

Krebs Biochemicals & Industries Limited

CIN: L24110AP1991PLC103912



6th September, 2022

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 for the financial year 2021-22 and Notice convening 30th Annual General Meeting ("AGM") of the Company (Scrip Code: 531268)

Dear Sir/Madam,

Annual General Meeting ('AGM'):

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2021 – 2022 along with the Notice of 30th Annual General Meeting ("AGM") of the Company to be held at the registered office of the company situated at Kothapalli (V), Kasimkota (M), Anakapalle, Vishakapatnam (D), Andhra Pradesh – 531031.

The schedule of the AGM is set out below:

Particulars	Details
Date & time of the AGM	Friday 30 th of September, 2022 at 11.00 a.m., at the registered office of the company situated at Kothapalli (V), Kasimkota (M), Anakapalle, Vishakapatnam (D), Andhra Pradesh – 531031
Cut-off date for the purpose of e-voting /e-voting at AGM	Friday, the 23 rd day of September, 2022
Commencement of e-voting	Tuesday, the 27 th September, 2022 (9.00 AM IST)
End of e-voting	Thursday, the 29 th September, 2022 (5.00 PM IST)

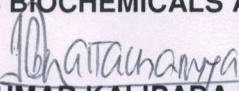
The Annual Report and AGM Notice will also be made available on the Company's website www.krebsbiochem.com

You are requested to take the above information on record.

Thanking You

Yours faithfully,

For KREBS BIOCHEMICALS AND INDUSTRIES LIMITED


PABITRAKUMAR KALIPADA BHATTACHARYA

Managing Director

DIN: 07131152

Encl as above.

Regd. Office : Kothapalli(V), Kasimkota(M), Anakapalli, Visakhapatnam, Andhra Pradesh-531 031
Corporate Office: 8-2-577/B, Plot No. 34, 3rd Floor, Maas Heights, Road No. 8, Banjara Hills, Hyderabad-S00034
Tel : 040-66808040 E-mail marketing@krebsbiochem.com Website www.krebsbiochem.com

KREBS BIOCHEMICALS & INDUSTRIES LIMITED



**30th Annual Report
2021 - 22**

Management**BOARD OF DIRECTORS :****Dr R T Ravi**

Chairman & Non-Executive Director
(DIN- 00272977)

Mr. Pabitrakumar Kalipada Bhattacharya

Managing Director (DIN-07131152)

Mr. Avinash Ravi

Non-Executive Director (DIN-01616152)

Mr. Jitendra Shah

Non-Executive Director (DIN-09377846)

Mr. G.V.L Prasad

Independent Director (DIN- 00017081)

Mr. Raj Kamal Prasad Verma

Independent Director (DIN- 02166789)

Dr. Tangirala Malati

Independent Director (DIN- 07094957)

Mr. Satish Khivsara

Independent Director (DIN- 07244464)

Company Secretary & Compliance Officer

Ms.Banda Taruni (ACS 46673) Upto 6th August, 2022

Chief Financial Officer

Mr. R. Ravi Babu

Statutory Auditors**M/s. Bhavani & Co.,**

Chartered Accountants
Firm Registration No.012139S

Secretarial Auditors**D S M R & Associates,**

Company Secretaries,
6-3-668/10/42, Plot No.42,
2nd Floor, Durga Nagar Colony,
Punjagutta, Hyderabad- 500082.

Registered Office**Krebs Biochemicals & Industries Limited,**

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

CIN:L24110AP1991PLC103912

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 - 9121144984

Email : investors@krebsbiochem.com

Website : www.krebsbiochem.com

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

KFin Technologies Ltd,
Plot No. 31 & 32, Selenium Tower B,
Financial District, NanakramGuda,
Gachibowli, Hyderabad- 500032.
Ph: 040-67161605
Fax: 040 – 67161500
Website: www.KFintech.com
Email: einward.ris@KFintech.com

Registered Office**Krebs Biochemicals & Industries Limited,**

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

CIN:L24110AP1991PLC103912

Tel: 040 - 9121144984

Email : investors@krebbsbiochem.com

Website : www.krebbsbiochem.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. KREBS BIOCHEMICALS & INDUSTRIES LIMITED (CIN: L24110AP1991PLC103912) WILL BE HELD ON FRIDAY, THE 30TH SEPTEMBER 2022 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT KOTHAPALLI (V), KASIMKOTA (M), ANAKAPALLI, VISHAKAPATNAM DISTRICT, ANDHRA PRADESH – 531031 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31 2022, the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31 2022 together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Dr. R T Ravi (DIN-00272977), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Avinash Ravi (DIN-01616152), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Regularize the Appointment of Mr. Jitendra Shah (DIN-09377846) as Director:**

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) **Mr. Jitendra Shah (DIN-09377846)**, who was appointed as Additional Director by Board of Directors on 9th November, 2021 and who holds office only up to the date of Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-executive Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT any Director/Company Secretary of the Company, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

5. **Approval for Related Party Transactions with M/s. Ipca Laboratories Limited:**

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with M/s. Ipca Laboratories Limited., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for a) Purchase/sale of materials, capital goods, plant & machineries, packaging materials b) receiving advances c) lease and leave and license arrangement, etc (d) accepting loans/ICDs e) transfer of any resources, services or obligations to meet its business objectives/ requirements (“Related Party Transactions”) on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.150 Crore for the financial year 2022-23, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023:

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, M/s. BOJANAPALLI & ASSOCIATES, Cost Accountants (Firm Registration No. 100849) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records for the financial year 2022-23 be paid remuneration of Rs. 1,00,000/- (Rupees One Lac Only) plus service tax and reimbursement of traveling and other out of pocket expenses.”

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

Mr. Pabitra Bhattacharya
Managing Director
(DIN 07131152)

Place: Hyderabad

Date: 01.08.2022

Registered Office: Krebs Biochemicals & Industries Limited,
Kothapalli (Village), Kasimkota (Mandal),
Anakapalli, Vishakapatnam (District), Andhra Pradesh - 531031
Email: investors@krebbsbiochem.com
Website:www.krebbsbiochem.com
CIN:L24110AP1991PLC10391

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. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is annexed and forms part of this notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through Krebs Biochemicals and Industries Limited Annual Report 2020-21 remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to acskriti@gmail.com with a copy marked to investors@krebsbiochem.com.
5. As required under SS - 2 for General Meetings Route Map for the venue of AGM is enclosed.

Members are requested to handover 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.

