR OVER ACTIVE BLADDER
81	CEFETAMET PIVOXYL 250 mg <b>FYXEF-250</b>	ANTIBIOTIC
82	CEFETAMET PIVOXYL 500 mg <b>FYXEF-500</b>	
83	TACROLIMUS CAPSULE <b>CELOTAK 1 mg</b>	IMMUNE SUPPRESSANT
84	TACROLIMUS CREAM <b>CELOTAK 1% cream 10 grams</b>	
85	PROGESTERONE CAPSULES <b>TERON-M 200</b>	HORMONE DURING PREGNANCY
86	PROGESTERONE 8% GEL (VAGINAL USE) <b>TERON-M GEL 8%</b>	
87	CETRIMIDE ,CHLORHEXIDINE GLUCONATE AND ISOPROPYL ALCOHOL. <b>CGC-WASH 250 ml</b>	PRE-SURGICAL WASH
88	AZITHROMYCIN + SECNIDAZOLE + FLUCONAZOLE <b>STD-KIT</b>	TREATMENT OF COMMONLY ACQUIRED SEXUALLY TRANSMITTED DISEASE

Medicines manufactured as per I.P, B.P & USP standards, as required.

**HERBAL Proprietary Products for Domestic Market**

**INFENTAAL**

For accelerated growth & Immunity in Children

**BIO-VITA**

Natural health's drink to control Stress & boost Intellect

**HEALTHONE**

A Health promoter fortified with dry fruits

**CEL-DIGEST**

A Digestive tonic for for all Ages

**DYSNORM**

Complete protection from Amoebiasis, Dysentery & IBS

**TURMEK**

For all kinds of Autoimmune disorders

**RELIFIN**

Natural remedy for URTI, & Sinusitis

**O-KOF**

A Natural way to treat Cough & other Allergic disorders

**NATURODERM OINTMENT**

A Natural remedy for Allergic Dermatitis

**DHATUPEARLS**

A Natural remedy for Oligospermia, Premature ejaculation.  
and Erectile dysfunction.

**C-KAP**

A very effective formulation for removing joint pain and providing relief for arthritides patient

**BIO-LIV**

A formulation to take care of liver

**TREM CREAM**

This is very effective formulation for face cream and reducing pimples.

**HERBAL products under development for Domestic Market**

**TRIPHALA SYRUP**

A Effective remedy for Rejuvenation and Laxation

**CEL-QUIN**

Natural way to treat Malaria

**BIO-SLEEP**

An Effective formulation for sound Sleep

**LACTOCEL**

A Very effective medicine for Lactation

**BIO-POWER**

For Vigour & Vitality

**STRESNORM**

Manages stress, anxiety naturally

**RHUMACEL GEL**

Relieves pain & increases Mobility

**RHUMACEL CAPSULES**

Effective in all kinds of Rheumatic disorders

**RHUMACEL SPRAY**

Instant relief from all kinds of Pain

**HERBAL products to be launched shortly in Domestic Market**

**CEL-HEAL**

A Best way to heal Wounds naturally

**CELIMMUNE**

A Holistic approach to boost up Immunity

**CEL-DIGEST GRANULES**

A Breakthrough in Digestive disorders

**CELON**

For all kinds of Low back pain & Joint pains

**HERBAL products under Pre-Clinical trials for Domestic Market**

**CEL-LAX**

Safe and non habit forming Laxative

**CELESTIAL HAIR OIL**

Multipurpose oil for Hair fall, greying of hair and baldness

**PSORIOCARE KIT**

(Psoriasis capsule and ointment)

**VITICARE KIT**

(Vitiligo capsule and ointment)

**OSTEOCARE SOFTULES**

Weak bones, fragile bones, porous bones, frequent fractures

**Classical Formulations**

- 1) SHILAJIT
- 2) CHYWANPRASH
- 3) ASHWAGANDHA LEHYAM
- 4) KANCHANAR GUGGUL
- 5) GOKSHURADI GUGGUL
- 6) YOGRAJ GUGGUL
- 7) MAHAYOGRAJ GUGGUL
- 8) KAISHORE GUGGUL
- 9) GANDHAK RASAYAN
- 10) LAXMI-VILAS RASA
- 11) AROGYAVARDHINI RASA
- 12) CHANDRAPRABHA VATI
- 13) AGNITUNDI VATI
- 14) AVIPATHIKARA TABLETS
- 15) ASHWAGANDHA TABLETS

