

Krebs Biochemicals & Industries Limited

CIN : L24110AP1991PLC103912



4th October 2018

To,
The Manager,
Department of Corporate Relations,
BSE Limited,
P J Towers, Dalal Street,
Fort, Mumbai- 400001.

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.

Dear Sir/Madam,

Sub: Submission of Annual Report 2017-18.

Ref: Reg. 34(1) of SEBI (LODR) Regulations, 2015.

We refer to the above captioned subject; Pursuant to Reg. 34(1) of SEBI (LODR) Regulations, 2015 we herewith submit to the Exchange the Annual Report for the year 2017-18.

Kindly note that the Annual Report for the year 2017-18 has already been submitted on **16th August 2018.**

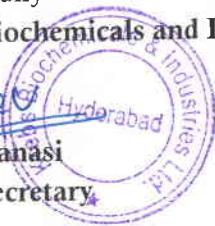
This is for the information and records of the Exchange, please.

Thanking you,

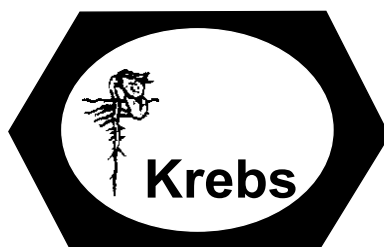
Yours Faithfully

For Krebs Biochemicals and Industries Limited


Hariitha Varanasi
Company Secretary



KREBS BIOCHEMICALS & INDUSTRIES LIMITED



**26th Annual Report
2017 - 18**

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Dr R T Ravi	Chairman & Non-Executive Director (DIN- 00272977)
Mr. Avinash Ravi	Managing Director (DIN-01616152)
Mr. Manish Jain	Non-Executive Director (DIN- 01856146)
Mr. E.J Babu	Non-Executive Director (DIN- 06759124)
Mr. Raj Kamal Prasad Verma	Independent Director (DIN- 02166789)
Mr. G.V.L Prasad	Independent Director (DIN- 00017081)
Dr. Tangirala Malati	Independent Director (DIN- 07094957)
Mr. Satish Khivsara	Independent Director (DIN- 07244464)

Company Secretary & Compliance Officer

Ms. Haritha Varanasi (ACS 34293)

Registered Office

Krebs Biochemicals& Industries Ltd.,
Kothapalli (V), Kasimkota (M),
Anakapalli, Vishakapatnam(D),
Andhra Pradesh – 531031.

Statutory Auditors

M/s. Pavuluri & Co.,
Chartered Accountants
Firm Registration No. 012194S
Plot No.48, Flat No.301,
3rd Floor, Micasa, Phase I, Kavuri Hills,
Madhapur, Hyderabad- 500033.

Corporate Office

Krebs Biochemicals& Industries Limited,
Plot No.34, 8-2-577/B,
3rd Floor, Maas Heights,
Road No.8, Banjara Hills,
Hyderabad, Telangana- 500034
Tel: 040 - 66808040
Email: marketing@krebsbiochem.com
investors@krebsbiochem.com
Website: www.krebsbiochem.com

Secretarial Auditors

D S M R & Associates,
Company Secretaries,
6-3-668/10/42, Plot No.42,
1st Floor, Durga Nagar Colony,
Punjagutta, Hyderabad- 500082.

Plant Locations

Unit I : Regadichelika (V), Kodavalur (M)
Nellore (D), Andhra Pradesh–524316.

Unit II : Kothapalli (V), Kasimkota (M),
Anakapalli, Vishakapatnam (D),
Andhra Pradesh – 531031.

Registrars and Share Transfer Agents

Karvy Computershare Private Limited,
Plot No. 31 & 32, Karvy Selenium Tower B,
Financial District, NanakramGuda,
Gachibowli, Hyderabad- 500032.
Ph: 040-67161605
Fax: 040-67161500
Website: www.karvycomputershare.com
Email: einward.ris@karvy.com

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of M/s. Krebs Biochemicals & Industries Limited will be held on Monday, 10th September 2018 at 11:00 AM at Sarojini Villa, Kothapalli (Village), Kasimkota (Mandal), Anakapalli, Vishakapatnam (District), Andhra Pradesh - 531031 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March 2018 on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. E J Babu (holding DIN-06759124), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of M/s. Pavuluri & Co, Chartered Accountants, (Registration No.012194S), Hyderabad who were appointed as the Statutory Auditors of the Company till the conclusion of 27th Annual General Meeting, be and is hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March 2019."

SPECIAL BUSINESS:

4. Re-appointment of Mr. Avinash Ravi (DIN- 01616152) as Managing Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 and Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any re-enactment or modification thereof for the time being in force), recommendations of the Nomination and Remuneration Committee and the Board of Directors, subject to the approval of the central Government and such other necessary approval(s), consent(s) or permission(s), as may be required, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Avinash Ravi (DIN-01616152) as Managing Director of the Company, for a further period of three (3) years up to 30th July 2021."



RESOLVED FURTHER THAT the remuneration of the Managing Director be revised in the year 2019 considering the financial health of the Company.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts deeds, things and matters as in its absolute discretion, it may consider necessary to give effect to the said resolution.

For and on behalf of the Board

Krebs Biochemicals & Industries Limited

Sd/-

Avinash Ravi

Managing Director
(DIN-01616152)

Place: Hyderabad

Date: 30.07.2018

Registered Office: Krebs Biochemicals& Industries Limited,
Kothapalli (Village), Kasimkota (Mandal),
Anakapalli, Vishakapatnam (District), Andhra Pradesh - 531031
Email: investors@krebsbiochem.com
Website: www.krebsbiochem.com
CIN: L24110AP1991PLC103912

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Explanatory statement pursuant to Section 102 of the Companies Act 2013 in respect of the special business to be transacted at the Annual General Meeting as set out in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September 2018 to 10th September 2018 (Both days inclusive).
5. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)

11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Private Limited., Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/ transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.
17. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.krebsbiochem.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@krebsbiochem.com.
18. Voting through electronic means
 - i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting. ("Remote E-voting").
 - ii) The facility for voting through electronic voting system ("Insta Poll") shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through "Insta Poll".
 - iii) The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

- iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- v) The Board of Directors of the Company has appointed Mrs. Jhansi Laxmi, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the Insta Poll and remote e-voting process to ensure fairness and transparency.
- vi) Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member/beneficial owner (in the case of electronic shareholding) as on the cut-off date i.e., 31st August 2018.
- vii) A Person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e, 31st August 2018 only shall be entitled to avail the facility of remote e-voting / Insta Poll.
- viii) Any person who becomes a member of the Company after dispatch of the notice of the meeting and holding shares as on the cut-off date i.e, 31st August 2018 may obtain the user id and password in the manner mentioned below:
 - a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-voting Event Number + Folio Number or DP ID Client ID to 9212993399.

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- b) If e-mail address or mobile number of the member is registered against the folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Member may call Karvy's Toll Free Number 1-800-3454-001.
If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- ix) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 09.00 AM (IST) on 7th September 2018

End of remote e-voting : On 05.00 PM (IST) on 9th September 2018.

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

- x) The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.krebsbiochem.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

- xi) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e, 10th September 2018
- xii) Instructions and other information relating to e-voting
 - 1) A. A member receiving an e-mail from Karvy (For members whose e-mail addresses are registered with the Company/Depository Participant(s):
 - a) Launch internet browser by typing the URL : <https://evoting.karvy.com>
 - b) Enter the log in credentials (i.e USER ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID.
However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c) After entering these details appropriately, Click on "LOGIN".
 - d) You will now reach password change menu wherein you are required to mandatorily change password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character(@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential
 - e) You need to log in again with the new credentials.
 - f) On successful log in, the system will prompt you to select the E-Voting Event Number for Krebs Biochemicals & Industries Limited.
 - g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k) A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen

signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID:jhansi_laxmi@rediffmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

- B) In case a member receives physical copy of the notice by post (For members whose email addresses are not registered with the Company/Depository Participant(s).
- User ID and Initial password - These will be sent separately
 - Please follow all steps from Sr No (a) to (l) as mentioned in (A) above, to cast your vote.
- Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
19. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

Name of the Director	Mr. E J Babu	Mr. Avinash Ravi
Date of Birth	24.07.1963	15.02.1979
Date of appointment	12.02.2016	13.08.2015
Expertise in specific functional areas	Skilled in marketing as well as Sales Management of Active Pharmaceutical Ingredients globally. Also experienced in logistics related functions of the export operations. He is currently working for Ipca Laboratories Limited as President- Global APIs.	He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc
Qualifications	P G Diploma in Marketing Management	Graduate in Bio-Processing Engineering from University of New South Wales, Australia
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil	Nil
Inter se relationship among Directors	None	He is son of Dr R T Ravi, Non-Executive Director and Chairman of the Company.

For and on behalf of the Board of
Krebs Biochemicals & Industries Limited

Sd/-

Avinash Ravi

Managing Director
(DIN-01616152)

Place : Hyderabad
Date : 30.07.2018

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

The Board of Directors at their meeting held on 30th July 2018 had re-appointed Mr. Avinash Ravi as Managing Director of the company with effect from 30th July 2018 for a further period of 3 years subject to the approval of the shareholders in the ensuing annual general meeting and on the basis of the recommendations of Nomination and Remuneration Committee on the same remuneration as approved by the Board at its meeting held on 13th August 2015 and members of the company at their 23rd Annual General Meeting held on 29th September 2015.

For the purpose, an agreement has been entered into by the Company with the Managing Director.

The Company has received from Mr. Avinash Ravi, consent to act as Managing Director of the Company and intimation in Form DIR-8, to the effect that he is not disqualified under Sub-Section(2) of Section 164 of the Companies Act, 2013 and applicable rules.

The terms and conditions of the appointment are as follows:

1. Remuneration: Rs. 42 Lakhs per annum
2. Period of re-appointment : 3 years beginning from 30th July 2018
3. Mr. Avinash Ravi shall perform such duties as shall from time to time be entrusted him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Additional Information as required under Schedule V:

I. General Information:

- 1) Nature of Industry : Manufacturing of bulk pharmaceutical ingredients.
- 2) Date or expected date of commencement of commercial production : 1994
- 3) Financial performance based on the given indicators:

Financial performance during the past three years:

Rs. in lakhs

Particulars	2015-16	2016-17	2017-18
Turnover	15.85	197.02	2538.24
Net Profit/Loss	(1632.04)	(1604.93)	(1925.41)

Export performance and net foreign exchange earnings:

(Rs. In lakhs)

Particulars	2015-16	2016-17	2017-18
Export Earnings	Nil	34.19	130.68

- 4) Foreign Investments or collaborations, if any : Nil

II) Information about the appointee:

- 1) Background details: Mr. Avinash Ravi is a graduate in Bio Process Engineering from the University of New South Wales, Australia. He has done his project work in fermentation and Laboratory Control from Suntroy Brewery, Queens Land, Australia and done his Student exchange programme from University of Alberta, Canada. He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc. He stood 2nd in place in National Medical Quiz Competition.

- 2) Past remuneration: Rs. 42 lakhs P.A.
- 3) Recognition or awards : Nil
- 4) Job profile and his suitability : Mr. Avinash Ravi had been as COO of the Company and during his initial tenure of 3 years as Managing Director has brought stability in the manufacturing activities of the company and with his continuous efforts the company has reported a remarkable change in the revenue generation.
- 5) Remuneration proposed - As mentioned in the resolution.
- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: 58 lakhs P.A
- 7) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Avinash Ravi is holding 17,68,821 equity shares in the Company.

His remuneration is in tune of Rs. 42 Lakhs and he is also a part of promoter group. He is son of Dr. R T Ravi, Chairman and promoter of the Company.

III) Other Information:

- 1) Reasons of loss or inadequate profits: After both the plants were shut down due to illegal strike by the employees, the plants were re-opened in the year 2014 and both the manufacturing units were revived and manufacturing operations are being improvised.
- 2) Steps taken or proposed to be taken for improvement: The financial restructuring of debt of the Company has been implemented along with the strategic partnership with Ipca Laboratories Limited by way of investment in equity capital of the company by Ipca Laboratories Limited to revive the operations.
- 3) Expected increase in productivity and profits in measurable terms: The management continues to make efforts to come out with effective production plan for increase in the productivity and revenue from operations, which has shown results to some extent during the past 3 years

The resolution seeks the approval of the members in terms of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Mr. Avinash Ravi as Managing Director of the Company.

None of the Directors and Key Managerial Personnel except Mr. Avinash Ravi, Dr. R T Ravi and their relatives are concerned or interested directly or indirectly in the above resolution.

The Board of Directors recommends the passing of Ordinary resolution set forth in the Notice for the approval of members.

For and on behalf of the Board of
Krebs Biochemicals & Industries Limited

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 30.07.2018

DIRECTORS' REPORT

To,
The Members,

The directors submit annual report of Krebs Biochemicals & Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March 2018.

1. Financial Summary

(Rs. in lakhs)

Particulars	2017-18	2016-17
Net Sales	2538.24	197.02
Other Income	860.28	163.52
Total Income	3398.52	360.54
Expenditure	4128.09	1153.02
P(L)BDIT	(729.57)	(792.48)
Loss on sale of Assets	Nil	Nil
PBDIT (After Extra Ordinary Items)	(729.57)	(792.47)
Finance Charges	516.52	348.85
Depreciation	414.97	423.37
Profit/(Loss) Before Tax	(1661.06)	(1564.70)
Exceptional Items	(121.43)	(40.24)
Deferred Tax Asset	Nil	Nil
Taxes of earlier years	Nil	Nil
Net profit/(Loss) after Tax	(1782.49)	(1604.94)
Other Comprehensive Income	(143.12)	451.26
Total comprehensive income for the period (comprising Profit/(loss) and other comprehensive income for the year)	(1925.61)	(1153.68)
Add: balance brought Forward	(7127.49)	(5973.81)
Less: Depreciation	Nil	Nil
Add: Transferred from Profit & Loss Account	(1925.61)	(1153.68)
Balance Carried to Balance Sheet	(9053.10)	(7127.49)

2. Financial Performance

During the year under review, the Company has posted net sales of Rs. 2538.24 lakhs and Rs. 860.28 lakhs as other income. For the FY 2017-18 the company has incurred a loss of Rs. 1925.61 lakhs as against loss of Rs. 1153.68 lakhs of the previous year ended 31st March 2017.

3. Change in nature of business

During the year under review, there is no change in the nature of business of the company.

4. Dividend

On account of losses during the year, no dividend is proposed to be declared for the financial year 2017-18.

5. Operations

During the FY 2017-18, three products were commercialized and were released into the market. Some of the products are in development stage and will start commercial production within few months down the line.

Some modernization works were also undertaken to meet the latest pollution control norms and safety regulations. All relevant licenses were renewed. All the pending statutory requirements were addressed.

6. Material changes and commitments affecting the financial position of the company.

During the year under review, there were no material changes occurred and commitments made, that affect the financial position of the company.

7. Rights Issue :

At the 145th Meeting held on 30th July 2018, the Board of Directors has approved the proposal of raising of funds by way of offer and issue of equity shares to the members of the Company on rights basis (Rights Issue) for an amount of upto Rs. 25 crores, subject to necessary approvals/consents under the provisions of SEBI (ICDR) Regulations, 2009, SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

8. Issue of Equity Shares

During the year under review, the company has not issued any shares.