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.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents Kfin Technologies private Limited.
7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.krebsbiochem.com and on the website of the Company's Registrar and Transfer Agents, Kfintech www.kfintech.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
8. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Kfintech, for assistance in this regard.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.krebsbiochem.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfin Technologies Limited at www.kfintech.com.
10. At the twenty-seventh AGM held on September 25, 2019 the Members approved appointment of Bhavani & Co, Chartered Accountants (Firm Registration No. 012139S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Second AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

11. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
12. 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.
13. 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. KFin Technologies Pvt. Ltd.)
14. During Fiscal 2020, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1st April 2020, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required.
15. 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. KFin Technologies Limited., Share Transfer Agents of the Company for their doing the needful.
16. 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.
17. 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.
18. 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.
19. 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 KFin Technologies Limited as the Agency to provide e-voting facility.
 - v) The Board of Directors of the Company has appointed Ms. Krithika Sharma, 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., 23rd September, 2022.
 - 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, Friday, 23rd September, 2022 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, 23rd September, 2022 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.KFintech.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 1-800-309-4001.
If the member is already registered with KFintech 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 Tuesday, 27th September, 2022

End of remote e-voting : On 05.00 PM (IST) on Thursday, 29th September, 2022

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Kfintech after the 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 Kfintech <https://evoting.Kfintech.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, 30th September, 2022.

- xii) Instructions and other information relating to e-voting
As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below :

NSDL	CDSL
1. User already registered for IDeAS facility: - URL: https://eservices.nsdl.com - Click on the "Beneficial Owner" icon under 'IDeAS' section. - On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" - Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services - To register click on link : https://eservices.nsdl.com - Select "Register Online for IDeAS" - Proceed with completing the required fields. 3. User not registered for IDeAS e-Services - To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed with completing the required fields. 4. By visiting the e-Voting website of NSDL - URL: https://www.evoting.nsdl.com/ - Click on the icon "Login" which is available under 'Shareholder/Member' section. - Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. - Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. - Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. e-Voting option and you will be redirected to NSDL Depository site wherein you can see e-Voting page. - Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	1. Existing user who have opted for Easi / Easiest - URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com - Click on New System Myeasi - Login with user id and password. - Option will be made available to reach e-Voting page without any further authentication. - Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed with completing the required fields. 3. By visiting the e-Voting website of CDSL - URL: www.cdslindia.com - Provide demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. - After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue – NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Login method for non-individual Members and Members holding shares in physical form are given below :

Procedure and Instructions for remote e-voting are as under:

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in Demat Form:-

For NSDL: 8 character DP ID followed by 8 digits Client ID.

For CDSL: 16 digits beneficiary ID.

User ID: For members holding shares in Physical Form:

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons

- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. Krebs Biochemicals and Industries Limited.
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or '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.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at acskriti@gmail.com and may also upload the same in the e-voting module in their login.

Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the Cut-off date, being 23rd



September, 2022 (For Agenda items 1 to 6) to exercise their right to vote by electronic means i.e. remote e-voting, on the business specified in the Notice convening the AGM of the Company as mentioned above.

Your user ID and password for this purpose are furnished below:

EVEN (E-Voting Event Number)	USER ID	Password/PIN
6106	individual ID	Existing Password

Note: If you forget your password, you can reset your password by using "Forgot user details/Password" option available on <https://evoting.kfintech.com>

Kindly note that, the remote E-voting portal will open for voting from 9.00 a.m. on 27th September, 2022 and will remain open throughout on all the days up to 5.00 p.m. on 29th September, 2022 (both days inclusive). If you desire to cast your vote by using remote e-voting, you can do so by accessing the link <https://evoting.kfintech.com> and logging-in by using your user ID and password, as above, during the period when the portal is open for E-voting.

Please note that once you have cast your vote, you will not be allowed to modify it subsequently. However, you can attend the meeting physically and participate in the discussions, if any.

E-voting is optional and those who have not exercised remote E-voting option can cast their votes at the voting to be conducted during at the venue of the AGM.

In case of any query, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads sections of <https://evoting.kfintech.com> or contact Mr. Raghu Veedha, KFin Technologies Pvt. Ltd. (Unit- Krebs Biochemicals and Industries Limited.) at email: einward.ris@KFintech.com or contact at phone no. 1-800-309-4001 (toll free).

**For and on behalf of the Board
Krebs Biochemicals & Industries Limited
Sd/-**

**Mr. Pabitra Bhattacharya
Managing Director
(DIN-07131152)**

Place: Hyderabad
Date: 01.08.2022

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:L24110AP1991PLC10391

Disclosure pursuant to Regulations 26(4) and 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	Dr. R T Ravi	Mr. Avinash Ravi	Mr. Jitendra Shah
Nationality	Indian	Indian	Indian
Date of Birth	08.08.1949	15.02.1979	29.10.1968
Date of appointment/ re-appointment	25.09.2019	01.02.2009	09.11.2021
Expertise in specific functional areas	A bio-technologist having an experience of over 40 years in the area of applied bio-chemical research. He had also made an extensive study in the cultivation of medicinal plants in different agroclimatic zones of the state of Andhra Pradesh.	He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc	- Chartered Accountant having over 26 years of experience in Business development, Sales & Marketing (International and Domestic), Sourcing, Finance and Accounts of APIs and Intermediates. - International Business Professional with 26+ years of Leadership experience in managing Global Pharmaceuticals and API business across major continents.
Qualifications	PhD (Bio-Chemistry) from National Dairy Research Institute, Karnal M.Sc (Bio-Chemistry) from Baroda University	Graduate in Bio-Processing Engineering from University of New South Wales, Australia	- Chartered Accountant (C.A.) – passed in Nov 1996. 2) B.Com with distinction from Gujarat University.
Date of first Appointment on the Board of the Company	12/10/1992	01.02.2009	09.11.2021
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	● Nil	Nil	● Nil
Inter se relationship among Directors	● Dr R T Ravi is father of Mr. Avinash Ravi, Director of the Company.	He is son of Dr R T Ravi, Non-Executive Director and Chairman of the Company	● He is not related to any of the Directors of the Company.
Number of Board Meetings attended during the year out of Six (6) meetings.	Seven	Seven	Three(3)
Sitting Fee paid during the financial year for attending Board Meetings	85,000	45,000	20,000

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

Mr. Pabitra Bhattacharya
Managing Director
(DIN-07131152)

Place : Hyderabad
Date : 01.08.2022

Explanatory Statement

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

Item No. 4

Mr. Jitendra Shah (DIN- 09377846), was appointed as an Additional Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Nomination and Remuneration Committee, on the basis of his experience and expertise has recommended the appointment of Mr. Jitendra Shah (DIN- 09377846) as additional Director on the Board of the Company w.e.f. 9th November, 2021.