**HERBAL RANGE OF MEDICINES FOR EXPORTS**

**Product Range – Marketed as Food Supplements**

SI.No	PRODUCT & COMPOSITION	THERAPY
1	Aswadandha Tabs/Capsules	General and Nervous debility manages stress naturally.
2	Brahmi Capsules	Benefits memory capacity, increase concentration & Reduce stress-induced anxiety
3	Biovita Granules	Health Supplement for all ages.
4	Guggul Capsules	Rheumatic pain healer & normalizes cholesterol
5	Shallaki Guggul capsules	Beneficial in chronic inflammatory conditions
6	Cel-Neem Capsules(Extract of Neem, Chirata and haldi)	Skin rejuvenator and blood purifier
7	Chyawanprash (Avaleha)	Strengthens body's internal defense mechanism & the Immune system.
8	Amla Churna	Richest possible natural source of vitamin 'C'.
9	Isabgel	Natural Bowel regulator
10	Shilajeet Capsule	Helps to increase strength, immunity & Vitality
11	Garlic Capsules	Cardio protective & normalizes lipid metabolism
12	Turmek Capsules	Antioxidant formulation
13	Triphala Tablets	Relief from constipation & regularize digestion
14	Spirulina Capsules	Provides wholesome nutrition that the body needs daily
15	Trem Cream	Effective Herbal sun screen Skin care cream
16	Biopower	Vigour & Vitality

**Biotech products to be introduced shortly:**

Tacrolimus, Lycopene, Maltogenic amylase, Omega 3- fatty Acids, orlistat, Sirolymus, pencyline amylase and seressia peptidase.

**Informatics**

Celestial has developed its own ERP that has been packaged and integrated with SAP and Microsoft focussed on Biopharmaceutical and Healthcare industry in the verticals of pharma, chemicals, bulk drugs, biotechnology, hospitals and medical retail chains

**Bioinformatics**

Celestial has developed inhouse bioinformatics tools like Celsuite, CLLtox, DNA Cutter, Gene annotator and PDC database (Plant Disease and Chemicals Database). Celestial provides customized services to Biotechnology / Pharmaceutical industries and Medical Research centres in the area of New Drug Molecule development, In silico Toxicity Prediction and Molecular modeling.

- ❖ CELSUITE is an integrated insilico drug design tool available on Linux platform for structure based drug design. CELSUITE is a modular, cost-effective package.
- ❖ CLLTOX, an insilico toxicity prediction tool for predicting toxicity profiles in qualitative and quantitative terms. It generates reliable toxicity predictions for chemicals and enables low cost identification of hazardous chemicals. CLLTOX helps in refining and reducing the reliance on the use of large numbers of laboratory animals.
- ❖ DNA Kutter Analyzes and helps in the identification of restriction sites in a given sequence. It is a DNA sequence tool to find large, non-overlapping, open reading frames and maps the sites for all restriction enzymes. A program to cut linear or circular DNA with any of the known restriction enzymes. DNA Kutter highlights your favorite enzymes in color or boldface for easy recognition.  
It allows users to freely check.
- ❖ Gene Annotator An annotation tool which performs SNP, RFLP CODON BIAS analysis. Gene finder module of the annotator tool helps in finding the gene in a given GENOME.
- ❖ PDB Database: A database of plants, human diseases & bioactive compounds. The main advantage of Celestial PDB database is that the user can get all the information related to the usage of a particular bioactive principle for curing a disease, its complete chemical information including 3D structures, its availability in various plants and the sequence information of target proteins involved in that particular disease.
- ❖ Celestial has made an successful presentation to DSIR for evaluation and funding a bio too development to create insilico bio genes that wil save major cost in research

### **Cel Sanjivani**

Celestial has developed an Herbal/ Nutraceuticals portal dedicated to B2B&C market with online live consulting with our Alternative medicine consultants. It provides excellent platform for trading of herbal products, with identification of raw herbs, scientific data, market & trade data, monographs, policy, laws, good manufacturing practices, DNA finger printing etc. It facilitates contacts with suppliers, manufacturers and dealers of herbal/ Nutraceuticals, Bio pharma industry.

### **R & D in Celestial**

Celestial is in advance stage of clinical trials of new peptide molecules applicable for the treatment of Vitiligo, Psoriasis, Wound Healing, , skin Wrinkles , skin aging and Skin Tan.

Celestial is in the process of developing formulations particularly by taking the molecules that has become of patatents combining with new herbal and enzyme ingredients to improve the efficacy and reduce the side effects of new combination drugs.

### **Opportunities & Strength**

Celestial is trying to grab the tremendous opportunity available in products formulations as per the healthcare requirements

### **Weakness & Concerns**

Large fund and experienced professionals are real concern however continuous training is making the job easier.

### **Human Resoruces**

Regular recruitment of suitable professionals is a continued process and in house human resource development is our major emphasis.

### **Disclaimer**

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operation including changes in the industry structure, significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations.