9. Statutory Auditors

At the 21st Annual General Meeting held on 31st December 2014, the members of the Company approved the appointment of M/s Pavuluri & Co., Chartered Accountants (Firm Registration No. 012194S) Hyderabad as the Statutory Auditors of the Company to hold office till the conclusion of the 27th Annual General Meeting.

In terms of first proviso of Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Since then, provision to sub-section (1) of Section 139 of the Companies Act, 2013, which provided for ratification every year has been deleted. However, since the resolution passed on 31st December 2014 contains such requirement, it has been decided, as a measure of abundant caution, to have ratification of appointment Statutory Auditors, done by the members for the entire unexpired period.

The Statutory Auditors have confirmed their compliance with the provisions of the Companies Act, 2013.

10. Internal Auditors:

The Board of Directors based on the recommendation of Audit Committee has re-appointed M/s Suryanarayana & Suresh, Chartered Accountants, Hyderabad, as Internal Auditors of the Company for the Financial Year 2018-19 at their meeting held on 30th July 2018.

The internal auditors submit their reports at quarterly intervals to the Audit Committee and the Board.

11. Directors and Key Managerial Personnel

During the year there is no change in the Board of Directors of the company.

During the year, the non-executive directors of the company had no pecuniary relationship or transactions with the company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

During the year under review, Mr. Manish Jain has retired by rotation and being eligible for re-appointment, at the 25th Annual General Meeting held on 26th September 2017, he had been re-appointed as Director.

Mr. E J Babu retires by rotation as Director and he offers himself for re-appointment at the ensuing 26th Annual General Meeting to be held on 10th September 2018.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are-

Mr. Avinash Ravi, Managing Director,

*Mr. C V R S N Kumar – Chief Financial Officer and

Ms. Haritha Varanasi – Company Secretary

*Mr. C V R S N Kumar has ceased as the CFO of the Company due to attaining of age of superannuation as per the company rules and the Board at their meeting held on 25th May 2018 has approved the same.

The Board is in the process of selecting a suitable person as CFO for the Company.

12. Declaration of Independence

The Company has received the declarations under Section 149 (6) of the Companies Act, 2013, from the independent directors that each of them meets the criteria of independence and there has been no change in the circumstances which may affect their status as independent directors during the year.

13. Board Meetings

During the financial year 2017-18, Four (4) meetings of the Board were held. Details of the meetings of the board are provided in the corporate governance report which forms part of this report.

14. Corporate Social Responsibility

The Company regards the wider community in which it operates to be an important stakeholder and actively contributes towards its welfare. According to the provisions of Section 135 of the Companies Act, 2013 the company doesn't fall under the categories of the companies to which the Corporate Social Responsibility is applicable. However, the company feels that making a positive contribution to the local community is the right thing to do and to this end, during the year, has contributed towards welfare of the poor, old aged and differently abled persons.

15. Quality Initiatives

The Company is committed to meet the highest levels of quality to meet the customer satisfaction and robust practices are being implemented and continuous training is being provided to all the employees to achieve the targets set by the company.

The Company is committed to meet the standards set by USFDA, WHO-GMP & EDQM. Our Unit-II site was approved by EDQM in May 2017. Also several customer audits were completed and were approved at Unit-I, Nellore and at Unit-II, Vizag..

The Company is totally focused on improving and implementing best-in class methodologies to meet the customer satisfaction levels with zero complaints.

16. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) has been disclosed in the Corporate Governance Report, which forms part of this report.

17. Board Evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for performance evaluation is based on the parameters like attendance and participation at the meetings of the Board and Committees thereof, contribution to strategic decision making, review of financial statements, business performance.

The evaluation of Board of Directors is performed by the Board after seeking all the inputs from the Directors and the Board Committees by seeking inputs from the Committee members.

The performance evaluation of the individual directors is done by the Nomination and Remuneration Committee.

The performance evaluation of non-independent directors, the Board as a whole and the Chairman is done by a separate meeting of Independent directors after taking inputs from the Executive directors.

18. Familiarisation program for independent Directors

The Company has conducted familiarisation programs for the independent directors as required under the provisions of Companies Act, 2013.

19. Internal Financial Control Systems and their adequacy

The details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report which forms part of this report.

20. Secretarial Standards

The company is in due compliance with the applicable secretarial standards.

21. Audit Committee

The Company has a duly constituted Audit Committee and the Board has accepted all the recommendations of Audit Committee during the year under review. The members of the Audit Committee are:

- a) Mr. G V L Prasad - Chairman
- b) Mr. Satish Khivsara - Member
- c) Dr. Malati Tangirala - Member

The details pertaining to meeting, role and responsibilities of Audit Committee are provided in the Corporate Governance Report, which forms part of this report.

22. Nomination and Remuneration Committee

The Company has in place a duly constituted Nomination and Remuneration Committee which has

- a) Mr. Satish Khivsara as Chairman
- b) Mr. G V L Prasad
- c) Dr. Malati Tangirala
- d) Dr R T Ravi as Members

Details pertaining to meetings, role and responsibilities of Nomination and Remuneration Committee are provided in the corporate Governance Report which forms part of this report.

23. Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee as required under the provisions of SEBI Listing Regulations and the Companies Act, 2013. Members of the committee are

- a) Mr. G V L Prasad - Chairman
- b) Mr. Satish Khivsara - Member
- c) Mr. Avinash Ravi - Member
- d) Dr R T Ravi - Member

Details pertaining to meetings, role and responsibilities of Stakeholders Relationship Committee are provided in the corporate Governance Report which forms part of this report.

24. Loans and Investments

During the year under review, the company has not given any loans and not made any investments under the provisions of Section 186 of the Companies Act, 2013.

25. Particulars of Employees.

Pursuant to the provisions of Section 197 of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company is drawing salary of more than Rs. 1.04 crores (Rupees One Crore Four Lakhs) per financial year or Rs. 8.5 lakhs (Eight Lakh Fifty Thousand) per month, as the case may be for the year ended 31st March 2018.

Details of the remuneration drawn by the Key Managerial Personnel is provided in Annexure I to the Board's Report.

26. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s DSMR and Associates, Practicing Company Secretaries, as Secretarial Auditors to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure- II to the Board's Report.

Qualifications in Secretarial Audit Report:

S. No	Observations in Secretarial Audit Report	Board's explanation/comments
1	Delay in payment of annual listing fees to the Stock Exchanges	There was an inadvertent delay in payment of annual listing fees. However, the annual listing fees are paid along with the applicable penal interest.
2	Non maintenance of 100% promoter shareholding in dematerialized form	1000 shares of Mrs. Hemalata Ravi and 19400 shares of Dr R T Ravi are under legal dispute in the court of law and hence the same could not be dematerialized.
3	Delay in obtaining listing and trading approvals for 680,000 shares allotted to Mrs. Hemalata Ravi pursuant to conversion of warrants	Since the company was under suspension in NSE during the period of allotment, the required listing and trading approvals and corporate actions could not be done. However, as on date, all the required approvals have been obtained by the company and all the shares issued by the Company as on date are listed and trading at BSE & NSE.
4	Penalty by BSE Limited for delay in filing of quarterly reports as required under the erstwhile Listing Agreement.	BSE Limited has imposed a penalty of Rs. 3,30,143/- for delay in filing of quarterly reports as required under the erstwhile Listing Agreement for the years 2013-14 and 2014-15. Due to absence of Company Secretary during the period, there was an inadvertent delay in filing the same. The company has paid the penalty amount imposed by BSE. As on date, the Company is compliant with all the listing regulations compliances.

27. Transactions with related parties

None of the transactions with related parties are material in nature as per the Related Party Transactions policy adopted by the Company. Information on transactions with related parties are given in Annexure-III in Form AOC-2 and the same forms the part of this report.

28. Fixed Deposits

The Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance Sheet.

29. Extract of Annual Return:

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure - IV in the prescribed Form MGT-9 which forms part of the report.

30. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair and true view of the state of affairs of the Company at the end of the financial year;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the annual accounts on a going concern basis.
- v) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Disclosure Requirements

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

32. Prevention of Insider Trading

The Company has also adopted a code of conduct for prevention of insider trading. All directors, senior management employees and other employees who have access to the unpublished price sensitive information of the company are governed by the Code. During the year under report, there has been due compliance with the code of conduct for prevention of insider trading.

The said code is available in the company's website www.krebsbiochem.com.

33. Vigil Mechanism/Whistle Blower Policy

The Company has in place, whistle blower policy and no personnel have been denied access to the Chairman of the Audit Committee. The policy also provides for the safeguarding of whistle blowers. The whistle blower policy is available on website of the company www.krebsbiochem.com.

34. Energy conservation, technology absorption and foreign exchange earnings outgo.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure-V" to this report.

35. Safety, Environment and Health

The Company considers safety, environment and health as the management responsibility. The employees are provided training programs at regular intervals on manufacturing facilities on safety and environment.

36. Significant or material orders passed against the company.

Several creditors have filed winding up petitions with the High Court of Andhra Pradesh and Telangana. However, they don't have a significant impact on the on-going activities and operations of the company.

During the year under review, there were no significant or material orders passed against the company by regulators/ Courts/Tribunals impacting the going concern status and operations of the company in future.

37. Acknowledgments

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, employees, suppliers and other business associates for the excellent support and co-operation extended by them.

Your Directors gratefully acknowledge the on-going co-operation and support provided by the Central and State Governments, Stock Exchanges and SEBI and other Regulatory Bodies.

For and on behalf of the Board of

Krebs Biochemicals& Industries Limited

Sd/-

Avinash Ravi

Managing Director
(DIN-01616152)

Sd/-

Dr. R T Ravi

Chairman & Director
(DIN- 00272977)

Place: Hyderabad

Date: 30.07.2018

ANNEXURE-I**Details of remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

As required under the provisions of Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company is drawing salary of more than Rs. 1.04 crores (Rupees One Crore Four Lakhs) per financial year or Rs. 8.5 lakhs (Eight Lakh Fifty Thousand) per month, as the case may be for the year ended 31st March 2018.

- a. The ratio of remuneration of each director (including the sitting fees to independent Directors) to the median remuneration of the employees of the company for the financial year

S.No.	Name of the Director/ Key Managerial Personnel	Remuneration of Director/ KMP for the FY 2017-18 (Amount in Rs.)	% increase/ (Decrease) in remuneration in the FY 2017-18	Ratio of remuneration of each director/ KMP to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1.	Avinash Ravi*	42,22,000	0	6.60%	The company is in continuing losses for the past financial years and during the year the company posted a net loss of Rs. 1925.41 lakhs Please refer to the note above.
2.	Haritha Varanasi (Company Secretary)	5,49,996	0%	0.86%	
3.	C V R S N Kumar(CFO)	7,80,000	0%	1.22%	

- b. The median remuneration of the employees of the company during the financial year was Rs. 6,39,360/-
- c. The percentage increase in the median remuneration of employees in the financial year: 9.15%.
- d. There were 408 Regular employees and 42 contract employees as on 31st March 2018.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration: None
- f. Affirmation that the remuneration is as per the remuneration policy of the company

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of

Krebs Biochemicals & Industries Limited

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place: Hyderabad
Date: 30.07.2018

Sd/-

Dr. R T Ravi
Chairman & Director
(DIN- 00272977)

ANNEXURE II
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KREBS BIOCHEMICALS AND INDUSTRIES LIMITED
Kothapalli Village, Kasimkota Mandal,
Anakapalli, Visakhapatnam,
Andhra Pradesh – 531031

I had conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KREBS BIOCHEMICALS AND INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under except:

Delay in payment of Listing Fees to BSE Limited and The National Stock Exchange of India Limited.

During the period under review, BSE Limited has imposed a penalty of Rs. 3,30,143/- for delay in filing quarterly submissions. The quarterly submissions relate to the financial year 2013 – 14 and 2014 – 15 and are covered under the provisions of erstwhile Listing Agreement.

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

During the period of our audit there were no activities done by the Company under the aforesaid regulations.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

During the period of our audit there were no activities done by the Company under the aforesaid regulations.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Company has complied with regard to interest transfer of shares between the promoters i.e., 179,316 Equity Shares held by Dr. R. T. Ravi were transferred to Mr. Avinash Ravi. However, there was delay in the reporting.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

During the period of our audit there were no activities done by the Company under the aforesaid regulations.

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) The Securities and Exchange Board of India (Share Based Employee Benefit Schemes) Regulations, 2014;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the period of our audit the Company has not issued any Debt Securities under these regulations. Hence the reporting of compliance under these regulations does not arise.

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

During the period of our audit the Company has not delisted its Equity Shares from any of the exchanges, where the shares are listed. Hence the reporting of compliance under these regulations does not arise; and

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

During the period of our audit the Company has not done any buy back of its securities. Hence the reporting of compliance under these regulations does not arise;

(vi) Other laws specifically applicable to the Company are:

a. Pharmacy Act, 1948;

b. Drugs and Cosmetics Act, 1940;

c. Indian Boilers Act, 1923

d. Factories Act, 1948

- e. Water (Prevention and Control of Pollution) Act, 1974
- f. Air (Prevention and Control of Pollution) Act, 1981
- g. The Trade Union Act, 1926
- h. Industrial Disputes Act, 1947
- i. Minimum Wages Act, 1946
- j. Payment of Bonus Act, 1965

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

Since only the Secretarial standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) have been notified and effective from 1st July, 2015, the Company has complied with the said Standards.

- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [except for Regulation 34 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance of which has been certified by the Statutory Auditors relating to Corporate Governance] except for:

- Not complying with the requirement of maintaining 100% of promoters holding in demat form.
- Delay in obtaining listing and trading approval for the conversion of 680,000 Warrants into 680,000 Equity Shares done on 28th May, 2016 from National Stock Exchange of India Limited.
- Delay in payment of listing fees to BSE Limited and The National Stock Exchange of India Limited.
- During the period under review, BSE Limited has imposed a penalty of Rs.3,30,143/- for delay in filing quarterly submissions. The quarterly submissions relate to the financial year 2013 – 14 and 2014 – 15 and are covered under the provisions of erstwhile Listing Agreement.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the same need to be strengthened further to ensure timely and efficient compliance.

We further report that during the audit period the Company has

1. The following creditors have filed Winding up Petitions under the provisions of Section 433 of the Companies Act, 1956 with the Hon'ble High Court at Hyderabad having jurisdiction over the States of Andhra Pradesh & Telangana for non-payment of their dues:

- Niram Chemicals
- Bharat Jyotilmpex
- Agarwal Coal Corporation Private Limited
- Sparchem
- Aurobindo Pharma Limited
- Trident Chemphar Limited
- Om Sai Professional Detective Security

For **DSMR & Associates**
Company Secretaries

Place: Hyderabad

Date: 30.07.2018

D S M Ram
Proprietor
C.P. No.4239

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE 'A'

To,
The Members,
KREBS BIOCHEMICALS AND INDUSTRIES LIMITED
Kothapalli Village, Kasimkota Mandal,
Anakapalli - 531031

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DSMR & Associates**
Company Secretaries

Place: Hyderabad

Date: 30.07.2018

D S M Ram
Proprietor
C.P. No.4239

Annexure-III

Particulars of contracts/arrangements made with related parties [Pursuant to Clause (h) Sub-section(3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC-2]

This form pertains to the disclosure of particulars of contracts/arrangements entered into between the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

- a) Name(s) of the related party and nature if relationship : Not Applicable
- b) Nature of contracts/arrangements/transactions : None
- c) Duration of the contracts/arrangements/transactions : Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable
- e) Justification for entering into such contracts or arrangements or transactions : Not Applicable
- f) Date(s) of approval by the Board : Not Applicable
- g) Amounts paid as advances, if any : None
- h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 : Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- a) Name(s) of the related party and nature of the relationship : Ipca Laboratories Limited
- b) Nature of contracts/arrangements/transactions : Supply agreement
- c) Duration of the contracts or arrangements or transactions : Continuous transactions on an Ongoing Basis

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Nature, material terms and particulars of arrangement	i. Purchase/sale of materials, capital goods, plant & machineries, packaging materials etc., at a market determined price that would be generally agreed by the trade/industry for similar nature of transaction. ii. Availing of/rendering of services at a price that would be generally charged in the trade/industry for that particular type of service. iii. Provision of common services at proportionate cost.
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All related party transactions that were entered during the financial year were on arms-length basis and is according to the policy of related party transactions adopted by the Company.