The Board based on the experience and expertise and as per the recommendations of the Nomination and Remuneration Committee, considered that Mr. Jitendra shah would provide and add value to the Board with his industry connections, experience and market knowledge. Accordingly, it is proposed to appoint Mr. Jitendra Shah (DIN- 09377846) as Non-executive Director of the Company, liable to retire by rotation, on the Board of the Company.

Mr. Jitendra Shah (DIN- 09377846) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Jitendra Shah (DIN- 09377846) for the office Non-executive Director of the Company.

A brief profile of Mr. Jitendra Shah (DIN- 09377846) and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is annexed to this statement.

None of the Directors and Key Managerial Personnel or their relatives except Mr. Jitendra Shah and his relatives (DIN- 09377846) are concerned or interested directly or indirectly in this resolution.

The Board of Directors recommends the passing of ordinary Resolution set forth in the Notice for the approval of members.

Item No. 5

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of Rs.1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022. The Company has been engaged into and continues with APIs manufacturing along with Ipca laboratories limited on Job work basis as well as purchase of materials and lease of Plants of the Company for manufacturing purposes. Ipca Laboratories Limited is one of the promoters of the company making them a related party to the Company.

The details of transactions that require approval are given below:-

S.No	Description	Particulars
1.	Name of the related party	Ipca Laboratories Limited
2.	Nature of relationship <i>[including nature of its interest (financial or otherwise)]</i>	Associate Company and Promoter Shareholder
3.	Type of the proposed transaction	(a) Supply APIs, raw materials, intermediaries, etc, (b) Purchase of APIs, raw materials, intermediaries, etc (c) Procurement of goods, services, sponsorship, etc. (d) Leasing of property, manufacturing facility on loan licence basis. (e) Any transfer of resources, services or obligations to meet its objectives/requirements
4.	Nature, duration/tenure, material terms, monetary value	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions subject to a maximum limit of Rs.150 Crore per annum through contracts/arrangements which are entered for financial year 2022-23.
5.	Particulars of the proposed transaction	Same as 3
6.	Tenure of the transaction	For FY 2022-23
7.	Value of the proposed transaction	Upto a maximum annual limit of Rs.150 Crores.
8.	Benefits of the proposed transaction	The Company has been continuously incurring cash losses for the past many years and has no working capital resources of its own to manage its business and to source and pay for materials and spend money on manpower and manufacturing overheads. Ipca Laboratories Ltd. (Ipca) which is a leading research driven global pharmaceutical company with its products marketed in over 100 countries across the globe, has become a promoter shareholder of the Company so that it can utilise the manufacturing capabilities of the Company and get its APIs and intermediates manufactured at Company's manufacturing facilities by providing technical support and working capital resources to the Company. Ipca Laboratories Ltd. manufactures and markets many APIs and formulations in the global market. This association with Ipca Laboratories Ltd. and Ipca manufacturing some of its requirements of APIs and intermediates at the Company's manufacturing facilities is essential to the Company for its very survival considering the current financial position of the Company and is in the best interest of all the stakeholders involved.
9.	Name of the Director or Key Managerial Personnel, who is related	Mr. Jitendra Shah and Pabitrakumar Kalipada Bhattacharya, Directors of the Company and who are nominees/employees of Ipca Laboratories Ltd can be considered as interested/related directors for the purpose of this resolution.
10.	Additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given	The details are part of the audited financial statements of the Company annexed with this notice

Item No. 6

The Board of Directors on the recommendation of the Audit Committee have appointed M/s BOJANAPALLI & ASSOCIATES, Cost Accountants (Firm Registration No. 100849) as the Cost Auditors of the Company for the financial year 2022-23. A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection electronically by the members without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect this certificate can send an email to ravibabur@krebsbiochem.com.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s. BOJANAPALLI & ASSOCIATES, as Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board of Directors accordingly recommend the resolution set out at Item No. 6 of the accompanying Notice for the approval of the members.

**For and on behalf of the Board
Krebs Biochemicals & Industries Limited
Sd/-
Mr. Pabitra Bhattacharya
Managing Director
(DIN-07131152)**

Place : Hyderabad
Date : 01.08.2022

Directors' Report

To,
The Members,

The directors submit the 30th annual report of Krebs Biochemicals & Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March 2022.

1. Financial Summary

(Rs. in lacs)

Particulars	2021-22	2020-21
Net Sales	5294.06	3860.64
Other Income	791.83	1571.53
Total Income	6085.89	5432.17
Expenditure	9369.80	7127.73
P(L)BDIT	(3283.92)	(1696.56)
PBDIT(After Extra Ordinary Items)	(3283.92)	(1696.56)
Finance Charges	539.10	627.90
Depreciation	629.67	512.40
Profit/(Loss) Before Tax	(4452.68)	(2835.86)
Net profit/(Loss) after Tax	(4452.68)	(2835.86)
Other Comprehensive Income	(34.64)	17.26
Total comprehensive income for the period (comprising Profit/(loss) and other comprehensive income for the year)	(4487.32)	(2818.60)
Add: balance brought Forward	(18124.26)	(15305.67)
Add: Transferred from Profit & Loss Account	(4487.32)	(2818.60)
Balance Carried to Balance Sheet	(22611.60)	(18124.26)

3. Financial Performance

During the year under review, the Company has posted net sales of Rs. 5,294.06 lakhs and Rs. 791.83 lakhs as other income. For the FY 2021-22 the company has incurred a loss of Rs. (4,452.68) lakhs as against loss of Rs. (2,835.86) lakhs of the previous year ended 31st March 2021. Detailed Performance of the Company is given in the Management and Discussion analysis forming part of the Corporate Governance report.

It was operationally a difficult financial year for the Company. As a aftermath of covid pandemic and ongoing geo political conflict, the availability as well as prices of key starting materials of the APIs being manufactured by your Company drastically increased and the Company could not pass on the increased cost to its customers and thereby severely impacted the position of the Company to continue to manufacture those APIs. The multifold increase in the coal prices further restricted the ability of Company to continue to operate the fermentation based manufacturing facilities at its Vizag manufacturing facility, which further impacted the viability of APIs being manufactured. Coal cost is a major overhead cost and the Company's manufacturing plant needed huge quantity of coal to continue to operate its fermentors. The Vizag manufacturing facility of your Company has since started manufacturing few drug intermediates having good

volumes on job work basis so that the manufacturing operations can be sustained. Manufacturing process of these drug intermediates does not need operation of fermentors. At the same time, your Company is also in discussion with its potential customers for manufacturing tie up for fermentation based products so as to optimally utilise the Company's Vizag manufacturing unit. The Nellore manufacturing unit of the Company is currently manufacturing and selling an API having good volume and is slowly moving towards stabilizing its operations and recovering costs. Few more products are also currently under various stages of development.