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**AUDITOR'S REPORT**

To

**THE MEMBERS OF CELESTIAL BIOLABS LIMITED**

1. We have audited the attached Balance sheet of Celestial Biolabs Limited as on 31<sup>st</sup> March 2011 and the Profit and Loss Account attached thereto for the period ended on that date and the Cash Flow Statement for the year ended on that date, both 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 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 the 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. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified therein.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our 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 our opinion, the balance sheet, 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 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. 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 31<sup>st</sup> March 2011.
    - b. In the case of the profit and loss account, of the profit for the period ended on that date.
    - c. In the case of Cash Flow statement, of the Cash Flow for the said year ended on that date.

**For Lakshmi Purna & Associates**  
**Chartered Accountants**

**CH.L.Purnachandra Rao**  
Proprietor

Membership No.221392  
Firm Registration No.123235

Place:Hyderabad  
Date :29.08.2011

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**ANNEXURE TO THE AUDITORS REPORT AS REFERRED TO IN PARA 3 OF THE SAID  
REPORT OF EVEN DATE**

- (1) In respect of its fixed assets
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification.
  - c) Fixed Assets disposed of during the year are not material enough to affect the going concern of the company. The assets have been regrouped wherever felt necessary.
- (2) In respect of its inventories
- a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures followed by the Management for the physical verification of stocks are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of stores as compared to book balances in so far as appears from my examination of the books.
- (3) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year.
- The Company has not granted any loans, secured or unsecured to the Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- (4) According to the records of Company, there were no transaction of purchase of goods, services and sale of goods, services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- (5) In our opinion and according to information and explanations give to us the company has not accepted any deposit as such the question of compliances of section 58, 58AA and other relevant provision of Companies act do not arise. Scrap or by-products are not generated by the Company.
- (6) As explained to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (7) In our opinion and according to the information and explanations given to us, the provisions of Provident Fund & Family Pension Act, Employees State Insurance Act are applicable to the company. The company is generally regular in depositing PF and ESI dues with the appropriate authorities.
- (8) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts, payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty outstanding six months from the date they become payable.
- (9) The company has no accumulated loss as on 31<sup>st</sup> March 2011 neither it has sustained any cash loss in current year nor in the previous year.
- (10) According to the information and explanations given to us and the records examined by us and so far as we could ascertain, no personal expenses have been charged to revenue account.

- (11) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (12) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (13) The Company has not furnished any guarantee during the year, for loans taken by the other firms, banks or financial institutions, terms and conditions whereof are prima-facie, prejudicial to the interest of the Company.
- (14) In view of the nature of the activities carried out and services rendered the company does not consider it necessary to allocate man hours utilized to the related jobs.
- (15) The Company has not made any preferential allotments of shares to any party covered in the register maintained under section 301 of the Companies Act 1956, during the year.
- (16) The Company has not issued any debentures.
- (17) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (18) Other clauses of the order are not applicable to the company for the year.

Place: Hyderabad  
Date : 29.08.2011

For Lakshmi Purna & Associates  
Chartered Accountants

CH.L. Purnachandra Rao  
Proprietor  
Membership No. 221392  
Firm Registration No.123235

**CELESTIAL BIOLABS LIMITED**  
**FORMERLY CELESTIAL LABS LIMITED**  
**BALANCE SHEET AS AT 31.03.2011**

(Rs. in Lakhs)

<b>PARTICULARS</b>	<b>Sch. No</b>	<b>As At 31.03.2011 Rs.</b>	<b>As At 31.03.2010 Rs.</b>
<b>I SOURCE OF FUNDS</b>			
<b>Shareholder's Funds</b>			
a) Share Capital	1	1,460.30	1,178.30
b) Reserves & Surplus	2	6,303.15	5,581.60
c) Share Warrants		-	148.50
		<b>7,763.45</b>	<b>6,908.40</b>
<b>Loan Funds</b>			
a) Secured Loans	3	1,037.83	515.43
b) Unsecured Loans	4	55.50	55.50
		<b>1,093.33</b>	<b>570.93</b>
<b>Deferred Tax Liability(Net)</b>		137.71	157.93
<b>TOTAL</b>		<b>8,994.49</b>	<b>7,637.26</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a) Gross Block	5	3,645.34	3,460.50
Less: Depreciation		561.27	246.05
Net Block		<b>3,084.07</b>	<b>3,214.45</b>
<b>Capital Work-in-Progress</b>		<b>3,662.84</b>	<b>2,323.87</b>
<b>Investments</b>	6	<b>86.61</b>	414.58
<b>Current Assets, Loans &amp; Advances</b>			
a) Inventory	7	400.88	221.02
b) Sundry Debtors	8	459.56	133.44
c) Cash and Bank Balances	9	6.89	422.61
d) Deposits, Loans and Advances	10	68.84	68.84
<b>TOTAL</b>		<b>936.16</b>	<b>845.91</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	57.21	20.66
Provisions	12	58.61	52.71
<b>TOTAL</b>		<b>115.82</b>	<b>73.38</b>
<b>Net Current Assets</b>		<b>820.34</b>	<b>772.54</b>
<b>Product Development expenses</b> (to the extent not written Off)	13	<b>1,194.16</b>	733.86
<b>Public Issue Expenses</b> (to the extent not written Off)		<b>146.47</b>	177.96
<b>TOTAL</b>		<b>8994.49</b>	<b>7637.26</b>
<b>Significant accounting Policies and notes to accounts</b>	14		