For and on behalf of the Board of

Krebs Biochemicals& Industries Limited

Sd/

Avinash Ravi

Managing Director
(DIN-01616152)

Place: Hyderabad

Date: 30.07.2018

Sd/-

Dr. R T Ravi

Director
(DIN- 00272977)

**ANNEXURE-IV
FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
AS ON 31.03.2018**

PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.

I. REGISTRATION AND OTHER DETAILS

1	CIN	L24110AP1991PLC103912
2	Registration Date	02.12.1991
3	Name of the Company	Krebs Biochemicals & Industries Limited
4	Category/Sub-Category of the Company	Public Company/ Limited by shares
5	Address of the Registered Office & Contact Details	Kothapalli(v), Kasimkota(M), Anakapalli, Vishakapatnam(D), Andhra Pradesh. Tel: 040-66808040
6	Whether Listed Company	Yes
7	Name, Address & Contact Details of the Registrar & Share Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana- 500032. Tel: 040-67161500

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED

SL No	Name & Description of main products/services	NIC code of the product/service	% to total turnover of the Company
1	Simvastatin	29420090	36.75%
2.	Phenylephrine	29420090	63.25%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	NIL	NA	Nil	Nil

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Shareholding

Category of shareholders	No. of shares at the beginning of the period				No. of shares held at the end of the period				% change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	2764341	1350400	4114741	29.94%	3413841	700400	4114241	29.94%	0.00%
b) Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%	
c) Bodies Corporate	4100100	0	4100100	29.83%	4100100	0	4100100	29.83%	0.00%
d) Financial Institutions/ Banks	0	0	0	0.00%	0	0	0	0.00%	
e) Others	0	0	0	0.00%	0	0	0	0.00%	
Sub-Total A(1)	6864441	1350400	8214841	59.77%	7513941	700400	8214341	59.77%	0.00%
2) Foreign									
a) Indian (NRIs/Foreign Individuals	0	0	0	0.00%	0	0	0	0.00%	
b) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	
c) Institutions	0	0	0	0.00%	0	0	0	0.00%	
d) Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	
e) Others	0	0	0	0.00%	0	0	0	0.00%	
Sub-Total A(2)	0	0	0	0.00%	0	0	0	0.00%	
Total A = A(1)+A(2)	6864441	1350400	8214841	59.77%	7513941	700400	8214341	59.76%	
(B) Public Shareholding									
1) Institutions									
(a) Mutual Funds/UTI	0	0	0	0.00%	0	0	0	0.00%	
(b) Financial Institutions/Banks	522	0	522	0.00%	522	0	522	0.00%	
(c) Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%	
(d) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	

(e) Insurance Companies	0	0	0	0	0.00%	0	0	0	0.00%
(f) Foreign Institutional Investors	0	1300	1300	0	0.01%	1300	1300	0	0.01%
(g) Foreign Venture Capital investors	0	0	0	0	0.00%	0	0	0	0.00%
(h) Qualified Foreign Investors	0	0	0	0	0.00%	0	0	0	0.00%
(i) Others	0	0	0	0	0.00%	0	0	0	0.00%
Sub-Total- B(1)	522	1300	1822	522	0.01%	1300	1822	1822	0.01%
(2) Non-Institutions									
(a) Bodies Corporate	1980719	113501	2094220	1947738	15.24%	113501	2061239	2061239	15.00%
(b) Individuals									
(i) Individuals holding nominal share capital up to Rs. 2 lakhs	1587366	158265	1745631	1465905	12.70%	155563	1621468	1621468	11.78%
(ii) Individuals holding nominal share capital in excess of Rs. 2 lakhs	1010153	380000	1390153	1213330	10.11%	380000	1593330	1593330	11.59%
(c) Others									
Non Resident Individuals	258526	0	258526	250033	1.88%	0	250033	250033	1.82%
Clearing Members	39093	0	39093	1689	0.28%	0	1689	1689	0.01%
NBFCs Registered with RBI	0	0	0	364	0.00%	0	364	364	0.00%
Sub-Total- B(2)	4875857	651766	5527623	4879059	40.21%	649064	5528123	5528123	38.58%
Total B= B(1)+B(2)	4876379	653066	5529445	4879581	40.23%	650364	5529945	5529945	40.23%
Total A+B	11740820	2003466	13744286	12393522	100%	1350764	13744286	13744286	100%
(c) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter group	0	0	0	0	0.00	0	0	0	0.00%
(2) Public	0	0	0	0	0.00	0	0	0	0.00%
Grand Total (A+B+C)	11740820	2003466	13744286	12393522	100%	1350764	13744286	13744286	100%

ii) Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				% change in shareholding during the year
		No. of shares	% of the total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of the total shares of the company	% of shares pledged/encumbered to total shares	% change in shareholding during the year	
1	Dr R T Ravi	198716	1.44%	0.00%	19400	0.14%	0.00%	-1.30%	
2	Avinash Ravi	1589505	11.56%	1.45%	1768821	12.87%	11.31%	1.30%	
3	Ipsca Laboratories Limited	4100100	29.84%	0.00%	4100100	29.84%	0.00%	0.00%	
4	Hemalata Ravi	2224400	16.18%	1.45%	2224400	16.19%	8.99%	0.00%	
5	Aditya Ravi	8820	0.06%	0.00%	8820	0.06%	0.00%	0.00%	
6	Ajay Ravi	93300	0.68%	0.00%	92800	0.67%	0.00%	0.00%	
	Total	8214841	59.77%	2.9%	8214341	59.77%	20.3%	0.00%	

iii) Change in promoters' Shareholding (Please specify, if there is no change)

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr R T Ravi	198716	1.44%	25.09.2017	Transfer to Mr. Avinash Ravi	179316	1.30%	19400	0.14%
2.	Mr. Avinash Ravi	1589505	11.56%	25.09.2017	Transfer by Dr R T Ravi	179316	1.30%	1768821	12.87%
3.	Mrs. Hemalata Ravi	2224400	16.18%	NA	NA	0	0	2224400	16.18%
4.	Ipsca Laboratories Limited	4100100	29.83%	NA	NA	0	0.00%	4100100	29.83%
5.	Aditya Ravi	8820	0.06%	Nil	Nil	Nil	0.00%	8820	0.06%
6.	Ajay Ravi	93300	0.68%	Sale	500	0.00%	92800	0.68%	

iv) Shareholding pattern of top ten shareholders (other than Directors, promoters and Holders of ADRs and GDRs):

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sun Pharmaceutical Industries Limited	10,50,000	7.64%	N.A	N.A	Nil	Nil	10,50,000	7.64%
2.	Pinky Ventures Private Limited	600000	4.36%	7.04.2017	Market Sale	1000	0.00%	599000	4.36%
3.	K. Satish	215000	1.56%	NA	NA	Nil	Nil	215000	1.56%
4.	ShajiPaliyath	200000	1.45%	NA	NA	Nil	Nil	200000	1.45%
5.	Gandhi Kanteti	140784	1.02%	29.12.2017 05.01.2018	Market Purchase Market Purchase	11770 31	0.08% 0.00%	152585	1.11%
6.	Edelweiss Asset Reconstruction Company Limited	150000	1.09%	N.A	N.A	Nil	Nil	150000	1.09%
7.	G V L Prasad	105000	0.76%	14.04.2017	Market Purchase	25000	0.18%	130000	0.94%
8.	RavyaKanteti	36613	0.27%	04.08.2017 11.08.2017 18.08.2017 25.08.2017 01.09.2017 08.09.2017 15.09.2017 22.09.2017 29.09.2017 06.10.2017 13.10.2017 20.10.2017	Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase Market Purchase	4607 7418 10587 143 1977 570 3478 1250 1898 412 6574 9473	0.03% 0.05% 0.08% 0.00% 0.01% 0.00% 0.03% 0.01% 0.01% 0.00% 0.05% 0.07%	85000	0.62%
9.	Murthy Raju	80000	0.58 %	N.A	N.A	Nil	Nil	80000	0.58%
10	B H Nagaraju	80000	0.58%	N.A	N.A	Nil	Nil	80000	0.58%

* The % change in holding is calculated on the total number of shares as on date of sale

v) Shareholding of Directors & KMP

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr R T Ravi (Non- Executive Director & Chairman)	198716	1.44%						
				25.09.2017	Transfer to Mr. Avinash Ravi	179316	1.30%	19400	0.14%
2.	Avinash Ravi (Managing Director)	1589505	11.56%						
				25.09.2017	Acquired from Dr RT Ravi	179316	1.30%	1768821	12.87%
3.	G V L Prasad (Independent Director)	105000	0.76%						
				14.04.2017	Market Purchase	25000	0.18%	130000	0.94%
4.	MalatiTangirala (Independent Director)	Nil	0.00%					0	0.00%
				16.03.2018	Market Purchase	1334	0.01%	1334	0.01%
5.	Satish Khivsara (Independent Director)	50	0.00%					0	0.00%
				Nil	Nil	Nil	0.00%	50	0.00%
6.	Manish Jain (Non-Executive Director)	100	0.00%					0	0.00%
				Nil	Nil	0	0.00%	100	0.00%
7.	E J Babu (Non-Executive Director)	50	0.00%					0	0.00%
				Nil	Nil	0	0.00%	50	0.00%
8.	Raj Kamal Prasad Verma (Independent Director)	100	0.00%					0	0.00%
				28.07.2017	Market Purchase	100	0.00%	200	0.00%
9.	Haritha Varanasi (Company Secretary)	5	0.00%					0	0.00%
				Nil	Nil	0	0.00%	5	0.00%
10.	C V R S N Kumar (CFO)	150	0.00%					0	0.00%
				22.12.2017	Market Purchase	150	0.00%	300	0.00%

v. Indebtedness

(Rs.in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	1000	8461.22	0.00	9461.22
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1000	8461.22	0.00	9461.22
Change in indebtedness during the year				
Additions	0.00	1236.00	0.00	1236
Reduction	(400.00)	(73.76)	0.00	(473.76)
Net change	(400.00)	1162.24	0.00	762.24
Indebtedness at the end of the year				
i) Principal Amount	600.00	9623.46	0.00	10223.46
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	600.00	9623.46	0.00	10223.46

vi. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director & Whole-time Director and/or Manager:

S.No.	Particulars of Remuneration	(Rs. In lakhs)
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42.22
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	10.30
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00
2	Stock Option	0.00
3.	Sweat Equity	0.00
4	Commission as % of profit	0.00
5	Others (please Specify)	0.00
	Total (A)	52.52
	Ceiling As per the Limit	

B. Remuneration to Other Directors

(Rs.in lakhs)

Particulars of Remuneration	Name of the Directors							Total Amount
Independent & Non- Executive Directors	Dr R T Ravi	G V L Prasad	MalatiTangirala	Satish Khivsara	Manish Jain	E J Babu	Raj Kamal Prasad Verma	
a) Fee for attending Board Meetings	40000	75000	60000	95000	40000	40000	40000	390000
b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others, Please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	40000	75000	60000	95000	40000	40000	40000	390000

C. Remuneration to Key Managerial Personnel Other than MD/WTM/Manager: (₹ in lakhs)

S.No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5.5	7.8	13.3
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil
5	Others (please Specify)	Nil	Nil	Nil
	Total (A)	5.5	7.8	13.3
	Ceiling As per the Limit			

vii. Penalties/ Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority[RD/ NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty Punishment Compounding			NIL		
B. Directors					
Penalty Punishment Compounding			NIL		
C. Officers in Default					
Penalty Punishment Compounding			NIL		

For and on behalf of the Board of
Krebs Biochemicals & Industries Limited

Sd/
Avinash Ravi
 Managing Director
 (DIN-01616152)

Place: Hyderabad
 Date: 30.07.2018

Sd/-
Dr. R T Ravi
 Director
 (DIN- 00272977)

ANNEXURE-V

**Conservation of energy, technology absorption and
Foreign exchange earnings and outgo**

(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy:**i) Steps taken or impact on conservation of energy**

Particulars	Unit I (Nellore)	Unit II (Vizag)
Energy conservation Initiatives carried	✦ Auto control system provided for temperature control of Hot water tanks in API block. ✦ The replacement work of Old MV/SV lamps with LED lamps being continued. ✦ Auto control system provided for temperature control of Deep Freezers in Warehouse. ✦ By making insulation for all cooling & steam lines we saved energy. ✦ By continuous monitoring of Steam trap we avoided steam wastage.	✦ Temperature controller arranged to one system to one cooling tower out of Six Cooling towers. ✦ Process raw water pump replaced from 20HP to 15 HP at Goa Garden. ✦ Nitrogen Plant CT Water pump lines modified for 5 HP instead of 25 HP. ✦ Raw water used to Boiler for wetting of Coal, Ash and Hands washing. Now provided Reject water line to above area's ✦ 10 No's Reactors Vessel Lamps replaced from 60Watts GLS Lamps to 4Watts LED Lamps ✦ Blocks lighting 160Watts failure lamps area 50 No's 20Watts LED Lamps replaced. ✦ J-Block Parma RCVD Drying purpose old system of Steam jet 10HP Motor with chilled water & Steam removed, arranged 20HP Water jet ✦ In QC and Gate 10 No's 1X40Watts tube lights replaced with 1X28Watts Tube Lights. ✦ 10HP Motor with pump arranged for MF & UF 100KL brought tank to effluent water pumping purpose instead of 40HP. ✦ 20 No's 125Watt HPMV street lights replaced with 50Watt led fittings.

Particulars	Unit I (Nellore)	Unit II (Vizag)
Energy Initiatives Planned	✦ Auto control system provided for temperature control of Hot water tanks in API block. ✦ Auto power factor control panel installation to maintain correct power factor. ✦ Installation of temperature controllers, pressure transmitter, and digital panel meters to monitor and control the parameters to increase the efficiency of systems. ✦ Installation VFD's for the Motors to improve the efficiency and decrease the power consumption. ✦ Planning to install steam condensate recovery system to save the water. ✦ Planning to install rain water harvesting to collect to save the water in Rainey season. ✦ Planning to install energy meters area wise and observe day to day power consumption and inform area wise users to save the energy	a. 1.58M3/Min Air compressor motor 335HP VFD arranged. As per load requirement speed and savings calculations work under progress. b. 120HP Chilled water pump VFD to be plan c. Temperature controllers to be planned to remaining five cooling tower fans out of six d. Process raw water pump 15 HP is in running. To minimize running hours A, J- Block top overhead tanks to take into line e. To Air receivers 04 No's Water drain systems to be provide. f. A, J- Block all AHU's VFD's to be plan g. Power factor to be maintained as Unity to reduce energy losses h. All Reactors Vessel Lamps replaced from 60Watts GLS Lamps to 4Watts LED Lamps i. Blocks Lighting to be planned to change from 36Watts CFL Lamps to 20Watts LED Lamps j. All Street lights to be planned to change from 125Watts HPMV Lamps to 50Watts LED Lights k. DM Water Plant existing SBA feed pump 10 HP to be replaced with 5HP Motor. To full fill requirement of flow rate is 5 M3/Hour. l. In ADB, QC & Microbiology false ceiling area 2X36Watts lights to be replaced with 18Watts LED panel light fittings. m. Street lights daily timers to be provided to automatically On & OFF. n. In Blocks all Exhaust fans remote control push buttons to be plan o. Interlocking system to be planned from AHU's to DX's p. Auto power controller to be planned to control power factor

- ii) Steps taken by the Company for utilizing alternate sources of energy.