4. Change in nature of business

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

5. Dividend

On account of losses incurred during the year, no dividend is proposed to be declared for the financial year 2021-22.

1. Material changes and commitments affecting the financial position of the Company:

a. Covid-19

In the FY 2021-22, the COVID-19 pandemic has continued to contribute to the global crisis, forcing many

governments to enforce lock-downs in between thereby stalling of economic activity many countries. The Company continued its manufacturing operations through out the pandemic with due regard to the health and well-being of all employees at work place. There were issues relating to availability of materials which are imported as well as logistic problems during some part of the financial year under report. These issues are now slowly getting resolved.

b. Issue of Preference shares

The Company has issued and allotted Redeemable Non-Convertible Non-Cumulative Preference Shares to Ipca Laboratories Limited, to the extent of Rs. 100 crores divided into 1,00,00,000/- (One Crore) Preference shares of Rs.100/- (Rupees One Hundred) each, forming part of the authorised capital of the company. These shares are not listed on the stock exchange(s).

8. Share Capital

a. Conversion of Warrants:

Pursuant to the exercise of conversion option by Ipca Laboratories Ltd. and upon receipt of the balance application money, the Board of directors of the Company at their meeting held on 6th April, 2021 have converted 19,40,000 warrants and allotted 19,40,000 (Nineteen Lakhs Forty Thousand) Equity shares of Rs.10/- each of the Company at a price of Rs. 86/- per Equity Share, including premium of Rs. 76/- per share, to M/s Ipca Laboratories Limited, the entity forming part of the promoter group.

b. Increase of Authorised Share Capital:

The Authorised Share capital of the Company has been increased from Rs.53 crores divided into 2,30,00,000 (Two Crore Thirty Lakhs) Equity Shares of Rs. 10 each and 30,00,000 (Thirty Lakh) Preference Shares of Rs.100 each, to Rs.153,00,00,000 (Rupees One Hundred Fifty-Three Crore only), comprising of Rs.23,00,00,000 (Rupees Twenty-Three Crore) equity share capital divided into 2,30,00,000 (Two Crore thirty Lakh) Equity Shares of Rs. 10/- each and Rs.130,00,00,000 (Rupees One Hundred Thirty Crore only) preference share capital divided into 1,30,00,000 (One crore thirty Lakhs) Preference Shares of Rs. 100/- each after obtaining the approval of the members in the EGM held on 29th November, 2021.

c. Issue of Preference shares:

The Company has issued and allotted Redeemable Non-Convertible Non-Cumulative Preference Shares (RNNCPs) to Ipca Laboratories Limited, to the extent of Rs. 100 crores divided into 1,00,00,000 (One Crore) Preference shares of Rs.100/- (Rupees One Hundred) each. These shares are not listed on the stock exchange(s).

Consequent to the aforesaid allotments the authorised, subscribed issued and paid up capital of the company stands as follows:

Authorised Share Capital	Rs.153,00,00,000 (Rupees One Hundred Fifty-Three Crore) comprising of Rs.23,00,00,000 (Rupees Twenty-Three Crore) equity share capital divided into 2,30,00,000 (Two Crore thirty Lakh) Equity Shares of Rs. 10/- each and Rs.130,00,00,000 (Rupees One Hundred Thirty Crore) preference share capital divided into 1,30,00,000 (One crore thirty Lakhs) Preference Shares of Rs. 100/- each
Issued Capital Subscribed Capital Paid up Capital	Rs.151,56,05,860 (Rupees One Hundred Fifty one crore Fifty Six Lakhs Five Thousand Eight Hundred Sixty only) comprising of equity share capital of Rs.21,56,05,860 (Rupees Twenty One crore Fifty Six Lakh Five Thousand Eight Hundred Sixty) divided into 2,15,60,586 (Two crore Fifteen Lakh Sixty Thousand Five Hundred Eighty Six) Equity Shares of Rs.10/- each and Rs.130,00,00,000 (Rupees One Hundred Thirty Crore) preference share capital divided into 1,30,00,000 (One crore thirty Lakhs) Preference Shares of Rs. 100/- each

9. Investor Education and Protection Fund

No amounts and/or shares were transferred to the Investor Education and Protection Fund during the year under review.

10. Statutory Auditors

At the twenty-seventh AGM held on September 25, 2019 the Members approved appointment of Bhavani & Co, Chartered Accountants (Firm Registration No. 012139S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Second AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS

Qualification raised by the Auditors in the Main Report:	Management's Reply:
We draw your attention to note no. 2.21.2 to the financial statements, which states that the Company has incurred loss before tax of Rs. 1131.39 lakhs for the quarter ended 31st March 2022 and Rs. 4,452.68 lakhs for the year ending 31st March 2022. As of 31st March 2022, the total liabilities exceeded its total assets by Rs. 7,509.32 lakhs as compared to Rs. 4273.29 lakhs as at 31st March 2021. These factors indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company's management has carried out an assessment of the Company's financial performance and has obtained a confirmation providing comfort of financial support from the Promoter Company, if required to meet its obligations. There has been continued improvement in production during the current year.	During the FY 2021-22, the Company has prepared strategic plan for next five years. Pursuant to the said plan, the Company continues to focus on various initiatives including cost optimisation through operational efficiency, improvement initiatives, rationalisation of existing operations and increase in sales volumes from the existing and new customers. With continued efforts, the Company expects to address the material uncertainty in future. The company is confident of having full scale operations on three new products to be launched, which are under testing.

11. 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 2022 - 23 at their meeting held on 23rd May, 2022.

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

12. Directors and Key Managerial Personnel

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.

Appointments:

- During the year under review, Mr. Jitendra Shah, has been appointed as an additional Director by the Board on 9th November, 2021, liable to retire by rotation and subject to approval of shareholders at the ensuing Annual general meeting.
- During the year under review Mr. Pabitra Kumar Kalipada Bhattacharya has been appointed as the Director as well as the Managing Director of the company at its Board meeting held on 30th July, 2021 w.e.f 1st August, 2021.