As per our Report attached  
**For LAKSHMIPURNA & ASSOCIATES**  
Chartered Accountants

For and on Behalf of the Board

**Ch.L. PURNACHANDRA RAO**  
Proprietor  
M.NO.221392

**Dr.A.N.Singh**  
Managing Director

**Dr.D.C.Sastry**  
Director

Place Hyderabad  
Date 29.08.2011

**T.A.Veena**  
Company Secretary

**CELESTIAL BIOLABS LIMITED**  
**FORMERLY CELESTIAL LABS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011** (Rs. in Lakhs)

PARTICULARS	Sch. No	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>I INCOME</b>			
Sales	15	2,522.32	2,153.23
Other Income	16	10.54	30.19
Increase/(Decrease) in Stock	17	129.60	40.91
<b>TOTAL</b>		<b>2,662.46</b>	<b>2,224.32</b>
<b>II EXPENSES</b>			
Material Consumed	18	1,098.43	964.55
Production Cost	19	233.51	198.53
Administrative Selling and Other Expenses	20	200.89	363.98
Personnel Cost	21	323.78	298.53
Finance Cost	22	24.91	32.00
Research and Development Expenditure	23	186.93	50.86
Depreciation & Amortisation		315.21	50.20
<b>TOTAL</b>		<b>2,383.67</b>	<b>1,958.65</b>
<b>Profit for the year</b>		278.79	265.68
Provision for taxation			
Current Tax		56.86	38.87
Deferred Tax		(20.22)	(6.88)
<b>Profit After Tax</b>		242.15	233.68
Balance brought forward from the previous year		1,821.46	1,611.14
Profit available for appropriation		2,063.61	1,844.83
<b>Appropriations</b>			
Provision for Dividend		-	-
Corporate Dividend Tax		-	-
Transferred to General Reserve		24.21	23.37
Balance Carried to Balance Sheet		<b>2,039.39</b>	1,821.46
Earnings per Share (EPS) - Basic		1.66	1.98
Diluted		1.66	1.89
Significant accounting Policies and notes to accounts	14		

As per our Report attached  
**For LAKSHMIPURNA & ASSOCIATES**  
Chartered Accountants

For and on Behalf of the Board

**Ch.L. PURNACHANDRA RAO**  
Proprietor  
M.NO.221392

**Dr.A.N.Singh**  
Managing Director

**Dr.D.C.Sastry**  
Director

Place Hyderabad  
Date 29.08.2011

**T.A.Veena**  
Company Secretary

**CELESTIAL BIOLABS LIMITED  
FORMERLY CELESTIAL LABS LIMITED  
SCHEDULES TO BALANCE SHEET**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>SCHEDULE: 1</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
1,70,00,000 Equity Shares of Rs 10/- each	1,700.00	1,700.00
SUBSCRIBED AND PAID UP CAPITAL		
1,24,03,000 Equity shares of Rs.10 Each Fully paid up	1,460.30	1,178.30
Share Allotment Money		
22,00,000 Share warrants of Rs.10/- each at Rs.6.75		148.50
TOTAL	1,460.30	1,326.80
<b>SCHEDULE: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Share Premium		
Opening Balance	2,712.93	2,612.80
Additions	479.40	100.13
TOTAL	3,192.33	2,712.93
GENERAL RESERVE		
Opeing Balance	1,047.21	1,023.84
Additions	24.21	23.37
TOTAL	1,071.42	1,047.21
Profit and Loss Account	2,039.39	1,821.46
TOTAL	6,303.15	5,581.60
<b>SCHEDULE:3</b>		
<b>Secured Loans</b>		
Hire Purchase	35.56	15.04
SBI Cash Credit	302.27	200.39
SBI Term Loan	700.00	300.00
TOTAL	1,037.83	515.43
<b>SCHEDULE:4</b>		
<b>UNSECURED LOANS</b>		
Loan from DSIR	55.50	55.50
TOTAL	55.50	55.50
<b>SCHEDULE:6</b>		
<b>INVESTMENTS</b>		
Investments non trade quoted	86.61	414.58
TOTAL	86.61	414.58

**SCHEDULE : 5**  
**FIXED ASSETS**

(Rs. in Lakhs)