Since the manufacturing operations at the plants are not yet full scale, there is no immediate requirement for alternate sources of energy.

- iii) The capital investment on energy conservation equipment.

The Company has not spent any material capital investment on energy conservation equipment.

B. Technology Absorption

Research & Development

- i) Specific areas in which R&D Work was carried out by the Company: None
- ii) Benefits derived as a result of the above R&D: None
- iii) Future plan of action: Currently none
- iv) Expenditure incurred on R&D : None
- v) Imported technology (imported during the last 5 years): The Company has not imported any technology in the past 5 years.

C.

Foreign Exchange Earnings and Outgo	Rs. in lakhs
Used	158.29
Earned	130.68

For and on behalf of the Board of
Krebs Biochemicals& Industries Limited

Sd/
Avinash Ravi
Managing Director
(DIN-01616152)

Sd/-
Dr. R T Ravi
Director
(DIN- 00272977)

Place: Hyderabad

Date: 30.07.2018

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

Fairness, accountability, disclosures and transparency form the four pillars of your Company's philosophy of corporate governance. Your Company strongly believes that to attain sustainable growth in this corporate world and enhancing the shareholder value corporate governance is a pre-requisite. The governance practices followed by your company plays a vital role in the growth of the Company. Our endeavor over the years has been to strengthen the governance processes and systems attributing to constant, sustainability, profitable growth and creating long term value for the stakeholders.

The governance practices followed by your company are continuously reviewed and the same are benchmarked against the best governance practices.

Your Company has complied with all the regulations stipulated by the Listing Regulations by SEBI and as prescribed under the Companies Act, 2013.

The Company has adopted a code of conduct for its employees including the Managing Director and the key managerial personnel. In addition, your company has also adopted a code of conduct for its non-executive directors which includes code of conduct for independent directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The codes are available on the Company's website.

Your Company is in compliance with the requirements stipulated under the Clause 49 of the erstwhile Listing Agreement and Regulations 17 to 27 of the SEBI (LODR) Regulations, 2015 read with Schedule V and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015, as applicable, with regard to the corporate governance.

II. Board Diversity

The company recognizes and embraces the benefits of having a diverse board to enhance quality of its performance. The company always believes the board diversity as essential element to achieve sustainable and balanced development and in supporting the attainment of its strategic objectives. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors. The Policy on Board Diversity is available on the company's website krebbsbiochem.com.

III. Board of Directors

- i. Your Company's selection and appointment of directors is based on various criteria laid down in policy on Board diversity. The criteria interalia include aspects like professional qualifications, proven track record in one or more skills such as management, finance, accounting, technical operations. There were no changes in the composition of Board during the year.
- ii. As on 31st March 2018, the Company has eight directors. Of the eight directors seven (i.e 87.5%) are non-executive directors and four (i.e 50%) are independent directors. The composition of board is in conformity with Regulation 17 of the listing regulations and Section 149 of the Act.
- iii. None of the directors on the company's Board hold directorships in more than 10 public companies. Furthermore, none of them is a member of more than ten committees or chairman of more than 5 committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2018 have been made by the Directors.
- iv. Independent Directors are non-executive directors as defined under regulation 16(1)(b)

of the listing regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the listing regulations read with Section 149(6) of the Act.

- v. The names and categories of the Directors on the Board, their attendance, board meetings held during the year and number of directorships and committee chairmanships/ memberships held by them in other public companies as on 31st March 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act, Chairmanships/ memberships of board committees shall only include audit committee and stakeholders' relationship committee.

Name	Attendance at the AGM held on 26th September, 2017	Attendance in Board Meetings		Number of directorships in other public companies		Number of committee positions held in other public companies	
		Held	Present	Chairman	Director	Chairman	Member
Dr. R.T. Ravi	Yes	4	3	Nil	Nil	Nil	Nil
Mr. Avinash Ravi	Yes	4	4	Nil	Nil	Nil	Nil
Mr. G.V.L. Prasad	Yes	4	3	Nil	Nil	Nil	Nil
Dr. Tangirala Malathi	Yes	4	3	Nil	Nil	Nil	Nil
Mr. Satish Khivsara	Yes	4	4	Nil	Nil	Nil	Nil
Mr. Manish Jain	Yes	4	4	Nil	1	Nil	Nil
Mr. E.J. Babu	Yes	4	4	Nil	1	Nil	Nil
Mr. Raj Kamal Prasad Verma	Yes	4	4	Nil	Nil	Nil	Nil

- vi. Four (4) board meetings were held during the year and gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meeting were held:
26th May 2017; 10th August 2017, 13th November 2017, 13th February 2018.
The necessary quorum was present for all the meetings.
- vii. During the year 2017-18, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board.
- viii. The terms and conditions of appointment of the Independent Directors are disclosed in the website of the company.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarisation programme will be available in the website of the company.
- xi. Details of equity shares of the Company held by directors as on 31st March 2018 are given below:

Name	Category	Number of equity shares
Dr R T Ravi	Non-Independent, Non-Executive	19400
Mr. Avinash Ravi	Non-Independent, Executive	1768821
Mr. G V L Prasad	Independent, Non-Executive	130000
Mr. Manish Jain	Non-Executive	100
Mr. E J Babu	Non-Executive	50
Mr. Raj Kamal Prasad Verma	Independent, Non-Executive	200
Mr. Satish Khivsara	Independent, Non-Executive	50
Dr. Tangirala Malati	Independent, Non-Executive	1334

xii. Except Dr R T Ravi and Mr. Avinash Ravi, no other directors of the company are related to each other.

IV. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company's website i.e. www.krebsbiochem.com

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarization programme for Independent Directors
- Policy on Related Party Transactions
- Code of Conduct for Board of Directors and Senior Management Personnel

V. Committees of the Board

A. Audit Committee

- i. The audit committee of the company is constituted in line with the provisions of Regulation 18 of Listing Regulations, read with Section 177 of the Companies Act, 2013.
- ii. The terms of reference of the audit committee are broadly as under:
 - 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;
 - Recommendation of appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
 - Reviewing, with the management, the annual financial statements and auditors' report thereon before the submission to the board for approval, with particular reference to:
 - ★ Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Act.
 - ★ Changes, if any, in accounting policies and practices and reasons for the same.

- ★ Major accounting entries involving estimates based on the exercise of judgment of the management.
- ★ Significant adjustments made in the financial statements arising out of audit findings.
- ★ Compliance with listing and other legal requirements relating to financial statements.
- ★ Disclosure of any related party transactions.
- ★ Qualifications in the draft auditors' report.
- The audit committee shall review the information as required under the Listing Regulations and the Companies Act, 2013.
- iii. The audit committee invites such of the executives, as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the company was held on 26th September 2017 and was attended by Mr. G V L Prasad, Chairman of the Audit Committee.
- v. The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings during the financial year 2017-18	
		Held	Present
Mr. G V L Prasad (Chairman)	Independent, Non-Executive	4	3
Dr. Tangirala Malati	Independent, Non-Executive	4	3
Mr. Satish Khivsara	Independent, Non-Executive	4	4

- vi. Four (4) Audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

26th May 2017, 10th August 2017, 13th November 2017 and 13th February 2018.

The necessary quorum was present for all the meetings.

B. Stakeholders' Relationship Committee

- i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178 of the Act.
- ii. The broad terms of reference of the Stakeholders' Relationship Committee are as under:
 - ★ Consider and resolve the grievances of shareholders of the Company including redressal of investor complaints such as transfer or credit of shares, non-receipt of dividend/notice/annual report etc and all other shareholders related matters.
 - ★ Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. Two meetings of Stakeholders Relationship Committee were held during the year on 13th February 2018 and 27th March 2018.

- iv. The composition of Stakeholders Relationship Committee and details of meetings attended by its members are given below:

Name	Category	No. of meetings during the financial year 2017-18	
		Held	Present
Mr. G V L Prasad (Chairman)	Independent, Non-Executive	2	2
Dr R T Ravi	Independent, Non-Executive	2	2
Mr. Avinash Ravi	Non-Independent, Non-Executive	2	2
Mr. Satish Khivsara	Independent, Non-Executive	2	2

- v. Name, designation and address of compliance officer:

Ms. Haritha Varanasi,
 Company Secretary & Compliance Officer,
 Krebs Biochemicals & Industries Limited,
 Plot No.34, 8-2-577/B,
 3rd Floor, Maas Heights, Road No.8,
 Banjara Hills, Hyderabad, Telangana- 500034.
 Tel: 040-66808040
 Designated e-mail id for investors – investors@krebbsbiochem.com

- vi. Details of investor complaints received and redressed during the year 2017-18

Opening Balance	Received during the year	Redressed during the year	Closing balance
1	0	0	1

C. Nomination & Remuneration Committee

- i. The nomination and remuneration committee of the company is constituted in line with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Act.
- ii. The broad terms of reference of the nomination and remuneration committee are as under:
- Recommend to the Board the set up and composition of the Board and its committees including the formulation of criteria for determining qualifications, positive attributes and independence of a director.
 - Recommend to the Board appointment or re-appointment of directors.
 - Devise a policy on the Board diversity
 - Recommend to the Board appointment of Key Managerial Personnel.
 - Carry out evaluation of every director's performance and support the Board and independent directors in evaluation of the performance of the Board, its committees and individual directors.
 - Recommend to the Board the remuneration policy for directors or key managerial personnel.
 - Oversee the familiarisation programs for directors.
- iii. The composition of the nomination and remuneration committee and details of meetings attended by its members are:

Name	Category	No. of meetings during the financial year 2017-18	
		Held	Present
Mr. Satish Khivsara (Chairman)	Independent, Non-Executive	1	1
Dr R T Ravi	Non-Independent, Non-Executive	1	1
Mr. G V L Prasad	Independent, Non-Executive	1	1
Dr. Tangirala Malati	Independent, Non-Executive	1	0

One (1) nomination and remuneration committee meeting was held during the year on 13th February 2018.

- iv. The company doesn't have any employee stock option scheme.
- v. The performance evaluation criteria for independent directors is determined by the nomination and remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders and independence of behaviour and judgment.
- vi. Remuneration policy in the company is designed to create a high performance culture. It enables the company to attract and retain the employees and motivating them to achieve results.
- vii. During the year 2017-18, the Company paid sitting fees of Rs. 10,000 per board meeting to its non-executive directors to attend the meeting and Rs. 10,000 for audit committee meeting and Rs. 5000 for stakeholders' relationship committee and nomination and remuneration committee meetings respectively. The company also reimburses out of pocket expenses and travel expenses incurred by the directors to attend the meetings.
- viii. Details of remuneration for the year ended 31st March 2018

a) Non-Executive Directors

Name	Sitting Fees (Rs. In lakhs)
Dr. R T Ravi	0.40
Mr. G V L Prasad	0.75
Dr. Tangirala Malati	0.60
Mr. Satish Khivsara	0.95
Mr. Manish Jain	0.40
Mr. E J Babu	0.40
Mr. Raj Kamal Prasad Verma	0.40

b) Executive Director

Name	Remuneration (Rs. In lakhs)
Mr. Avinash Ravi (Managing Director)	42.22

The above figures do not include provisions for encashable leave, and other perquisites.

VI. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue
2014-15 (6 months ended 31-03-2015)	29.09.2015	03:00 PM	Surana Udyog Auditorium, FAPPCI, 11-6-841, Red Hills, Hyderabad- 500004
2015-16 (year ended 31st March 2016)	29.09.2016	03:30PM	SR Gardens, Kothapalli (V), Kasimkota, Anakapalli, Vishakapatnam, Andhra Pradesh- 531031
2016-17 (Year ended 31st March 2017)	26.09.2017	11:50AM	SR Gardens, Kothapalli (V), Kasimkota, Anakapalli, Vishakapatnam, Andhra Pradesh- 531031

b. Special Resolutions passed:

- At the 23rd Annual General Meeting held on 29th September 2015, the following special resolution was passed:
 - To appoint Mr. Avinash Ravi as Managing Director of the Company and fix his remuneration.
- No Special resolutions were passed at the 24th Annual General Meeting held on 29th September 2016.
- At the 25th Annual General Meeting held on 26th September 2017 the following special resolution was passed:
 - Approval for the company to enter into related party transactions with Ipca Laboratories Limited.

ii. Postal Ballot

No postal ballot was conducted during the year.

VII. Other Disclosures:

i. Related Party Transactions:

All material transactions entered with the related parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year are at arm's length basis. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the company's website at the following link: <http://krebsbiochem.com/documents/5aee5e0699e319c98babbeab46a15557.pdf>

- Details of non-compliance by the Company, penalties, strictures imposed on the company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years: BSE has imposed a fine of Rs. 3,30,143/- for delay in filing of quarterly compliances as required under the erstwhile listing agreement for the years 2013-14 and 2014-15 and the Company has paid the same.
- The Company has adopted a whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of listing regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of Audit Committee. The said policy has been put up in the website of the company at the following link. <http://krebsbiochem.com/documents/c9dabd1a574888fd6b35cf450fd7c043.pdf>

iv. The company has also adopted policy on determination of materiality for disclosures (<http://krebsbiochem.com/documents/9b534717af6b5110482aac3910ed6f90.pdf>) and policy for preservation of documents.

v. Reconciliation of share capital audit:

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital.

vi. Preservation of documents policy

The Company has formulated Policy on Preservation of Documents as required under Regulation 9 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The policy provides for preservation of documents where preservation shall be of permanent nature and documents with preservation period of not less than 8 years. The policy can be accessed in the following link

<http://krebsbiochem.com/documents/afb33a83fcb7ff4360986c54c84dcc47.pdf>

vii. Policy on disclosure of material events/information

The company has formulated policy for determination of materiality of events of information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which could affect the investment decisions and to ensure timely and adequate dissemination of information to the Stock Exchanges.

The policy can be accessed in the following link

<http://krebsbiochem.com/documents/9b534717af6b5110482aac3910ed6f90.pdf>

viii. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with code applicable to them during the year ended 31st March 2018. The annual report of the company contains a certificate by the managing director in terms of the Listing Regulations on the compliance declarations received from Independent Directors, Non-executive directors and senior management.

VIII. Means of Communication

The quarterly, half-yearly and annual results of the company are published in newspapers which include Financial Express and Praja Sakti. The results are also displayed on the company's website "www.krebsbiochem.com". A management discussion and analysis report is a part of the annual report.

IX. General Shareholder Information

i. Annual General Meeting for FY 2017-18

Date	:	10th September 2018
Time	:	11:00 AM
Venue	:	Sarojini Villa, Kothapalli Village, Kasimkota Mandal, Vishakapatnam District, Andhra Pradesh - 531031

As required under Regulation 36(3) of listing regulations, particulars of directors seeking appointment at the forthcoming AGM are given herein in the annexure to the notice of the AGM to be held on Monday, 10th September 2018 at 11:00 AM.