Re-appointments:

- During the year under review, Mr. E J Babu (holding DIN-06759124), has retired by rotation and being eligible for re-appointment, at the 29th Annual General Meeting held on 23rd September 2021 he has been re-appointed as the Director on the Board of the company

Change in Designation:

Mr. Avinash Ravi, has ceased to be the Managing Director on the Board of the company of the company w.e.f 31st July, 2021. However, he continues to be a Director of the Company.

Cessation:

- Mr. E. J. Babu ceased to be a Director on the Board of the company w.e.f 9th November, 2021.
- Mr. Manish Jain ceased to be a Director of the Board of the Company with effect from 31st July, 2021.

The Board places on record its appreciation for the services rendered by both the Directors during their association with the Company.

Key Managerial Personnel

The Board of Directors at its meeting held on 30th July, 2021 appointed Mr. Pabitrakumar Kalipada Bhattacharya as the Managing Director and Key Managerial Personnel of the Company.

Mr. Avinash Ravi ceased to be the Managing Director of the company and his designation has been changed to Non-Executive Director (Promoter group) w.e.f 31st July, 2021.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on the date of this report are:

Mr. Avinash Ravi - Managing Director (ceased w.e.f 31st July, 2021)

Mr. Pabitrakumar Kalipada Bhattacharya-Managing Director (w.e.f 1st August, 2021)

Mr. R. Ravi Babu - Chief Financial Officer

Ms. Taruni Banda - Company Secretary

Ms. Taruni Banda has resigned as Company Secretary and Compliance officer with effect from 6th August, 2022 due to her personal reasons. The Company is in the process of appointing a new Company Secretary and compliance officer.

13.1**Retire by Rotation**

Dr. R T Ravi, retires by rotation as a Director and he offers himself for re-appointment at the ensuing 30th Annual General Meeting.

Mr. Avinash Ravi retires by rotation as a Director and he offers himself for re-appointment at the ensuing 30th Annual General Meeting.

13.2 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.

All the Independent Directors have registered themselves under independent director data bank.

14. Board Meetings

During the financial year 2021-22, Seven (7) meetings of the Board were held. Details of the meetings of the board and attendance of the Directors have been provided in the corporate governance report which forms part of this report.

15. Corporate Social Responsibility

Your 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, your 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 voluntarily contributed towards some welfare measures for the poor, old aged and differently abled persons.

16. Quality Initiatives

Company is committed to meet the customers Quality requirements and satisfaction by maintaining high degree of assurance in Quality, Safety, efficacy of the products manufactured. We maintain mutual and beneficial relationship with the Suppliers, Vendors and Customers.

We provide continual training to all the employees working in the plants for upgrading their knowledge of cGMP practices. Your Company continuously focus on developing new products with innovative knowledge and robust practices meeting / fulfilling the Regulatory and statutory requirement.

Company is committed to meet the regulatory standards set by USFDA, WHO-GMP & EDQM and our Unit-II Vizag site has been Accredited certified by EDQM, Europe. Many customers have audited Unit-I Nellore plant and have approved the plant as qualified Vendor. Company is totally focusing to be as an integrated company emerging in the Pharma market by improving and implementing best-in class methodologies to meet the customer requirements with zero complaints and by implementing the ALCOA Practices in the plants.

17. 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.

18. 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.

19. Familiarisation program for Independent Directors

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

20. 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.

21. Secretarial Standards

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

22. Audit Committee

Your 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) | Mrs. 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.

23. Nomination and Remuneration Committee

Your Company has in place a duly constituted Nomination and Remuneration Committee which has following members :

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

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.

24. Stakeholders Relationship Committee

Your 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.

25. 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.

26. 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. 1.02 crores (Rupees One Crore Two 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 2022.

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

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

27. Cost Audit and Cost records:

The provisions of Cost Audit is applicable to your Company from the financial year 2022 - 2003. Accordingly the Board of Directors, based on the recommendations of the Audit Committee, approved the appointment of BOJANAPALLI & ASSOCIATES, Cost Accountants (Firm

Registration No. 100849) as the Cost Auditors. The provisions relating to maintenance of cost records are already applicable to your company and your company is in compliance with the said provisions.

28. 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	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 and the circular given by SEBI vide No SEBI/Cir/ISD/1/2012 dated March 30, 2012 gives exemption from 100% promoter(s) holding in demat form. Thus the company stands exempted.
2	Delay in filing of few Forms with Ministry of Corporate Affairs (MCA)	There was an inadvertent delay in filing of Forms with the Ministry but the same has been filed before the date of this report.
3	There was delay in intimating the Closure of Trading window for the Quarter ending 30th June 2021	There was an inadvertent delay due to the then covid restrictions.
4.	Pursuant to Regulation 47, Audited financial results for the Quarter and year ending 31st March 2021 were not published in the newspapers.	Non publication of the financial results in the news paper was inadvertently missed out in view of the then covid restrictions.

29. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issue by M/s. DSMR & Associates, Prop. Mr. DSM Ram, Company Secretary in Whole time Practice, Hyderabad has been submitted to the Stock Exchanges within the specified time and same is annexed herewith as Annexure - III

30. Transactions with related parties

Information on transactions with related parties are given in Annexure-IV in Form AOC-2 and the same forms the part of this report.

31. Fixed Deposits

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

32. Extract of Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website- www.krebsbiochem.com

33. 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.

34. Disclosures relating to Subsidiaries, Associates and Joint Ventures

The company doesn't have any subsidiary companies or Joint Ventures during the year under review.

35. 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.

36. 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.

37. 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.

38. 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.

39. 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.

40. Significant or material orders passed against 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.

41. Disclosure on Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code (IBC).

During the year under review, there were no IBC proceedings initiated against the company.

42. Disclosures pertaining to the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There are no complaints registered in this matter during the year under review.

43. 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/-

Dr. R T Ravi

Chairman

(DIN- 00272977)

Place: Hyderabad

Date: 01-08-2022

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. 1.02 crores (Rupees One Crore Two 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 2022.

- 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 and perks of Director/ KMP for the FY 2021-22 (Amount in Rs.)	% increase/ (Decrease) in remuneration in the FY 2021-22	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	49,57,083	-5.22%	16.18	The company is in continuing losses for the past financial years and during the year the company posted a net loss.
2.	Pabitra kumar Kalipada Bhattacharya (appointed w.e.f. 1st August, 2021)	20,00,000		6.53	
3.	Ravi Ravibabu	16,62,000	17.31%	5.42	Please refer to the note above.
4	Taruni Banda (Company Secretary)	8,67,420	10.55%	2.83	

* Avinash Ravi has ceased to be the Managing Director w.e.f 1st August, 2021.