PARTICULARS	Gross Block			Depreciation			Net Block		
	As on 01.04.2010 Rs.	Additions During the Year Rs.	Deductions During the Year Rs.	Total as on 31.03.2011 Rs.	Upto 01.04.2010 Rs.	During the Year Rs.	Total as on 31.03.2011 Rs.	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
Land & Land Development	298.00	-	-	298.00	-	-	298.00	298.00	298.00
Furniture & Fixtures	42.25	-	-	42.25	14.16	2.67	16.83	25.41	28.09
Office Equipment	20.93	-	-	20.93	8.00	1.33	9.32	11.61	12.94
Computers & Pheripherals	170.90	0.29	-	171.19	67.89	27.73	95.62	75.58	103.02
Lab Equipment	583.80	-	-	583.80	58.17	41.27	99.45	484.35	525.63
Bio IT tools and packages	2,236.11	167.40	-	2,403.51	51.38	231.91	283.29	2,120.21	2,184.73
Electrical Equipment	33.67	-	-	33.67	19.36	2.38	21.74	11.93	14.31
Vehicles	74.84	17.15	-	91.99	27.10	7.92	35.01	56.98	47.75
<b>TOTAL</b>	<b>3,460.50</b>	<b>184.84</b>	<b>-</b>	<b>3,645.34</b>	<b>246.06</b>	<b>315.21</b>	<b>561.27</b>	<b>3,084.07</b>	<b>3,214.44</b>
Previous Year	3,278.55	181.95	-	3,460.50	195.86	50.20	246.06	3,214.44	3,082.70

**CELESTIAL BIOLABS LIMITED  
FORMERLY CELESTIAL LABS LIMITED  
SCHEDULES TO BALANCE SHEET**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>SCHEDULE 7</b>		
a) Inventories		
Raw material	38.26	14.14
Packing Material	10.58	6.12
Finished Goods	334.38	200.77
Stores and Spares		1.43
Work in process		16.24
TOTAL	400.88	221.02
<b>SCHEDULE 8</b>		
b) Sundry Debtors		
(Unsecured and considered good)	2.86	4.42
Less than 6 months	456.70	129.02
TOTAL	459.56	133.44
<b>SCHEDULE 9</b>		
c) Cash and Bank Balances		
Cash on hand	3.79	3.76
Balance with Scheduled banks	3.10	418.85
TOTAL	6.89	422.61
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in cash or kind or for the values to be received	60.89	60.89
Deposits with others	7.95	7.95
TOTAL	68.84	68.84
<b>SCHEDULE 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
a) CURRENT LIABILITIES		
Creditors for Raw Material	15.07	8.80
Creditors for Expenses	2.04	1.06
Other Creditors	40.10	10.80
TOTAL	57.21	20.66

**CELESTIAL BIOLABS LIMITED  
FORMERLY CELESTIAL LABS LIMITED  
SCHEDULES TO BALANCE SHEET**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
SCHEDULE 12		
b) PROVISIONS		
Provision for taxation	56.86	52.71
TDS Payable	1.75	-
	-	-
<b>TOTAL</b>	<b>58.61</b>	<b>52.71</b>
SCHEDULE 13		
OTHER EXPENSES		
a) Product development expenses	733.86	815.40
Add: addition	533.69	
(To the extent not written off)		
<b>Total</b>	<b>1,267.55</b>	<b>815.40</b>
Less: Written off	73.39	81.54
<b>Total (a)</b>	<b>1,194.16</b>	<b>733.86</b>
b) Public Issue Expenses	177.96	197.74
Less: written off	31.50	19.78
<b>Total (b)</b>	<b>146.47</b>	<b>177.96</b>

**CELESTIAL BIOLABS LIMITED**  
**FORMERLY CELESTIAL LABS LIMITED**  
**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>SCHEDULE 15</b>		
Sales - Formulations	1,760.31	1,447.23
Sales-Bio-IT	762.01	706.00
<b>TOTAL</b>	<b>2,522.32</b>	<b>2,153.23</b>
<b>SCHEDULE 16</b>		
Interest received on Investments	10.02	29.02
Miscellaneous Income	0.52	1.16
<b>TOTAL</b>	<b>10.54</b>	<b>30.19</b>
<b>SCHEDULE 17</b>		
<b>Increase/( Decrease) in Stocks</b>		
<b>CLOSING STOCK</b>		
Work in Process	16.24	20.25
Finished Goods	334.38	200.77
<b>TOTAL</b>	<b>350.62</b>	<b>221.02</b>
<b>OPENING STOCK</b>		
Work in Process	20.25	-
Finished Goods	200.77	58.75
<b>TOTAL</b>	<b>221.02</b>	<b>180.11</b>
Increase/( Decrease) in Stocks	129.60	40.91
<b>SCHEDULE:18</b>		
<b>MATERIAL CONSUMED</b>		
a) RAW MATERIAL		
Opening Stock	14.14	121.36
Purchases	993.68	796.69
Less:Closing Stock	38.25	14.14
<b>A</b>	<b>969.57</b>	<b>903.91</b>
B) PACKING MATERIAL		
Opening Stock	6.11	-
Purchases	100.43	66.75
Less:closing Stock	10.58	6.11
<b>B</b>	<b>95.96</b>	<b>60.64</b>
C) STORES AND SPARES		
Opening Stock	-	
Purchases	34.32	
Less:Closing Stock	1.42	
<b>C</b>	<b>32.90</b>	
<b>Total A+B+C</b>	<b>1,098.43</b>	<b>964.55</b>