- i. Financial Calendar : 1st April to 31st March
- ii. AGM in : September
- iii. Date of Book Closure : As mentioned in the notice to AGM
to be held on 10th September 2018
- iv. Listing on Stock Exchanges : BSE Limited ("BSE")
P J Towers, Dalal Street,
Fort, Mumbai- 400001.
Stock code: 524518

National Stock Exchange of India Limited ("NSE")
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.
Stock Code: KREBSBIO

The listing fees as applicable have been paid to both the exchanges.

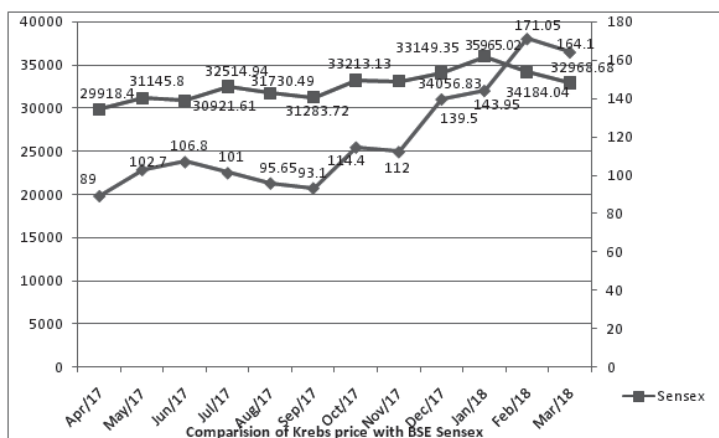
- v. Corporate Identity Number (CIN) of the Company : L24110AP1991PLC103912

- vi. Market price data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 in BSE & NSE

Month	BSE		NSE		No. of shares traded	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	BSE	NSE
April-2017	110.40	85.00	102.50	82.10	8981	71442
May 2017	103.85	85.35	105.70	82.50	40441	94762
June 2017	120.00	95.70	120.00	95.00	54279	55241
July 2017	109.00	96.40	114.00	93.55	23897	34814
August 2017	104.40	89.05	104.90	88.25	22703	34088
September 2017	96.95	85.80	98.95	86.00	32382	27892
October 2017	121.45	86.75	120.75	86.20	45192	189098
November 2017	115.00	96.60	115.00	94.05	91800	55008
December 2017	140.45	103.00	138.05	105.00	43484	56585
January 2018	169.45	135.10	169.75	140.00	68558	78804
February 2018	171.05	127.30	170.00	132.00	42077	35715
March 2018	209.60	159.00	211.50	163.00	75409	48867

vii. Performance of the share price of the company in comparison to the BSE Sensex



viii. Registrars and Share Transfer Agents

Name and Address : Karvy Computershare Private Limited
Plot No. 31 & 32, Karvy Selenium Tower B, Financial District,
Nanakramguda, Gachibowli, Hyderabad- 500032.

Telephone : 040-67161505

Fax : 040-67161500

E-mail : einward.ris@karvy.com

Website : www.karvycomputershare.com

ix. Share Transfer System:

95.12% of the equity shares of the company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the company. As regards transfer of shares held in physical form the transfer of shares can be lodged with Karvy Computershare Private Limited at the above mentioned address.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt of the complete documents which are in order in all respects. The directors and certain company officials, under the authority of the Stakeholders Relationship Committee and the Board, severally approve the transfers and noted in the subsequent board meetings.

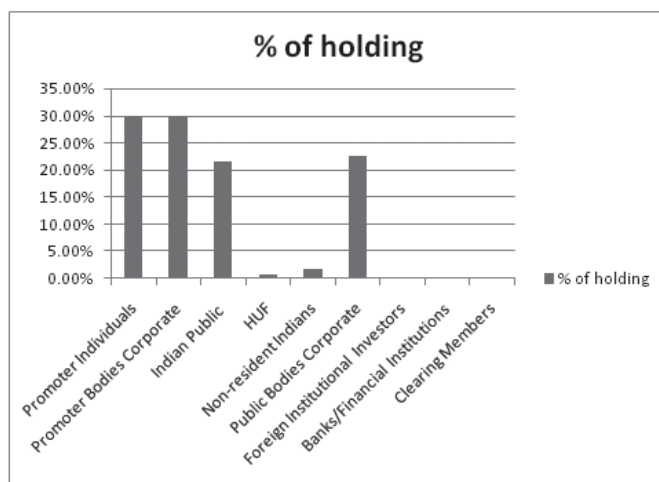
x. Shareholding as on 31st March 2018:

A. Distribution of shareholding as on 31st March 2018

Category (Amount)	No. of cases	% of cases	Total shares	Amount	% of amount
1-5000	4626	88.71%	592956	5929560.00	4.31%
5001-10000	279	5.35%	221280	2212800.00	1.61%
10001-20000	124	2.38%	184926	1849260.00	1.35%
20001-30000	51	0.98%	128412	1284120.00	0.93%
30001-40000	16	0.31%	56779	567790.00	0.41%
40001-50000	24	0.46%	116255	1162550.00	0.85%
50001-100000	37	0.71%	268524	2685240.00	1.95%
100001 & above	58	1.11%	12175154	121751540.00	88.58%
Grand Total	5215	100%	13744286	137442860.00	100%

B. Categories of equity shareholders as on 31st March 2018:

Category	No. of equity shares held	% of holding
Promoter Individuals	4114241	29.93%
Promoter Bodies Corporate	4100100	29.83%
Indian Public	2960150	21.54%
HUF	104648	0.76%
Non-resident Indians	250033	1.82%
Public Bodies Corporate	3110150	22.63%
Foreign Institutional Investors	1300	0.01%
Banks/Financial Institutions	522	0.00%
Clearing Members	1689	0.01%
NBFC	364	0.00%
Total	13744286	100%



C. Top ten equity shareholders of the company as on 31st March 2018 :

S.No	Name of the equity shareholder	No. of equity shares held	% of holding
1.	Ipca Laboratories Limited	4100100	29.83%
2.	Hemalata Ravi	2224400	16.18%
3.	Avinash Ravi	1768821	12.87%
4.	Sun Pharmaceutical Industries Limited	1050000	7.64%
5.	Pinky Ventures Private Limited	599000	4.36%
6.	K Satish	215000	1.56%
7.	ShaajiPaliyath	200000	1.46%
8.	Gandhi Kanteti	152585	1.11%
9.	Edelweiss Asset Reconstruction Company Limited	150000	1.09%
10.	G V L Prasad	130000	0.95%

xi. Dematerialisation of shares and liquidity:

The company's shares are compulsorily traded in dematerialised form on BSE. Equity shares of the company representing 90.17% of the company's equity share capital are dematerialised as on 31st March 2018.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the company is INE268B01013.

xii. Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs in the past and there are no outstanding GDRs/ADRs/Warrants or any convertible instruments which are likely to impact the equity.

xiii. Plant Locations:

Your Company is operating from its two manufacturing units situated at:

Unit I:

Regadichelika (Village),
Kodavalur (Mandal),
Nellore (District),
Andhra Pradesh- 524316.

Unit II:

Kothapalli (Village), Kasimkota (Mandal),
Anakapalli, Vishakapatnam(District),
Andhra Pradesh- 531031.
Email- marketing@krebsbiochem.com

xiv. Address for correspondence:

Registered Office:

Krebs Biochemicals & Industries Limited
Kothapalli (Village), Kasimkota (Mandal),
Anakapalli, Vishakapatnam (District),
Andhra Pradesh- 531031.

Corporate Office:

Krebs Biochemicals & Industries Limited
Plot No. 34, 8-2-577/B,
3rd Floor, Maas Heights,
Road No.8, Banjara Hills,
Hyderabad, Telangana- 500034.

Phone: 040-66808040

Designated email id for investor services: investors@krebsbiochem.com

Website: www.krebsbiochem.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Senior Management Personnel. In addition, the Company has adopted a Code of Conduct for its Non-executive Directors and Independent Directors. These codes are available on the Company's website.

I confirm that the Company has in respect of the year ended 31st March 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary.

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place: Hyderabad

Date: 30.07.2018

MANAGING DIRECTOR CERTIFICATION

To the members of
Krebs Biochemicals & Industries Limited

I, Avinash Ravi, Managing Director of the Company here with certify that:

- a) I have reviewed the audited financial results and the cash flow statements for the quarter and year ended 31st March 2018 and that to the best of my knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and audit committee, that there are no deficiencies in the design or operation of such internal controls, of which we are aware.
- d) I have indicated to the Auditors and Audit Committee :
 - 1) There are no significant changes in the internal control over financial reporting during the year;
 - 2) There are no significant changes in the accounting policies during the year other than the adoption of Indian Accounting Standards; and
 - 3) That there are no instances of significant fraud and the involvement therein of the management or an employee of the company having a significant role on the company's internal control system over financial reporting.

Sd/-
Avinash Ravi
Managing Director
(DIN-01616152)

Place: Hyderabad

Date: 30.07.2018

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

To the members of

Krebs Biochemicals & Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Krebs Biochemicals & Industries Limited ("the Company"), for the year ended on 31st March, 2018, as stipulated in:
 - Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except sub-regulation 4 of Regulation 23 of the said regulations for the financial year 2017-18.
 - Regulations 17 to 27 (excluding 23(4)) and clauses (b) to (i) of regulation 46 (2) and Paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) for the financial year 2017-18.
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 thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March 2018.
5. We state that such compliance is neither an assurance as to the future viability of the Company of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pavuluri & Co.,**
Chartered Accountants
(Firm Registration No. 012194S)

N. Rajesh
Partner
(M. No.223169)

Place: Hyderabad

Date:30.07.2018

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

Global:

Pharmaceutical Industry worldwide is undergoing huge transformations. Manufacturing companies are confronted with enormous challenges due to high market growth, changing regulations and progressing digitization.

New technology absorption and implementation and robust quality systems will increasingly differentiate. Higher investment requirements for quality and regulatory standards compliance along with gestation periods will be an entry barrier of small companies and significant hurdle for medium sized companies. Consolidation and strategic partnerships will result from such a landscape.

Indian Pharma Sector:

The Indian pharma industry which is expected to grow over 15% per annum between 2015 - 2020 will outperform the global pharma industry which is set to grow at an annual rate of 5% between the same period. The market is expected to grow to USD 55 Billion by 2020 thereby emerging as the sixth largest pharmaceutical market globally by absolute size. The Indian pharmaceutical exports are expected to grow by 30% over next three years to reach USD 20 billion by 2020.

The implementation of Goods and Services Tax (GST) is expected to be a game changer for the Pharma industry. It is expected to result in an efficient supply chain management which is expected to reduce the cost considerably.

Strengths & Opportunities:

The strategy of building skillsets and infrastructure in niche areas of fermentation, bio catalysis and chemistry allows the company to pursue products, groups and partners in the niche segment.

Access to Ipca marketing reach and also ability to leverage the forward integration possible with their finished dosage capabilities will allow for an exciting opportunity. Smaller operation size allows for certain nimbleness in exploiting market opportunities.

Risks, Concerns & Threats:

The long gestation periods required to realise commercial sales can put pressure on the balance sheet. With the strong partner this is reasonable mitigated in our case.

Quality and regulatory knowledge building in the Company is a slow and difficult process essential for long term success of the Company. A comprehensive plan is being put in place to achieve this.

Alignment of interests of the partner along with the company is of paramount interest. An open and transparent relationship is being cultivated to achieve this.

Company infrastructure:

Krebs, having its Registered Office at Kothapalli (V), Anakapalli, Vishakapatnam, Andhra Pradesh and corporate office at Hyderabad, has two multi-purpose manufacturing facilities, Unit – I in Nellore and Unit – II in Anakapalli (Vizag) with all support infrastructures like Utilities, environment management and safety systems.

Performance of the company:

During the year under review your company recorded revenue of Rs. 3371.91 lakhs compared to Rs.353.02 lakhs in the previous financial year 2016-17.

Internal Control Systems and their adequacy:

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations. Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements.

The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

Discussion on Financial Performance with respect to Operational Performance:

The Financial statements are prepared under the Historical Cost Convention in accordance with Indian Accounting Standards and the Provisions of the Company's Act, 2013 and other standards issued by the Institute of Chartered Accountants of India. All Incomes and Expenditure having a material bearing on the financial statements are recognized on accrual basis. The management accepts responsibility for the integrity and other objectivity of these financial statements as well as various estimates and judgments used therein

Capital:

The Authorized Share Capital of the company is Rs. 20.00 crores divided in to 2,00,00,00,0 (Two Crore) equity shares of Rs.10.00 each of which issued, subscribed and paid up capital is Rs.13.74 crores divided in to 1,37,44,286 Equity shares of Rs.10/- each. There is no other class of shares.

Reserves:

The reserves of the company decreased from Rs. (1226.74) lacs to Rs. (3152.35) lakhs due to increased losses during the year.

Secured Loans:

The secured loan with Edelweiss Asset Reconstruction Company Limited has been reduced by Rs. 400.00 lakhs, as the installments have been paid as per the agreement entered. As on 31st March, 2018, the Secured loan stood at Rs. 600.00 lakhs compared to Rs. 1000.00 lakhs during the previous year.

Investments:

No investments were undertaken during the year under review.

Inventories:

The value of inventories stood at 1172.84 lakhs as at the end of the period i.e as on 31st March, 2018 after providing for depletion in value of inventory on account of quality reduction

and evaporation amounting to Rs. 95.35 lakhs. The raw materials, stores and spares are valued at "AT COST" and related inward transport and handling charges. Work in progress is valued at cost incurred up to the stage of manufacturing. Cost of finished goods includes all direct costs and an appropriate portion of overheads as per accepted principles of accounting.

Sundry Debtors:

During the year under review, the recovery from the debtors was continuous in spite of no material change in the turnover and the same was reflected as reduction from Rs. 32.48 lakhs to Rs.158.83 lakhs. Sundry debtors outstanding for more than six months as on the balance sheet date were accumulated over a period and the recovery action was initiated.

Fixed Assets:

The net additions made during the year under review, amounted to Rs.430.50 Lakhs respectively, which takes the total gross block to Rs.22,725.33 lakhs as on 31st March, 2018 as against Rs. 22,294.82 lakhs as on 31st March, 2017.

Depreciation:

The Company has been calculating depreciation on straight line method at the rates specified in Schedule II of the Companies Act, 2013 amounting to Rs. 394.86 lakhs as on 31st March, 2018 as against Rs. 423.37 lakhs as on 31st March, 2017 based on the useful life of the assets as per Schedule II of the Companies Act, 2013.

Raw Material:

The supply position of raw material throughout the year was smooth and comfortable. There was no interruption or stoppage of production due to shortage or non-availability of raw materials. The Company always maintains a minimum stock as required for production through efficient budgetary planning of production.

Finance Charges:

The finance charges during the year amounted to 516.52 lacs as against Rs.348.85 lacs during the previous year during which the interest was paid towards the Inter-corporate Deposit and other statutory payments.

Overheads:

The Other Overheads are Rs. 1709.02 Lakhs for the FY 2017-18 as against Rs.498.12 Lakhs for the F.Y2016-17, on account of revival of operations during the current accounting period.

Dividend:

In view of the accumulated losses no provision is made for dividend.

Material developments in Human Resources:

The Company very well recognizes the importance of the employee work force and provides excellent growth opportunities, training and development and competitive compensation packages to attract and retain with the Company the best talents available in the industry and will continue to do so upon revival of operations.

Safety and Environment:

The operations of the company's plants are in conformity with good industrial safety practices.