Pabitra Kumar Kalipada Bhattacharya has been appointed as Managing Director w.e.f 1st August, 2021.

- b. The median remuneration of the employees of the company during the financial year was Rs.3,06,384/-
- c. There was increase in the median remuneration of employees in the financial year by 5%.
- d. There were 345 Regular employees as on 31st March 2022.
- 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
Krebs Biochemicals & Industries Limited
 Sd/
Dr R T Ravi
 Chairman
 (DIN- 00272977)

Place: Hyderabad

Date: 01 -08-2022

Annexure-II
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31STMARCH, 2022

[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,
Anakapalle- 531031
Visakhapatnam, India

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).

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, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
 - I. However, the Company has availed the extension provided by the MCA and filed the below mentioned forms:
 - a) Form MGT-7 (Annual return) for the Financial year 2020-21
 - II. Delay in filing of:
 - a) Filing of Form MSME I for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises for the half year March, 2021
 - b) Filing of Form MSME I for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises for the half year September, 2021
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (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;

Pursuant to the exercise of further conversion option by IPCA Laboratories Ltd. and upon receipt of the balance application money, the Board of directors of the Company at their meeting held on 6th April, 2021 have converted 19,40,000 warrants and allotted 19,40,000 (Nineteen Lakhs Forty Thousand) Equity shares of Rs.10/- each of the Company at a price of Rs. 86/- per Equity Share, including premium of Rs. 76/- per share to M/s IPCA Laboratories Limited, the entity forming part of the promoter group.

The Equity shares allotted upon conversion of warrants issued shall rank pari passu with the existing equity shares of the Company in all respects.

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

That there was delay in Intimating the Closure of Trading window for the Quarter ending 30th June 2021

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

The company has issued & allotted 1,00,00,000 9% Redeemable Non-convertible Non-Cumulative Preference Shares (RNNCPs) of Rs. 100/- each amounting to Rs. 100 Crores (Hundred Crores only) on Private Placement basis to M/s. IPCA Laboratories Limited, a promoter group entity after obtaining the approval of members in the Extra Ordinary General Meeting held on 29th November 2021.

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

Pursuant to Regulation 31(2), Entire shareholding of the promoters is not in Dematerialized format.

Pursuant to Regulation 47, Audited financial results for the Quarter and year ending 31st March 2021 were not published in the newspapers.

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

During the period of our audit the Company has not issued any securities under these regulations and also

does not have an ESOP plan. Hence the reporting of compliance under these regulations does not arise.

- (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 (Buyback 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;

I further report that having regard to the compliance system prevailing in the company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis the Company has generally complied with the following specific law to the extent applicable to the Company:

- 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

However, the Andhra Pradesh Pollution Control Board has issued Consent & Authorization order for grant of operations under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 & under section 21 of Air (Prevention & Control of Pollution) Act, 1981 and Authorisation under Rule 6 of the Hazardous & other Wastes Rules 2016 to the company authorizing to operate the industrial plant to discharge the effluents from the outlets via consent order no. APPCB/VSP/VSP/24/CFO/H0/2021 dated 06.05.2021. The company is yet to comply with some of the terms and conditions of the said order issued by the Pollution Control Board.

- g. Industrial Employment (Standing Orders) Act, 1946
- h. The Trade Union Act, 1926

- i. Industrial Disputes Act, 1947
- j. Minimum Wages Act, 1946
- k. Payment of Bonus Act, 1965
- l. Legal Metrology Act, 2009
- m. Contract Labour Act, 1970
- n. 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.

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.

However, Mr. Jitendra Shah was appointed as an additional director on 9th November 2021 & the same was taken into record in the board meeting held on 9th November 2021.

Mr. Manish Jain has resigned from the post of directorship on 30th day of July 2021 and the board took note of the same in its meeting held on 30th day of July 2021.

Mr. Pabitrakumar Kalipada Bhattacharyya was appointed as a Managing Director of the company for a period of 3 years commencing from 1st August, 2021 till 1st August 2024 subject to approval of shareholders in the General Meeting held on 23rd day of September 2021.

The board has approved for the change in designation of Mr. Avinash Ravi from Managing Director to Non-Executive Director in their meeting held on 30th day of July 2021

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:

1. The company has issued & allotted 1,00,00,000 9% Redeemable Non-convertible Non-Cumulative Preference Shares (RNNCPS) of Rs. 100/- each amounting to Rs. 100 Crores (Hundred Crores only) on Private Placement basis to M/s. IPCA Laboratories Limited, a promoter group entity after obtaining the approval of members in the Extra Ordinary General Meeting held on 29th November 2021.
2. The company has altered its MOA for the purpose of Increase of Authorized capital after obtaining the approval of members in the Extra Ordinary General Meeting held on 29th November 2021

For **DSMR & Associates**
Company Secretaries

Place: Hyderabad
Date : 01-08-2022

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

UDIN: A014939D000720545

Peer Review Certificate No.1252/2021 dated 15th May, 2021

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:

Management Responsibility:

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.

Auditor's Responsibility:

2. I had 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. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
4. 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.

Disclaimer:

5. 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.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **DSMR & Associates**

Company Secretaries

D S M Ram

C. P. No. 4239

Proprietor

UDIN: UDIN: A014939D000720545

Peer Review Certificate No.1252/2021 dated 15th May, 2021

Place: Hyderabad
Date : 01-08-2022

Annexure – III

Secretarial compliance report of **KREBS BIOCHEMICALS AND INDUSTRIES LIMITED**

for the year ended 31st March, 2022

[Pursuant to the SEBI Circular No. IR/CFD/CMD/27/2021/ Dated 08.02.2021]

We have examined:

- a) all the documents and records made available to us and explanation provided by KREBS BIOCHEMICALS AND INDUSTRIES LIMITED ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) other document/ filing, as may be relevant,

which has been relied upon to make this certification, for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI")
- c) The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- I. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; except as mentioned in point no. XI (a)

The reporting of Clause 6A and 6B of the Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of Statutory Auditors from the listed entities and their material subsidiaries" is not applicable during the Review period.