**CELESTIAL BIOLABS LIMITED**  
**FORMERLY CELESTIAL LABS LIMITED**  
**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>SCHEDULE 19</b>		
<b>PRODUCTION COST</b>		
Stores, Spares and Consumables	87.04	81.08
Power and Fuel	87.81	82.92
Repairs and Maintenance	32.34	23.47
Processing charges	26.32	11.06
<b>TOTAL</b>	<b>233.51</b>	<b>198.53</b>
<b>Schedule 20</b>		
<b>Administrative, Selling &amp; Other expenses</b>		
Communications Postage & Telephone	4.21	13.24
Rent, Rates & Taxes	4.87	15.10
Office Maintenance	1.31	11.24
Travelling & Conveyance	1.98	14.11
Printing & Stationary, Computer consumables	2.86	8.12
Electricity Charges	4.35	13.03
Insurance Charges	2.31	10.01
Professional Charges	6.19	11.07
Books & Periodicals	0.35	7.01
Training & Recruitment Expenses	1.49	6.11
Audit fee	3.30	3.15
Repairs & Maintenance	1.58	15.74
Entertainment	0.46	9.14
Product Development Expenses w/o	104.88	101.32
Advertisement Expenses	0.43	12.14
Selling expenses	60.31	113.44
<b>TOTAL</b>	<b>200.89</b>	<b>363.98</b>

**CELESTIAL BIOLABS LIMITED**  
**FORMERLY CELESTIAL LABS LIMITED**  
**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**

(Rs. in Lakhs)

PARTICULARS	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<b>SCHEDULE 21</b>		
<b>STAFF COST</b>		
Salaries and Wages	320.39	280.15
Staff Welfare	3.39	18.38
<b>TOTAL</b>	<b>323.78</b>	<b>298.53</b>
<b>SCHEDULE: 22</b>		
<b>FINANCIAL CHARGES</b>		
Interest on Term Loan		2.17
Interest on working capital	18.30	0.33
Interest on Hire Purchase Loans	2.20	1.48
interest (others)	-	2.07
Bank Charges	2.41	8.95
Processing Fee on SBI WC & Term Loan	2.00	17.00
<b>TOTAL</b>	<b>24.91</b>	<b>32.00</b>
<b>SCHEDULE: 23</b>		
<b>R &amp; D EXPENSES (drug development)</b>		
Raw Material	109.21	15.11
Consumables	22.76	6.47
Salaries and Wages	32.35	25.16
Lab Expenses	22.61	4.12
<b>TOTAL</b>	<b>186.93</b>	<b>50.86</b>

**SCHEDULE 14**

**NOTES ON ACCOUNTS:**

**A. Significant Accounting Policies**

**1. Basis of Accounting:**

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting policies generally accepted in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable and the relevant provisions of the Companies Act, 1956.

**2. Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. Actual results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods

The previous period's figures have been rearranged/regrouped/reclassified wherever necessary.

**3. Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized.

**4. Depreciation & Amortization:**

Depreciation on Fixed Assets has been provided on the Straight Line method and Depreciation on the assets acquired during the year is provided on Pro-rata basis at the rates specified in Schedule XIV of the Companies Act, 1956.

**5. Product Development Expenditure:**

Expenditure incurred on research of new products has been treated as Product Development expenditure and the same has been written off in 10 years equally yearly installments from the year in which it is incurred.

**6. Retirement Benefits:**

- a) Provident Fund: The Company is contributing to the funds maintained by the Government towards Provident Fund to employees.
- b) Gratuity: No provision for gratuity has been made as none of the employees had completed the minimum stipulated period for entitlement of gratuity.

**7. Sales and Revenue Recognition:**

Revenue from services is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer. Revenue from domestic sales is recognized on dispatch of products from the company.

**8. Foreign Currency transactions**

The reporting currency of the company is Indian Rupee. Expenditure in Foreign currency during the month is accounted at a rate, which approximates the actual rate during that month. The exchange differences arising on foreign currency translation during the year are recognized as income or expenses in the profit and loss account.

**9. Taxes on Income**

Income tax is provided on the profits of the company as per the Income Tax Act, 1961 and other applicable rules and regulations to the company.