Regular Hazards and Risks Analysis were conducted at both the plants as part of the on-going Safety Policy. The management takes into consideration the welfare of the employees and also effect on the surrounding community at large. Norms and Standards for effluents treatment and disposal are prescribed by the Pollution Control Board and are complied with.

Cautionary Statement

In addition to historical information, this annual report contains certain "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, global and Indian demand supply conditions, increased installed capacity by competitors, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in government regulations, tax regimes, besides other factors, such as litigations and labour negotiations.

The estimates and expectations are based on the historical facts and perception of future possibility as envisaged by the management. As known to everyone, the entire business environment is never static. Unexpected changes and unforeseen developments are not rare. The global trend is now prevalent and any incidents in the world market will have an effect on the operations of your company. While taking all precautions to be realistic and practical in making presumptions for the future, the management would like to advise that the statements may be read in proper perspective depending upon such developments and their possible effect on the Company's operations and activities.

For and on behalf of the Board of
Krebs Biochemicals and Industries Limited

Sd/-

Avinash Ravi
Managing Director

Date :30.07.2018

Place : Hyderabad

INDEPENDENT AUDITOR'S REPORT

To the members of,

M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED,

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of Cash Flows for the year ended 31st March, 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS Financial Statements give the information required by the Act in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the said Order.
- 2 As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable accounting Standards specified under Section 133 of the Act, read with relevant rules there on;
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has pending litigations which will have an impact on its financial position in the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There have been no occasions in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.

For **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA N. RAJESH)
PARTNER
M.No : 223169

DATE : 25/05/2018

PLACE : HYDERABAD

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- iv. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities though there has been slight delay in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- (c) According to the information and explanations given to us, the following are disputed dues relating to Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.



	Name of the Statue	Nature of the Dispute	Amount (Rs)	Period to which the amounts relate (F.Y)	Forum where the dispute is pending and amount deposited
8	Central Excise Act, 1944	Excise Duty & Service Tax	1,12,74,000	FY 2008-09 & FY 2003-04	Central Excise and Service Tax Appellate Tribunal, Hyderabad.
	Income Tax Act, 1961	Income tax	3,58,44,000	From FY 2003-04 to FY 2005-06 & FY 2015-16	AP and Telangana High Court

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.
- 14) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad

Date :25/05/2018

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of

Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of KREBS BIOCHEMICALS & INDUSTRIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad

Date :25/05/2018

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

PARTICULARS	Sch	As at 31.03.2018 Audited	As at 31.03.2017 Audited
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	9,892.99	9,857.34
Capital Work in Progress	3	218.94	350.31
Other Intangible Assets	4	338.57	359.88
Financial Assets	5	109.90	65.44
Other Non Current Assets	7	303.33	277.38
Total Non Current Assets		10,863.73	10,910.35
Current Assets			
Inventories	8	1,172.84	545.49
Financial Assets			
Trade Receivables	9	32.48	158.83
Cash & Cash Equivalents	10	41.84	11.71
Other Financial Assets	5	33.51	171.22
Other Current Assets	6	443.19	410.07
Total Current Assets		1,723.86	1,297.33
Total Assets		12,587.59	12,207.67
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	1,374.43	1,374.43
Other Equity	12	(3,152.35)	(1,226.74)
Total Equity		(1,777.92)	147.69
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Long Term Borrowings	13	5,166.17	4,278.74
Provisions	14	368.33	282.32
Other Non Current Liabilities	15	4,333.04	4,327.27
Total Non Current Liabilities		9,867.54	8,888.33
Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Trade Payables	16	1,776.00	1,099.30
Other Financial Liabilities		-	-
Other Current Liabilities	17	2,596.52	1,985.53
Provisions	14	125.45	86.79
Total Current Liabilities		4,497.97	3,171.62
Total Equity and Liabilities		12,587.59	12,207.67

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss.

For PAVULURI & CO

Chartered Accountants
Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner Place : Hyderabad
M.NO.223169 Date : 25.05.2018

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI

Chairman
DIN: 00272977

Sd/-

HARITHA VARANASI
Company Secretary

Sd/-

AVINASH RAVI

Managing Director
DIN: 01616152

Sd/-

C.V.R.S.N.KUMAR
C F O

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs in Lakhs)

PARTICULARS		Note	Year ended 31.03.2018	Year ended 31.03.2017
I	Revenue From Operations	18	2,538.24	197.02
II	Other Operating Income	19	839.67	156.00
III	Other Income	20	20.61	7.52
IV	Total Income (I+II+III)		3,398.52	360.54
V	Expenses			
	Cost of Materials Consumed	21	1,712.36	133.99
	Changes in Inventories of Finished Goods and Work-In-Progress	22	(441.83)	(41.68)
	Employee Benefits Expenses	23	1,148.53	562.59
	Finance Costs	24	516.52	348.85
	Depreciation and Amortization Expenses	3	414.97	423.37
	Other Manufacturing Expenses	25	1,320.57	176.80
	Other Expenses	26	388.46	321.32
	Total Expenses (V)		5,059.58	1,925.24
VI	Profit/ (Loss) Before Exceptional Items and Tax (I-V)		(1,661.06)	(1,564.70)
VII	Exceptional Items			
	Depletion in the Value of Inventory		(95.35)	(67.56)
	Amount Written Off		(0.89)	31.66
	Prior Period (Expenditure) / Income		(40.03)	(4.34)
	Profit on sale of Fixed Assets		14.83	-
	Total Exceptional items (VII)		(121.43)	(40.24)
VIII	Profit/ (Loss) Before Tax (VI-VII)		(1,782.49)	(1,604.94)
IX	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
X	Profit/ (Loss) for the Period From Continuing Operations (VIII-IX)		(1,782.49)	(1,604.94)
XI	Profit/ (Loss) from Discontinued Operations		-	-
XII	Tax Expense of Discontinued Operations		-	-
XIII	Profit/ (Loss) from Discontinued Operations (After Tax) (XI-XII)		-	-
XIV	Profit/(Loss) for The Period (IX+XIII)		(1,782.49)	(1,604.94)
XV	Other Comprehensive Income			
	A. (i) Items That Will Not Be Reclassified to Profit or Loss		(33.24)	72.05
	(ii) Income Tax Relating to Items That Will Not Be Reclassified to Profit or Loss			
	B. (i) Items That Will Be Reclassified to Profit or Loss		(109.88)	379.21
	(ii) Income Tax Relating to Items That Will Be Reclassified to Profit or Loss			
	Other Comprehensive Income for the year		(143.12)	451.26
XVI	Total Comprehensive Income For The Period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)		(1,925.61)	(1,153.68)
XVII	Earning per Equity Share (For Continuing Operation):			
	(1) Basic		(14.01)	(8.39)
	(2) Diluted		(14.01)	(8.46)

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss.

As per our report of even date attached

for and on behalf of the Board of Directors

For PAVULURI & COChartered Accountants
Firm's Reg No : 012194S

Sd/-

CA N.RajeshPartner
M.NO.223169Place : Hyderabad
Date : 25.05.2018

Sd/-

DR. R.T. RAVIChairman
DIN: 00272977

Sd/-

HARITHA VARANASI
Company Secretary

Sd/-

AVINASH RAVIManaging Director
DIN: 01616152

Sd/-

C.V.R.S.N.KUMAR
C F O

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD**Cash Flow Statement for the Year Ended 31.03.2018****(Rs in lakhs)**

PARTICULARS	Year Ended 31.03.2018	Year ended 31.03.2017
Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	(1,661.06)	(1,564.70)
Adjustments for:		
Depreciation and Amortisation Expenses	414.97	423.37
Financial Charges	516.52	348.85
Exceptional Items	(121.43)	(40.24)
Other Income	(149.57)	(156.73)
Other Comprehensive Income	(143.12)	451.26
Operating Profit before Working Capital Changes	(1,143.69)	(538.19)
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	126.35	(156.05)
(Increase)/Decrease in Inventories	(627.35)	18.07
(Increase)/Decrease in Other Non Current Assets	(25.95)	27.86
(Increase)/Decrease in Other Financial Assets	93.25	(168.32)
(Increase)/Decrease in Other Current Assets	(33.12)	(99.21)
Increase/(Decrease) in Non Current Provisions	86.01	(74.79)
Increase/(Decrease) in Current Provisions	38.62	5.22
Increase/(Decrease) in Trade Payables	676.70	(137.36)
Increase/(Decrease) in Other Current Liabilities	610.99	351.30
Cash generated from Operations	945.50	(233.28)
Financial Charges	(516.52)	(348.85)
Net Cash Flow from Operating Activities	(714.70)	(1,120.32)
(Increase) / Decrease of Property, Plant & Equipment	(430.50)	(1,099.54)
(Increase) / Decrease of Capital Work-in-Progress	131.37	703.88
(Increase) / Decrease of Intangible Assets	1.19	(230.90)
Other Income	149.57	156.73
Cash Flow from Investing Activities	(148.37)	(469.83)
Proceeds from long term borrowings	887.43	1,747.78
Increase/(Decrease) in Share Capital	-	68.00
Increase/(Decrease) in Share Premium	-	299.20
Increase/(Decrease) in Share Warrants	-	(367.20)
Increase/(Decrease) in Other Non Current Liabilities	5.77	(172.73)
Cash Flow from Financing Activities	893.20	1,575.05
Net Increase (decrease) in Cash and Cash equivalents	30.13	(15.09)
Cash and Cash equivalents as at the beginning of the year	11.71	26.81
Cash and Cash equivalents at the end of the year	41.84	11.71

As per our report of even date attached

for and on behalf of the Board

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

Place : Hyderabad

Date : 25.05.2018

Sd/-

DR. R.T. RAVI

Chairman

DIN: 00272977

Sd/-

HARITHA VARANASI

Company Secretary

Sd/-

AVINASH RAVI

Managing Director

DIN: 01616152

Sd/-

C.V.R.S.N.KUMAR

C F O

NOTES to the Financial Statements for the Year Ended 31st March, 2018

1 Corporate information

Krebs Biochemicals & Industries Ltd has been incorporated on 2nd December 1991. At present the company is engaged in the business of manufacture of active pharmaceutical ingredients. The company has two manufacturing facilities one at Regadichelaka, Nellore (Dist.) and another one at Kothapalli Village, Kasimkota Mandal, Vishakapatnam (Dist.), Andhra Pradesh, India.

Significant accounting policies

2 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and other relevant provisions of the Act.

2.1 Historical Cost Convention

The financial statements have been prepared on the historical cost basis, except for Certain financial assets and liabilities that is measured at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.2 Current and non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle or

It is held primarily for the purpose of trading or

It is expected to be realised within twelve months after the reporting period, or

It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle or

It is held primarily for the purpose of trading or

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.3 Inventories

a) Raw Materials, Work-In-Progress and Finished Goods are valued at lower of the cost or net realisable value. Cost of raw materials comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

b) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

c) The basis of determining the cost is

Raw Materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Work in process and finished goods	:	Material cost plus appropriate share of labour and related overheads

2.4 Property plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Estimated useful life of the assets are as follows:

Factory Buildings	30 years	Factory Equipment	20 years
Non Factory Buildings	60 years	Lab Equipment	20 years
Plant & Machinery - Pharma Division	20 years	R & D equipment	20 years
Plant & Machinery - Power Plant	40 years	Office Equipment	5 years
Boilers	20 years	Furniture & Fixtures	10 years
Electrical Installations	20 years	Vehicles	8 years
D G Sets	20 years	Computers	3 years
Effluent Treatment Plant	20 years		

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances and rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. This coincides with the passing of possession to the buyer.

2.6 Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

2.7 Intangible fixed assets

Product development expenses that are directly attributable to development and testing of new products are recognised as intangible assets when the expenditure attributable to the product during its development can be reliably measured. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Interest Free Sales Tax Loan:

The sales tax collected on domestic sales of Company's products is treated as interest free sales tax loan from the AP State Government in accordance with the State Government incentive scheme. The amount credited to the loan account is based on the amounts collected as sales tax. The liability is measured at its fair value considering the discounting rate as 8% and is shown at its fair value in statement of assets and liabilities and the gain/(loss) is accounted as Other Comprehensive Income.

2.10 Foreign Exchange Transaction:

All the Foreign Exchange transactions entered into during the current financial year are accounted at the exchange rate prevailing on the date of documentation/invoicing. Foreign Exchange Fluctuation on transactions entered into during the current financial year and received/paid during the year are accounted in the current financial year. The outstanding foreign currency debtors are restated at the Foreign Currency Rates prevailing at the end of the year and the Foreign Exchange Fluctuation on the same is also recognised at the end of the year in conformity with Indian Accounting Standards and foreign currency debtors which are doubtful at the end of the year are not restated at the foreign currency rates prevailing at the end of the year.

2.11 Employee Benefits:

Contribution to "Defined Contribution Schemes" such as Provident Fund is charged to the profit and loss account as incurred. Provident Fund contribution is made to the Government Administered Provident Fund. Company has no further obligation beyond this contribution charged in financial statement.

Company also provides for Retirement Benefits in the form of Gratuity. Such Benefits are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.

Short term employee benefits including leave are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.13 Financial Assets & Financial Liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit for the year attributable to equity shareholders and the weighted average number of Equity Shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.15 Taxes on income

"Current Tax:" The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. "Deferred Tax : "Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. For items recognised in OCI or equity, deferred/ current tax is also recognised in OCI or equity. "MAT Credit" Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified

period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of Profit and Loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

2.16 Impairment of assets

Assets subject to amortization/ depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Nonfinancial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.18 R & D Expenditure

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment/ intangible assets.

2.19 Dividends

Provision shall be made in the accounts for the dividends payable by the company as and when recommended by the Board of Directors, pending approval of the share holders at the Annual General Meeting.