- II. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
Pursuant to the exercise of further conversion option by IPCA Laboratories Ltd. and upon receipt of the balance application money, the Board of directors of the Company at their meeting held on 6th April, 2021 have converted 19,40,000 warrants and allotted 19,40,000 (Nineteen Lakhs Forty Thousand) Equity shares of Rs.10/- each of the Company at a price of Rs. 86/- per Equity Share, including premium of Rs. 76/- per share to M/s IPCA Laboratories Limited, the entity forming part of the promoter group. The Equity shares allotted upon conversion of warrants issued shall rank pari passu with the existing equity shares of the Company in all respects
- III. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- IV. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
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;
- V. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
During the period of our audit the Company has not issued any securities under these regulations and also does not have an ESOP plan. Hence the reporting of compliance under these regulations does not arise.
- VI. 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.
- VII. Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013;
During the period of our audit the Company has not issued any Preference Shares during the reporting period. Hence, the reporting of compliance under these regulations does not arise.
- VIII. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- IX. 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

- X. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- XI. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except the following:

Sl. No	Compliance Requirement (Regulations / Circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Regulation 31(1)(b) of SEBI (LODR) Regulations, 2015	Entire shareholding of the promoters not in Demat form	As we observe from the records of the Company 20,400 Equity shares belonging to the promoters are under dispute in the court of law.
2.	Regulation 47 of SEBI (LODR) Regulations, 2015	Publication of Financial Results	The company has not published its Audited financial results in the newspapers for the Quarter and year ending 31st March 2021
3.	SEBI (Prohibition of Insider Trading) Regulations, 2015	Intimation regarding the Closure of Trading window	There was delay in intimating the Closure of Trading window for the Quarter ending 30th June 2021

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

Sl. No	Action taken by	Details of Violation	Details of Action taken e.g., fines, warning letter, debarment etc	Observations / Remarks of the Practicing Company Secretary, if any
	NIL	NIL	NIL	NIL

- (d) The listed entity has taken the following actions to comply with the observations made in the previous report.

Sl. No	Observations of the Practicing Company Secretary in the Previous reports	Observations made in the secretarial compliance report for the year ended	Action taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 31 (2) of SEBI (LODR) Regulations, 2015 – Entire Promoter Share holding is not in Demat form.	31st March, 2021	Since the shares are subject matter of a case in the Hon'ble High court the promoters are putting in their best efforts to get the case disposed.	We observe that 20,400 Equity shares belonging to the promoter group are under dispute in the court of law.

For **DSMR & Associates**
Company Secretaries

Place: Hyderabad
Date : 01-08-2022

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

UDIN: UDIN: A014939D000720545
Peer Review Certificate No.1252/2021 dated 15th May, 2021

Annexure-IV

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 of 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 | : | Purchase, Supply, Loans and Advance, Lease agreements etc |
| 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.
	iv. Provision of Lease of the Units.

- | | | |
|---|---|------------------|
| e) Date(s) of approval by the Board, if any | : | 10th August 2017 |
| f) Amount paid as advances, if any | : | None |

3. Details of contracts or arrangements or transactions not in the ordinary course of business.

S.No	Particulars	Details
a)	Name(s) of the related party & nature of relationship	None
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	None
e)	Justification for entering into such contracts or arrangements or transactions	None
f)	Date of Approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	Not Applicable

All related party transactions that were entered during the financial year were on arms-length basis and are according to the policy of related party transactions adopted by the Company.

On behalf of the Board of Directors
Krebs Biochemicals & Industries Limited
Sd/-
Dr. R T Ravi
Chairman
(DIN- 00272977)

Place : Hyderabad
Date : 01-08-2022

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.	● All blocks existing HLL lamps of 160 W replaced with 20 W LED bulbs. ● All HPSV street lamps (250 W) replaced with LED lamps (100 W). ● Insulation provided to all steam lines and chilled water lines where ever damaged to avoid losses. ● RFE, SRP and MEE plant condensers de-scaling done to increase the efficiency. ● COOLING TOWERS ● All cooling towers spray nozzles and fins cleaned, Damaged nozzles, side lower ply wood sheets replaced with new, damaged blow down water lines replaced with new. Sumps cleaning work done to maintain the parameters. ● Continuous monitoring of steam traps to avoid the steam wastage. ● Boiler header steam control valve got damaged, replaced with new control valve and controlled the excess steam flow in distribution lines. ● Existing old 40 HP air compressor replaced with new 35 HP VSD model air compressor. Also variable speed drive controller installed to control speed of motor depending upon the air requirement. Due to this power consumption reduced. ● Existing in J- Block only 100 HP pump is used to circulate the CT water. Depending on the process requirement 100 HP pump is not required some times. To avoid such cases new 25 HP pump installed and installed suitable lines.in this scenario 75 HP has been reduced. ● Existing in A & J Block centrifuges are running star & Delta mode, with the help of clutch pulley, in this case motors are running in full speed. To avoid such kind of losses 8 new VFD's are installed (4 at J- Block, 4 at A- Block). by using VFD's operator can able to increase the speed slowly and can go up to the maximum speed of 40HZ based on requirement. These equipment's are running smoothly and energy consumption will be reduced. ● In B-Block only 75 HP secondary pump as a minimum capacity. Some times when running smaller vessels 75 HP not required to avoid such cases 04 HP installed and arranged suitable lines. in this scenario 71 HP has been reduced. ● By using boiler steam, 680 TR VAM shall be used in operation in place of 210TR chillers to reduce power consumption. ● Existing 40 TR Brine chiller is available with very low efficiency and regular breakdowns .in place of that Installed the 55 TR methanol brine chiller with VFD. depending upon the process load VFD reduce the motor frequency. ● Installed energy meters area wise and observe day to day power consumption and inform area wise users to save the energy. ● Existing LOVA effluent treatment purpose decanters are used (decanter was old equipment and observed frequent breakdowns) to avoid such cases Installed the new filter press unit in ETP area.

Particulars	Unit I (Nellore)	Unit II (Vizag)
Energy Initiatives Planned.	● 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. VFD to be planned for 120HP Chilled water secondary pump. b. Temperature controllers to be planned for all cooling tower fans. c. Proposed to provide VFD for 6TPH Boiler ID & FD fans to reduce the energy consumption. d. Proposed to provide VFD to cooling tower pumps and to install Differential Pressure Transmitters at IN & OUT lines of the cooling towers to control the RPM based on the usage e. Energy efficient motors (IE 03) will be procured here after for continuous running motors. f. Proposed to install level switches at raw water sumps & Condensate water tanks to control the overflow. g. Air compressors Energy audit has performed, based on the audit the compressors efficiency is very low, it is proposed to be replaced with new VFD model Air compressors. In such cases depending upon the air requirement motor speeds are reduced through VFD. h. For energy conservation purpose, procured FEDA agitators. Proposed to installed in any one of fermenter and monitor power consumption before and after installation of FEDA agitators.