Deferred Tax is recognized on time difference between the accounting income and taxable income for the period and quantified using the tax rates and laws enacted or substantially enacted on the balance sheet date.

**10. Earning Per Share (EPS):**

The basic Earnings per Share ("EPS") are computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

**B. Notes on Accounts**

**1.1 Contingent Liabilities** not provided – Nil

**1.2 Segment Reporting:**

Based on the guiding principles given in Accounting Standard on Segment Reporting (AS -17) issued by the Institute of Chartered Accountants of India, the company's primary business segment is formulations. During the period your company has achieved a turn over of Rs.1760.31 lakh for formulations and Rs.762.01 lakh for Bio/IT.

**1.3 Related Party Disclosures**

(Rs. In Lakhs)

Sl. No.	Name of related party	Name of the transaction	Amount
1	Dr. A.N. Singh	Remuneration	6.60
2	Padma Singh	Sitting Fee	0.15
3	Amit Kumar Singh	Remuneration	3.60

The Company has allotted 6,20,000 (Six Lakh Twenty Thousand Only) equity shares of Rs. 10/- each to Dr. A.N Singh @Rs.27/- per share (inclusive of a premium of Rs.17/- per share) towards purchase of Bio1/IT packages under Intellectual Property Rights (IPR). In this regard the Company had obtained the approvals of the Regional Director, Ministry of Corporate Affairs; the National Stock Exchange of India and The Bombay Stock Exchange.

**1.4 Deferred Tax**

The deferred tax asset as at 31<sup>st</sup> March 2011 is Rs. 16, 01,592.00

**1.5 Auditors remuneration and expenses charged to the accounts:**

	(In Rupees)	
	2010-11	2009-10
Audit Fees	2,40,000	1,80,000
For Tax Matters	80,000	80,000
Other Matters	40,000	40,000

**1.6 Additional information required under Part II of Schedule VI to the Companies Act, 1956**

1. Capacities and Production		
Product Unit Installed capacity/Actual production	Not Applicable	
Licensed Capacity	Not Applicable	
2. TURNOVER:		(Rupees in Lakhs)
	2010-11	2009-10
Bio-IT, Herbal and allopathic formulations	2532.86	2183.41
3. Inventory	334.38	200.27
4. Raw Material, Stores, Spare Parts	66.49	20.25
5. Expenditure in Foreign Currency		(Rs. in Lakhs)
	2010-11	2009-10
Expenditure in Foreign currency	2.32	105.21
6. Earning in Foreign Exchange:		(Rs. in Lakhs)
	2010-11	2009-10
Earning in Foreign Exchange	12.63	732.10
7. R&D Expenditure Details		(In Rupees)
Particulars		2010-11
A Capital		16740000.00
B Recurring		18693387.00
TOTAL		35433387.00

Signatures to Schedules 1 to 15

As per our Report attached  
**For LAKSHMIPURNA & ASSOCIATES**  
Chartered Accountants

For and on Behalf of the Board

**Ch.L. PURNACHANDRA RAO**  
Proprietor  
M.NO.221392

**Dr.A.N.Singh**  
Managing Director

**Dr.D.C.Sastry**  
Director

Place Hyderabad  
Date 29.08.2011

**T.A.Veena**  
Company Secretary

**CELESTIAL BIOLABS LIMITED  
(FORMERLY CELESTIAL LABS LIMITED)  
CASH FLOW STATEMENT**

Rs. in Lakhs)

Particulars	1.4.2010 to 31.03.2011	1.4.2009 To 31.03.2010
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before Tax & Appropriations	278.79	265.68
Depreciation	315.21	50.20
Interest and Financial Charges Paid	24.91	23.05
Interest Earned	(10.02)	(29.02)
Deffered tax	20.22	6.88
Provison for tax	(56.86)	(38.87)
Operating Profit Before Working Capital Charges	572.26	277.91
<b>Adjustments for:</b>		
(Increase)/Decrease in Sundry Debtors	(326.11)	104.03
(Increase)/Decrease in Deposits, Loans & Advances	(0.00)	(57.54)
(Increase)/Decrease in Inventory	(179.85)	(40.91)
Increase/(Decrease) in Current Liabilities	36.55	8.79
<b>Cash Generated from Operations</b>	102.84	292.28
Net Cash generated from Operating Activities (A)	102.84	292.28
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(184.84)	(181.95)
Capital work in progress	(1,338.97)	(787.10)
Investments	327.97	280.25
Interest earned	10.02	29.02
Product development expenses	(463.65)	-
Net Cash generated from/(Used) Investing Activities (B)	(1,649.47)	(659.78)
<b>C. Cash Flow from Financial Activities</b>		
Net Cash generated from/(used) Financial Activities (c)		
Increase/(Decrease) in Bank Borrowings	522.40	499.04
Increase (Decrease) in Hire purchase Loans	20.51	15.04
Issue of capital with premium	612.90	307.53
Increase/(Decrease) in unsecured loans	-	(19.50)
Interest and Financial Charges Paid	(24.91)	(23.05)
	1,130.90	779.07
<b>Net Increase/(Decrease) in Cash and Cash Equalants (A+B+C)</b>	(415.72)	411.56
Cash and Cash equilants at the beginning of the year	422.61	11.04
Cash and Cash equilants (Closing Balance)	6.89	422.61