Note 3 : Property, Plant & Equipment

Note 3 : Property, Plant & Equipment																				(Rs. in Lakhs)	
Particulars	Land	Wells	Buildings - Factory	Buildings - Non Factory	Plant & Machinery - Pharma Divisions	Plant & Machinery - Power Plant	Boilers	Electrical Installations	D.G.Set	Effluent Treatment Plant	Factory Equipment	Lab Equipment	Research & Dev. Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work in Progress		
Year Ended 31.03.2017																					
Gross Carrying Amount																					
Deemed Cost as on 01.04.2016	4,838.50	23.36	1,659.66	107.77	10,609.38	1,204.36	97.47	719.51	350.93	653.34	152.23	375.38	104.15	49.52	58.23	118.16	73.33	21,195.28	1,054.19		
Additions	4.00	0.65	135.93	-	697.73	-	-	36.56	-	16.98	73.97	132.31	-	0.60	-	-	0.82	1,099.54	391.66		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,095.54		
Closing Gross Carrying Amount	4,842.50	24.01	1,795.59	107.77	11,307.11	1,204.36	97.47	756.07	350.93	670.32	226.20	507.69	104.15	50.12	58.23	118.16	74.15	22,294.82	350.31		
Accumulated Depreciation	-	-	727.44	24.03	8,057.93	901.48	97.47	475.42	344.95	590.57	132.03	311.45	90.73	46.51	46.05	105.88	62.17	12,014.11	-		
Depreciation charge for the Year	-	-	63.73	1.78	261.70	9.31	-	49.92	0.63	6.40	3.25	8.28	1.94	0.58	1.45	3.88	10.54	423.37	-		
Closing Accumulated Depreciation	-	-	791.17	25.81	8,319.63	910.79	97.47	525.34	345.58	596.97	135.28	319.73	92.67	47.09	47.50	109.76	72.71	12,437.48	-		
Closing Net Carrying Amount	4,842.50	24.01	1,004.42	81.96	2,987.48	293.57	-	230.73	5.35	73.35	90.92	187.96	11.48	3.03	10.73	8.40	1.44	9,857.34	350.31		
Year Ended 31.03.2018																					
Gross Carrying Amount																					
Deemed Cost as on 01.04.2017	4,842.50	24.01	1,795.59	107.77	11,307.11	1,204.36	97.47	756.07	350.93	670.32	226.20	507.69	104.15	50.12	58.23	118.16	74.15	22,294.82	350.31		
Additions	-	-	99.10	-	252.64	-	-	31.44	-	-	22.81	8.01	-	0.28	4.06	-	12.15	430.50	298.75		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430.12		
Closing Gross Carrying Amount	4,842.50	24.01	1,894.69	107.77	11,559.75	1,204.36	97.47	787.50	350.93	670.32	249.01	515.70	104.15	50.40	62.29	118.16	86.30	22,725.33	218.94		
Opening Accumulated Depreciation	-	-	791.17	25.81	8,319.63	910.79	97.47	525.34	345.58	596.97	135.28	319.73	92.67	47.09	47.50	109.76	72.71	12,437.48	-		
Depreciation charge for the Year	-	-	65.01	1.77	264.22	8.97	-	24.89	0.54	5.89	6.08	12.11	1.46	0.55	1.33	1.27	0.78	394.86	-		
Closing Accumulated Depreciation	-	-	856.18	27.58	8,583.84	919.76	97.47	550.23	346.11	602.86	141.36	331.84	94.12	47.64	48.82	111.03	73.49	12,832.34	-		
Closing Net Carrying Amount	4,842.50	24.01	1,038.52	80.19	2,975.91	284.60	-	237.27	4.82	67.46	107.66	183.86	10.03	2.76	13.46	7.13	12.81	9,892.99	218.94		

Note 4: Other Intangible Assets

(Rs in Lakhs)

Particulars	Product Development Expenses
Year Ended 31.03.2017	
Gross Carrying Amount	
Deemed Cost as on 01.04.2016	128.94
Additions	230.94
Closing Gross Carrying Amount	359.88
Accumulated Amortisation	
Amortisation charge for the Year	-
Closing Accumulated Amortisation	-
Closing Net Carrying Amount	359.88
Year Ended 31.03.2018	
Gross Carrying Amount	
Deemed Cost as on 01.04.2017	359.88
Additions	20.68
Closing Gross Carrying Amount	380.55
Opening Accumulated Amortisation	-
Amortisation charge for the Year	41.98
Closing Accumulated Amortisation	41.98
Closing Net Carrying Amount	338.57

- a) Additions in the current year 2017-18 of Rs.20.68 lakhs incurred towards development expenses on key products.
- b) Product Development expenses of certain key products amortized for a period of 10 years starting from the FY 2017-18 on pro rate basis.
- c) Amortisation expenses of Rs 41.98 lakhs includes Job Work Charges received Rs.21.86 lakhs against Trail batches.

Note 5: Financial Assets

(Rs. in Lacs)

Particulars	31.03.2018		31.03.2017	
	Current	Non Current	Current	Non Current
Security Deposits	-	106.16	-	65.44
Advances for Materials	25.02	-	9.70	-
Advances to Employees	1.02	3.74	4.39	-
Other Advances	3.88	-	157.14	-
Interest Accrued and due	3.60	-	-	-
Total Financial Assets	33.51	109.90	171.22	65.44

- a) Interest Accrued and due is Interest receivable on Security Deposits with Electricity Board.

Note 6 : Other Current Assets

(Rs. in Lacs)

Particulars	31.03.2018	31.03.2017
Balances with Govt Authorities	413.90	395.94
Prepaid Expenses	29.28	14.13
Total Other Current Assets	443.19	410.07

Note 7 : Other Non Current Assets

(Rs. in Lacs)

Particulars	31.03.2018	31.03.2017
Capital Advances	29.54	32.84
TDS Receivable	110.97	81.71
Cenvat Deposit Receivable	20.00	20.00
Other Advances	121.33	121.33
Balances with Govt Authorities	21.50	21.50
Total Other Non Current Assets	303.33	277.38

Note 8: Inventories

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Raw Materials	448.07	104.96
Work in Progress	610.52	279.71
Finished Goods	106.31	98.80
Stores, Spares & Consumables	7.94	62.02
Total Inventories	1,172.84	545.49

Note 9 : Trade Receivables

Unsecured, Considered Good

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Trade Receivables	15.85	158.83
Receivable from Related Parties	16.78	-
Less : Allowance for Doubtful Debts	(0.15)	-
Total Receivables	32.48	158.83
Current Portion	32.48	158.83
Non Current Portion	-	-

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward - looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward- looking estimates are analysed.

Note 10 : Cash & Cash Equivalents

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Balances with Banks		
- in current accounts	39.71	11.18
- in Margin Money accounts	1.83	-
Deposits with Maturity Less than three months	-	-
Cash on Hand	0.31	0.53
Total Cash & Cash Equivalents	41.84	11.71

Note 11 : Equity Share Capital**a) Authorised Equity Share Capital**

(Rs. in Lakhs)

Particulars	No. of Shares	Amount (Rs)
As at 01.04.2016	200.00	2,000.00
Increase during the year	-	-
As at 31.03.2017	200.00	2,000.00
Increase during the year	-	-
As at 31.03.2018	200.00	2,000.00

b) Movements in Equity Share Capital

(Rs. in Lakhs)

Particulars	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2016	130.64	1,306.43
Warrants Converted	6.80	68.00
As at 31.03.2017	137.44	1,374.43
Warrants Converted	-	-
As at 31.03.2018	137.44	1,374.43

- a) The company has only one class of equity shares having a face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.
- b) No new shares were issued during the year.

Note 12 : Other Equity

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Securities Premium Account	5,861.37	5,861.37
State Subsidy	39.38	39.38
Retained Earnings	(9,053.10)	(7,127.49)
Total Reserves & Surplus	(3,152.35)	(1,226.74)

Securities Premium Reserve

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Opening Balance	5,861.37	5,562.17
Received on Preferential Allotment	-	-
Received on Warrants Conversion	-	299.20
Closing Balance	5,861.37	5,861.37

State Subsidy

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Opening Balance	39.38	39.38
Additions	-	-
Closing Balance	39.38	39.38

c) Retained Earnings

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Opening Balance	(7,127.49)	(5,973.82)
Net profit for the period	(1,925.61)	(1,153.67)
Closing Balance	(9,053.10)	(7,127.49)

Note : Financial Liabilities
Note 13 : Non Current Borrowings

(Rs. in Lakhs)

Particulars	Maturity Date	Terms of Repayment	Interest Rate / Coupon Rate	31.03.2018		31.03.2017	
				Current Portion	Non Current Portion	Current Portion	Non Current Portion
Secured							
Term Loans							
From FI (EARC)	30.09.2019	Quarterly in Six Equal Instalments	12.00%	355.39	188.60	355.39	502.61
Unsecured							
Term Loans							
From Govt (Interest Free Sales Tax Loan)	31.03.2025	Annually once	8.00%	99.52	145.07	120.61	179.63
From Directors			12.00%	-	100.00	-	100.00
From Ipca Laboratories Limited			11.50%	-	4,732.50	-	3,496.50
Total				454.91	5,166.17	476.00	4,278.74

- a) All the instalments falling due within 12 months from the date of Balance Sheet have been classified as current liabilities, the aggregate of which is shown as 'current maturities of long-term borrowings'.
- b) Borrowing from EARC is measured at fair value considering the discounting rate of 12%. Fair value of Rs. 543.99 lakhs is payable to EARC as on 31.03.2018.
- c) The sales tax collected on domestic sales of Company's products is treated as interest free sales tax loan from the AP State Government in accordance with the State Government incentive scheme. The amount credited to the loan account is based on the amounts collected as sales tax. During the year the company has paid interest free sales tax Loan of Rs. 73.76 lakhs for its Pharma division unit at Kothapalli. The interest free sales tax loan so far stood at Rs. 244.59 lakhs after remeasuring the liability at fair value at a discounting rate of 8%.
- d) Ipca Laboratories Ltd has advanced the company an amount of Rs. 1236.00 lakhs as inter corporate deposit during the year. Closing balance as on 31.03.2018 stood at Rs. 4732.50 lakhs.

Note 14: Provisions

(Rs. in Lakhs)

Particulars	31.03.2018		31.03.2017	
	Current	Non Current	Current	Non Current
Provision for Gratuity	72.49	147.53	56.13	105.75
Provision for Bonus	34.85	-	30.66	-
Provision for Leave Encashment	18.10	44.23	-	-
Other Provisions	-	176.57	-	176.57
Total Provisions	125.45	368.33	86.79	282.32

Note 15: Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Interest Free Lease Deposit	3,567.01	3,123.50
Rent Received in Advance	766.04	1,203.77
Total Other Non Current Liabilities	4,333.04	4,327.27

- a) The company has entered into long term lease agreement with M/s IPCA Laboratories Ltd and received a interest free refundable lease deposit of Rs. 4500 lakhs for 5 years lease period. In conformity with transition to IND AS, the lease deposit is measured at its NPV considering the discounting rate at 13.50% and remaining amount on remeasurement is classified as rent received in advance.
- b) Rent and Interest on the deposit above measured through fair valuation approach and is accounted through Other Comprehensive Income.

Note 16: Trade Payables

(Rs. in Lacs)

Particulars	31.03.2018	31.03.2017
Trade Payables		
For Materials	1,668.06	1,054.02
For Services	107.94	45.27
Total Trade Payables	1,776.00	1,099.30

Note 17: Other Current Liabilities

(Rs. in Lacs)

Particulars	31.03.2018	31.03.2017
Current Maturities of Borrowings	454.91	476.00
Statutory Remittances	194.07	184.70
Payables for Capital Works	269.81	236.78
Payables for Other Expenses	1,241.74	842.11
Salaries Payable	203.70	172.80
Audit Fees Payable	13.90	11.65
Directors Remuneration Payable	45.44	43.81
Advance from Customers	172.95	17.69
Total Other Current Liabilities	2,596.52	1,985.53

- a) Advance from Customers includes Amount received from IPCA Laboratories Ltd of Rs. 155.27 Lakhs.
- b) Payables for Other expenses includes Interest payable on ICD received from IPCA Laboratories Ltd of Rs. 735.31 Lakhs.

Note 18: Revenue from Operations

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Export Sales	210.20	38.13
Domestic Sales	2,328.04	158.88
Total Revenue from Operations	2,538.24	197.02

Note 19: Other Operating Income

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Lease Rentals	106.27	120.00
Job Work Services	698.77	-
Fee for Providing Manufacturing Services	34.63	36.00
Total Operating Revenue	839.67	156.00

Note 20: Other Income

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Sale of Scrap (Including RM Scrap)	11.94	6.79
Miscellaneous Income	4.67	-
Interest Income	4.00	0.73
Total Other Income	20.61	7.52

Note 21: Cost of Materials consumed

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Raw Materials at the beginning of the year	104.96	110.53
Add: Purchases	2,071.67	160.88
Less: Depletion in value of inventory	(4.52)	(11.17)
Less: Self Consumption	(9.86)	-
Less: Process Loss	(1.82)	(21.30)
Less: Closing Stock at the end of the year	448.07	104.96
Total Cost of Materials Consumed	1,712.36	133.99

Note 22: Changes in Inventories of Finished Goods, Work in Progress

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
a) Work in Progress		
Opening Stock	279.71	376.96
Less: Depletion in value of Inventory	(90.83)	(17.16)
Less: Self Consumption	(0.04)	(0.81)
Less: Process Loss	(11.78)	-
Closing Stock	561.32	279.71
Net (Increase) / Decrease	(384.26)	79.28
b) Job Work Service Under Process		
Opening Services	-	-
Closing Services	49.20	-
Net (Increase) / Decrease	(49.20)	-
c) Finished Goods		
Opening Stock	98.81	17.43
Less: Samples	(0.87)	-
Less: Depletion in Value of Inventory	-	(39.60)
Closing Stock	106.31	98.80
Net (Increase) / Decrease	(8.37)	(120.97)
Total (a+b+c)	(441.83)	(41.68)

Note 23: Employee Benefits

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Salaries, Wages & Benefits	1,103.19	542.23
Staff Welfare	45.34	20.36
Total Employee Benefits	1,148.53	562.59

Note 24: Finance Costs

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Interest and Finance Charges on Financial Liabilities	498.72	250.79
Other Interest	17.37	97.75
Bank Charges	0.43	0.31
Total Finance Costs	516.52	348.85

Note 25: Other Manufacturing Expenses

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Power & Fuel	861.89	69.54
Lab Expenditure	95.67	28.80
Repairs & Maintenance (Including Spares & Consumables)	345.80	77.58
ETP Maintenance	3.60	0.89
Process Loss	13.60	-
Total Other Manufacturing Expenses	1,320.57	176.80

Note 26: Other Expenses

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Rent	30.91	21.11
Rates & Taxes	29.09	19.31
Insurance	12.58	5.60
Printing & Stationary	13.66	6.59
Communication Expenses	21.39	15.36
Consultancy & Legal Exp.	29.04	42.11
General Expenses	25.62	10.44
Security Service Charges	58.34	33.01
Directors Sitting fees	3.90	4.85
Director's Remuneration	52.52	52.52
Auditor's Remuneration		
Statutory Audit fee	1.50	1.50
Tax Audit fee	1.00	1.00
Travelling & Conveyance	62.84	22.71
Directors Travelling	9.22	5.53
Office Maintainance	20.44	14.41
Carriage Outward	9.08	1.31
Business Promotion Expenditure	2.27	0.60
Expected Credit Losses	0.15	-
Bad debts written off	2.05	-
Donations	-	0.97
Excise Duty	(2.68)	27.48
Service Tax	3.91	15.58
Sales Tax	1.64	3.43
Penalties	-	15.89
Total Other Expenses	388.46	321.32

NOTE- 27**Contingent Liabilities :****The following contingent liabilities are not provided for.**

(i) Excise Duty: There are various demands raised by the Excise authorities amounting to Rs.112.74 lakhs (Previous Year Rs.146.99 lakhs) for which the company preferred appeals with higher authorities. Pending disposal of appeals, the company has deposited an amount of Rs 20.00 Lakhs (Previous Year Rs 20.00 Lakhs) based on interim directions.

(ii) Income Tax: There are various demands raised by the Income Tax authorities amounting to Rs. 358.44 lakhs (Previous Year Rs.358.44 lakhs) for which the company preferred appeals with Honourable High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh

(iii) Employee Provident Fund: Damages u/s 14B amounting to Rs. 129.93 lakhs (Rs. 76.07 lakhs for Vizag Unit and Rs. 53.86 lakhs for Nellore Unit respectively) were raised by PF authorities. Pending disposal of appeals, the company has deposited an amount of Rs 17.50 Lakhs based on interim directions.

(iv) Arbitration with Mylan Laboratories Ltd : Mylan Laboratories Limited has raised a claim of Rs. 2.47 crores and conversely the Company has raised a claim of Rs. 1.30 crores along with future demurrage charges of Rs. 4.72 Lakhs per month.

NOTE- 28

The amount receivable from N V R Co-Operative Sugar Factory towards the Development of Factory and Cane Development Expenses etc., has been treated as Advance recoverable since the company is claiming the same from Government of Andhra Pradesh / N V R Co-Operative Sugar Factory.