As per our Report attached

**For LAKSHMIPURNA & ASSOCIATES**  
Chartered Accountants

For and on Behalf of the Board

**Ch.L. PURNACHANDRA RAO**  
Proprietor  
M.NO.221392

**Dr.A.N.Singh**  
Managing Director

**Dr.D.C.Sastra**  
Director

Place Hyderabad  
Date 29.08.2011

**T.A.Veena**  
Company Secretary

**CELESTIAL BIOLABS LIMITED**

Plot No.231 A, MLA Colony, Road No 12, Banjara Hills, Hyderabad - 500 034, A.P., India

**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration Number

0 1 - 2 8 3 7 4

State code

0 1

Balance Sheet Date

3 1 0 3 2 0 1 1

**II. CAPITAL RAISED DURING THE YEAR (ABOUT IN Rs.THOUSANDS)**

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

**III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (AMOUNT IN Rs.THOUSANDS)**

SOURCE OF FUNDS

Total Liabilities

8 9 9 4 4 9

Total Assets

8 9 9 4 4 9

Paid up Capital

1 4 6 0 3 0

Reserves & Surplus

6 3 0 3 1 5

Secured Loans

1 0 9 3 3 3

Unsecured Loans

5 5 5 0

APPLICATION OF FUNDS

Net Fixed Assets

3 0 8 4 0 7

Investments

0 0 8 6 6 1

Net Currents

8 2 0 3 4

Misc.Expenditure

1 3 4 0 6 3

Accumulated Losses

N I L

Deferred Revenue Expenditure

N I L

Public Issue Expenses

1 4 6 4 7

Product Development

1 1 9 4 1 6

**IV. PERFORMANCE OF THE COMPANY (AMOUNT IN Rs.THOUSANDS)**

Turnover

2 5 3 2 8 6

Total Expenditure

2 2 5 4 0 7

Profit Before Tax

2 7 8 7 9

Profit After Tax

2 4 2 1 5

Earnings per share

1 . 6 6

Dividend Rate

N I L

As per our Report attached  
**For LAKSHMIPURNA & ASSOCIATES**  
Chartered Accountants

For and on Behalf of the Board

**Ch.L. PURNACHANDRA RAO**  
Proprietor  
M.NO.221392

**Dr.A.N.Singh**  
Managing Director

**Dr.D.C.Sastra**  
Director

Place Hyderabad  
Date 29.08.2011

**T.A.Veena**  
Company Secretary

**CELESTIAL BIOLABS LIMITED**

**PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_ a Member/Members of the above named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my /our proxy

To attend and vote for me/us on my/our behalf of the 13<sup>th</sup> Annual General Meeting of the company to be held on Monday, 26<sup>th</sup> September, 2011 at 2.30 p.m and at any adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Reference folio No. / DPID / Client ID

Signature

Affix necessary stamp
-----------------------------

No of Shares \_\_\_\_\_

PLEASE SEE THE INSTRUCTIONS OVER LEAF

Notes:

1. The Proxy to be effective, should be deposited at the registered office of the company at Hyderabad, 231A, MLA Colony, Road No-12, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India not later than Forty-eight hours before the commencement of meeting.
2. A proxy need not be a member of the company. Should you desire, you may also appoint the chairman or the company secretary of the company as indicated above in the event of a poll being demanded at the meeting.

**CELESTIAL BIOLABS LIMITED**

**Registered Office:** 231A MLA Colony, Road No.12, Banjara Hills, Hyderabad 500 034,  
A.P. INDIA

**ATTENDANCE SLIP**

PLEASE FILL THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional attendance slips at the venue of the meeting

DPID*	
-------	--

Master Folio No	
-----------------	--

Client ID*	
------------	--

No of Shares	
--------------	--

NAME AND ADDRESS OF THE SHARE HOLDERS

I hereby record my presence at the 13<sup>th</sup> ANNUAL GENERAL MEETING OF THE Company held on Monday 26<sup>th</sup> September, 2010 at 02.30 p.m at The Federation of Andhra Pradesh Chamber of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004.

\*Applicable for Investors holding shares in dematerialized.

\_\_\_\_\_  
Signature shareholder/proxy



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**CELESTIAL**  
**BIOLABS LIMITED**

Plot No. 231 A, MLA Colony,  
Road No. 12, Banjara Hills,  
Hyderabad - 500 034, A.P. India