NOTE- 29**Managerial Remuneration:**

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Managing Director Avinash Ravi		
---- Remuneration	42.22	42.22
---- Perquisites	3.30	3.30
---- LTA	3.50	3.50
---- Holiday Passage	3.50	3.50
Total	52.52	52.52

NOTE- 28

Related party disclosures :

a) Name of the related parties:

Promoters / Promoters Group

: Dr.R.T.Ravi - Chairman.
Mr. Avinash Ravi - Managing Director
Mrs. Hemalata Ravi w/o Dr.R.T.Ravi
M/s Ipca Laboratories Ltd

Directors

: Dr.R.T.Ravi - Chairman.
Mr. Avinash Ravi - Managing Director
Mr. E.J.Babu - Director
Mr. Manish Jain - Director

Key Management Personnel

: Mr. C.V.R.S.N.Kumar - CFO
Ms.Haritha Varanasi - Company Secretary

b) Aggregated Related party disclosures for the financial year 2017-18

i) Particulars of transactions during the year

(Rs. In Lakhs)

Nature of Transaction	For the year ended 31st March 2018	For the year ended 31st March 2017
Remuneration to Promoters / Promoters Group	42.22	42.22
Perquisites paid to Promoters / Promoters Group	10.30	10.30
Sitting Fees paid to Directors	3.90	4.85
Remuneration to Key Managerial Persons	13.30	12.76
TOTAL	69.72	70.13

ii) Amounts due from /(due to) related parties at the year end

(Rs. In Lakhs)

Nature of Transaction	As at 31st March, 2018	As at 31st March, 2017
a) Amounts due to related parties		
Ipca Laboratories - Lease Deposit	(3,567.01)	(3,123.50)
Ipca Laboratories - Advance Rent	(766.04)	(1,203.77)
Ipca Laboratories - ICD	(4,732.50)	(3,496.50)
Ipca Laboratories Ltd - Creditor	(178.66)	(125.69)
Ipca Laboratories Ltd - Debtors	16.78	-
Ipca Laboratories Ltd - Advances Received	(155.27)	-
Interest Payable on ICD to Ipca	(735.31)	(286.46)
Avinash Ravi - Loan	(100.00)	(100.00)
Interest Payable on Loan to Avinash Ravi	(25.67)	(13.66)
Remuneration Payable to Directors	(45.44)	(43.81)
Rent Payable to Hemalatha Ravi	(18.02)	(18.02)
Advances received from Key Managerial Persons	(104.46)	(105.58)
Advances received from Hemalatha Ravi	(21.43)	(21.43)
TOTAL	(10,433.03)	(8,538.40)

NOTE- 31

The company has not created any Deferred Tax Asset during the financial year since the company has brought forward un absorbed depreciation losses and is not expecting any taxable profits in foreseeable future.

NOTE- 32**Calculation of earnings per share :**

Disclosure as required by Accounting Standard - Ind AS 33 Earning Per Share of the Companies (Indian Accounting Standards) Rules 2015.

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic and diluted EPS.

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit after Tax	(192,560,612.92)	(115,368,667.44)
Closing equity shares outstanding (Nos.)	13,744,286.00	13,744,286.00
Opening equity shares outstanding (Nos.)	13,744,286.00	13,064,286.00
Add: Issued during the year (Nos.)	-	680,000.00
Closing equity shares outstanding (Nos.)	13,744,286.00	13,744,286.00
Weighted avg no. of shares outstanding (Nos.) (Basic)	13,744,286.00	13,744,286.00
Weighted avg no. of shares outstanding (Nos.) (Diluted)	13,744,286.00	13,638,000.00
Nominal Value of Equity Share	10.00	10.00
Basic EPS	(14.01)	(8.39)
Diluted EPS	(14.01)	(8.46)

NOTE- 33

Segment Information: The company is operating in only one segment business of Pharma and there is no geographical segment to be reported.

NOTE- 34

The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 35

During the year, the company has made provision for gratuity on actuarial valuation and the company did not make any contribution to a scheme administered by the insurer to discharge the gratuity liability to its employees.

NOTE- 36

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

for and on behalf of the Board of Directors

For PAVULURI & CO
Chartered Accountants
Firm's Reg No : 012194S

Sd/-
DR. R.T. RAVI
Chairman
DIN: 00272977

Sd/-
AVINASH RAVI
Managing Director
DIN: 01616152

Sd/-
CA N.Rajesh
Partner
M.NO.223169

Sd/-
HARITHA VARANASI
Company Secretary

Sd/-
C.V.R.S.N.KUMAR
C F O

Place : Hyderabad
Date : 25.05.2018

Other Comprehensive Income

(Rs. in Lacs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Items that may be reclassified to profit or loss		
Change in Fair Value of FVOCI Debt Instruments	-	-
Change in Fair Value of FVOCI Financial Liabilities	(109.88)	379.21
Deferred gains / (losses) on cash flow hedges	-	-
Deferred costs of hedging	-	-
Exchange differences on translation of foreign operations	-	-
Net investment hedge gain	-	-
Income tax relating to these items	-	-
Sub Total (A)	(109.88)	379.21
Items that may not be reclassified to profit or loss		
Changes in fair value of FVOCI equity instruments	-	-
Deferred gains/ (losses) on cash flow hedges	-	-
Deferred costs of hedging	-	-
Remeasurement of post employment benefit obligations	(33.24)	72.05
Income tax relating to these items	-	-
Sub Total (B)	(33.24)	72.05
Other Comprehensive Income for the Year	(143.12)	451.26

Additional Notes**Movement of Inventory**

(Rs. in Lakhs)

Particulars	Figures as at end of 31-March-2018	Figures as at end of 31-March-2017
Raw Materials including packing materials	448.07	104.96
Work in Progress		
Phenylephrine	210.95	-
Simvastatin	278.37	220.12
Lovastatin	72.00	59.59
Others	49.20	-
Total Work in progress	610.52	279.71
Finished Goods		
Phenylephrine	0.93	-
Simvastatin	101.89	94.87
Others	3.50	3.94
Total Finished Goods	106.31	98.81
Spares, Fuels and Consumables	7.94	62.02
Total Inventory	1172.84	545.49

Movement of Intangible Assets

(Rs. in Lakhs)

Particulars	Gross Block			Amortisation Block			Net Block
	As at 1st April, 2017	Additions during the year	As at 31st March, 2018	Up to 1st April 2017	For the Year	Up to 31st March, 2018	As at 31st March, 2018
Product Development expenses-Others	133.85	20.68	154.53	-	-	-	154.53
Product Development expenses-Serratio	214.13	-	214.13	-	41.09	41.09	173.04
Product Development expenses-Phenylephrine	11.89	-	11.89	-	0.89	0.89	11.00
Total	359.88	20.68	380.55	-	41.98	41.98	338.57

Note: Amortisation expenses of Rs 41.98 lakhs includes Job Work Charges received Rs.21.86.lakhs against Trail batches.

Disclosure in accordance with Ind AS - 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

"The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a non funded plan."The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet as per Actuarial Valuation."

Expenses recognised in Statement of Profit & Loss

Particulars	31.03.2018	31.03.2017
Current Service cost	1,589,166	1,298,433
Interest Expense	1,093,327	1,753,469
Past Service cost	175,103	-
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognized for the period	(4,388,109)	(10,257,210)
Expense recognized in statement of P&L a/c	2,857,596	-
Expenses recognised in Other Comprehensive Income	(4,388,109)	(7,205,308)

Changes in present value of defined benefit obligation

Particulars	31.03.2018	31.03.2017
Present value of defined benefit obligation at the beginning of the year	16,401,618	23,739,900
Current Service cost	1,589,166	1,298,433
Interest Expense	1,093,327	1,753,469
Past Service cost	175,103	-
Actuarial (Gain)/ Loss	(4,388,109)	(10,257,210)
Benefit paid	(117,824)	(145,090)
Present value of defined benefit obligation at the end of the year	14,753,281	16,401,618

Changes in fair value of the plan assets are as follows.

Particulars	31.03.2018	31.03.2017
Opening fair value of plan assets	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding Interest income	-	-
Interest Income	-	-
Contribution by Employer	117,824	76,154
Contribution by Employee	-	-
Benefits Paid	(117,824)	(76,154)
Fair Value of Plan Assets at the end	-	-

Principal Actuarial Assumptions:

Particulars	2017-18 IALM (2006-08) Ultimate	2016-17 IALM (2006-08) Ultimate
Mortality		
Interest / Discount Rate	7.72%	6.69%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	10.76	10.16
Employee Attrition Rate	PS: 0 to 42: 5%	PS: 0 to 42: 5%

Fair Value Measurement

Financial instruments by category

(Rs. in Lakhs)

Particulars	As at end of 31-March-2018			As at end of 31-March-2017		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Trade Receivables			32.48			158.83
Cash and cash equivalents			41.84			11.71
Other Financial Assets			143.41			236.66
Total			217.74			407.21
Financial Liabilities						
Trade Payables			1776.00			1099.30
Borrowings			5621.08			4754.74
Others			-			-
Total			7397.08			5854.04

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

(Rs. in Lakhs)

Ageing	< 30 days	30 - 90 days	90-180 days	180-360 days	>360 days	Total
Gross carrying amount	2,024,487	1,008,972	25,245	45,671	158,196	3,262,571
Expected loss rate	0.08	0.13	0.00	13.03	3.63	-
Expected credit losses (loss allowance provision)	1,552	1,345	-	5,952	5,748	14,598
Carrying amount of trade receivables (Net of impairment)	2,022,935	1,007,627	25,245	39,719	152,448	3,247,974

Reconciliation of Depreciation and Amortisation as per Statement of Profit and Loss:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Depreciation on PPE	394.86	423.37
Amortisation of Intangible Assets	41.98	-
Depreciation and Amortisation as per Statement of Profit and Loss	436.84	423.37

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24110AP1991PLC103912
 Name of the company : Krebs Biochemicals & Industries Limited
 Registered office : Kothapalli (V), Kasimkota (M), Anakapalli, Vishakapatnam(D)
 Andhra Pradesh- 531031

Name of the member(s) :
 Registered Address :
 E-mail Id :
 Folio No./Client Id :
 DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address :

E-mail Id :

Signature:, or failing him

3. Name :

Address :

E-mail Id :

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on **Monday, 10th day of September, 2018** at 11:00 AM at Sarojini Villa, Kothapalli (V), Kasimkota(M), Anakapalli, Vishakapatnam(D), Andhra Pradesh - 531031 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the year ended 31.03.2018
2. To re-appoint Mr. E J Babu as Director, who retires by rotation and being eligible offers himself or re-appointment.
3. Ratification of appointment of statutory auditors and fixation of their remuneration.
4. Re-appointment of Mr. Avinash Ravi as Managing Director of the company

Signed this day of..... 2018

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Kothapalli (V), Kasimkota (M), Anakapalli, Vishakapatnam(D)
Andhra Pradesh - 531031

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 26th Annual General Meeting of the members of the company to be held on Monday, 10th of September, 2018 at 11:00 AM at Sarojini Villa, Kothapalli (V), Kasimkota (M), Anakapalli, Vishakapatnam(D), Andhra Pradesh – 531031 and at any adjourned meeting thereof.

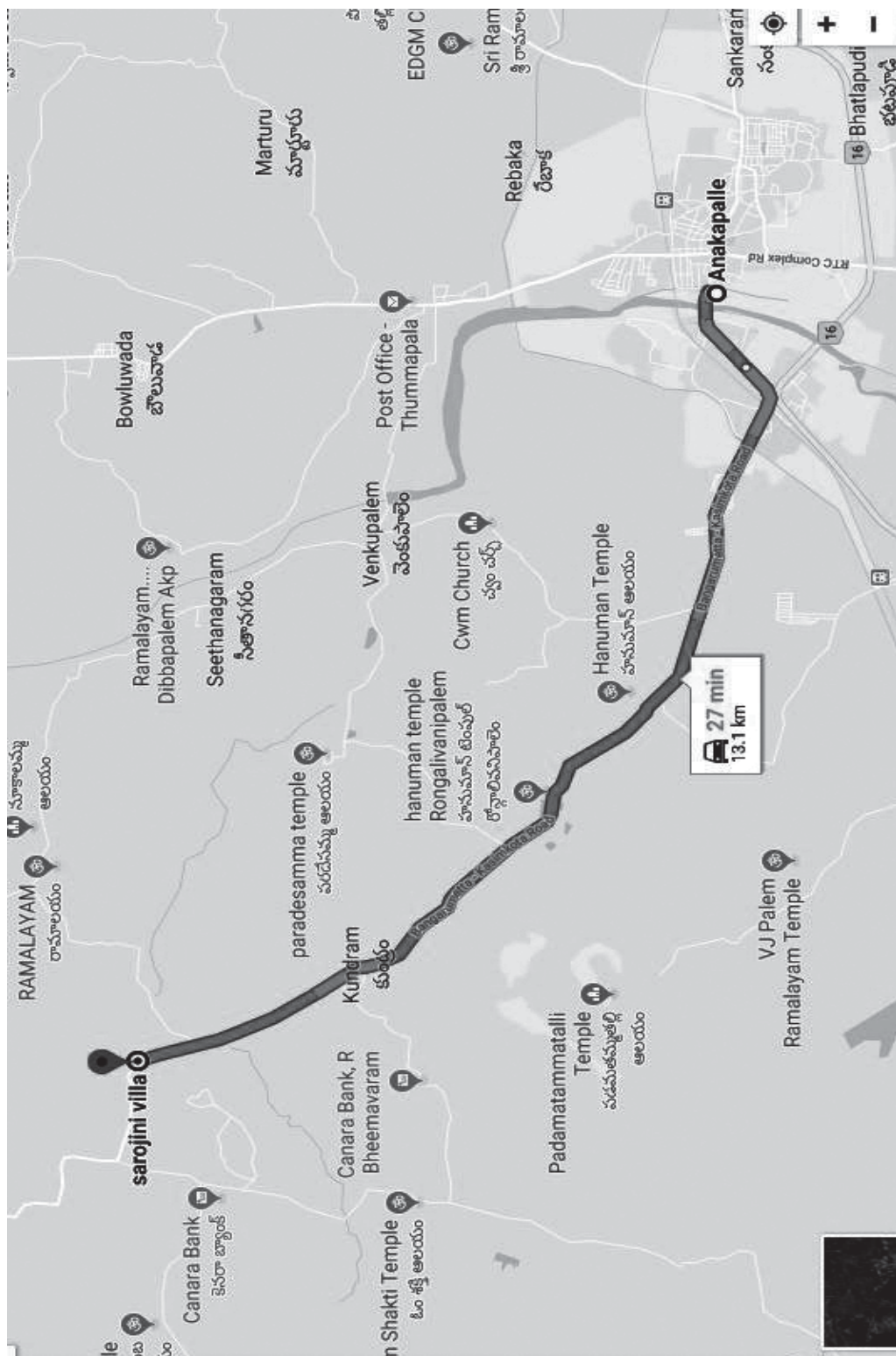
Shareholders/Proxy's Signature_____

Shareholders/Proxy's full name_____
(In block letters)

Folio No./ Client ID_____

No. of shares held_____

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.





**BOOK-POST
UNDER CERTIFICATE POSTING**

If undelivered return to :

Krebs Biochemicals & Industries Limited

Plot No. 34, 8-2-577/B, Maas Heights,
Road No. 8, Banjara Hills,
Hyderabad-500 034.