- ii) Steps taken by the Company for utilizing alternate sources of energy.
Since the manufacturing operations at the plants are not yet on full scale, there is no immediate requirement for alternate sources of energy.
- iii) The capital investment on energy conservation equipment.
The Company has spent Rs. 1.11 cr. capital investment on energy conservation equipment (Renovation of Power Plant).

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: Proposed to introduce one new API to the site for optimum utilization of idle equipment.
- iv) Expenditure incurred on R&D : None
- v) Imported technology (imported during the last 5 years): New technology received from R&D for Simvastatin in the year of 2021. Two new Intermediate products introduced to the site, validation completed and commercial production under progress.

c)

Foreign Exchange Earnings and Outgo	Rs. in lakhs
Used	120.87 (import)
Earned	NA

For and on behalf of the Board of
Krebs Biochemicals & Industries Limited
Sd/-
Dr. R T Ravi
Chairman
(DIN-00272977)

Place: Hyderabad

Date: 01-08-2022

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 for attaining sustaining growth in this corporate world and enhancing the shareholder value corporate governance is a pre-requisite. The governance practices followed by your company have played a vital role in its journey of continued success. Our endeavor over the years has been to strengthen the governance processes and systems attributing to constant improvisations, sustainability, and profitable growth and creating long term value for the stakeholders. Accordingly, we always seek to ensure that our performance is driven by integrity, values and ethics.

The governance practices followed by your company are continuously reviewed and the same are benchmarked to 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 krebsbiochem.com.

III. Board of Directors

- Your Company's selection and appointment of directors is based on various criteria laid down in policy on Board diversity. The criteria inter alia include aspects like professional qualifications, proven track record in one or more skills such as managerial, finance, accounting, technical operations. There were no changes in the composition of Board during the year.
- As on 31st March 2022, 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.
- 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 2022 have been made by the Directors.
- 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. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. 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.
- 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 2022 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 23rd September, 2021	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	7	7	Nil	Nil	Nil	Nil
Mr. Avinash Ravi	Yes	7	7	Nil	Nil	Nil	Nil
Mr. G.V.L. Prasad	Yes	7	7	Nil	Nil	Nil	Nil
Dr. Tangirala Malati	Yes	7	7	Nil	Nil	Nil	Nil
Mr. Satish Khivsara	Yes	7	7	Nil	Nil	Nil	Nil
Mr. Jitendra Shah*	Yes	7	3	Nil	Nil	Nil	Nil
Mr. Pabitra Kumar Kalipada Bhattacharya #	Yes	7	4	Nil	Nil	Nil	Nil
Mr. Raj Kamal Prasad Verma	Yes	7	7	Nil	2	1	2
Mr.E J Babu@	Yes	7	4	Nil	Nil	Nil	Nil
Mr. Manish Jain#	Yes	7	3	Nil	1	Nil	Nil

Mr. Pabitra Kumar Kalipada Bhattacharya appointed as the Managing Director of the company at its Board meeting held on 30th July, 2021 w.e.f 1st August, 2021.

Mr. Manish Jain resigned as Director with effect from 30th July, 2021.

* Mr. Jitendra Shah appointed an additional Director by the Board on 9th November, 2021.

@ Mr. E J Babu has ceased to be a Director on the Board of the company w.e.f 9th November, 2021.

- i. Seven (7) 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:

06th April, 2021, 27th May, 2021, 30th July 2021; 22nd October 2021; 9th November, 2021; 30th December, 2021; and 12th February, 2022.

The necessary quorum was present for all the meetings.

- ii. During the year 2021-22, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board.
- iii. The terms and conditions of appointment of the Independent Directors are disclosed in the website of the company.
- iv. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- v. The details of the familiarisation programme will be available in the website of the company.
- vi. Details of equity shares of the Company held by directors as on 31st March 2022 are given below:

Name	Category	Number of equity shares
Dr R T Ravi	Non-Independent, Non-Executive	23,474
Avinash Ravi	Non-Independent, Executive	21,40,272
G V L Prasad	Independent, Non-Executive	1,42,530
Mr. Jitendra Shah	Non-Executive	0
Mr. E J Babu	Non-Executive	50
Mr. Raj Kamal Prasad Verma	Independent, Non-Executive	200
Satish Khivsara	Independent, Non-Executive	50
Dr. Tangirala Malati	Independent, Non-Executive	0
Mr. Pabitra Kumar Kalipada Bhattacharya	Managing Director	0
Mr. Manish Jain	Non-Executive	100

- vii. Except Dr R T Ravi and Mr. Avinash Ravi who are related to each other, no other directors of the company are related to each other.
- viii. Skills/Expertise of the Board of Directors:
The Company has diverse and highly qualified members in the Board and firmly believes that their expertise and skills in specialised areas are immensely beneficial to the company.

S.No	Name		Category	Skills/Expertise
1.	Dr R T Ravi	Non-Executive Director & Chairman		Dr R T Ravi has PhD in Bio-chemistry from National Dairy Research Institute, Karnal and M.Sc-Bio Chemistry from Baroda University. He is A bio-technologist having an experience of over 40years in the area of applied biochemical research. He had also made an extensive study in the cultivation of medicinal plants in different agroclimatic zones of the state of Andhra Pradesh.
2.	Mr. G V L Prasad	Independent Director		He is a Chartered Accountant and Bachelor of Law. He possess expertise in the area of finance, accounting and legal matters.
3.	Mr. Avinash Ravi	Managing Director till 31st July, 2021 and Non-executive Director from 1st August, 2021		He is graduate in Bio-process engineering from University of South Wales, Australia. He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc
4.	Mr. Jitendra Shah	Non-Executive Director		He is a Chartered Accountant having over 26 years of experience in Business development, Sales & Marketing (International and Domestic), Sourcing, Finance and Accounts and of APIs and Intermediates business. Also he is an International Business Professional with 26+ years Leadership experience in managing Global Pharmaceuticals and API business across major continents.
5.	Mr. E J Babu	Non-Executive Director		He possesses P G diploma in marketing management. He is 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.
6.	Dr. Tangirala Malati	Independent Director		Dr. Tangirala Malati is Phd, FAMS, FAPS, FACBI. She has 47 years of vast experience in Academic, research and General administration in the field of clinical Bio-chemistry, immunochemistry and Bio-chemistry.
7.	Mr. Raj Kamal Prasad Verma	Independent Director		He is having degree in Master of Business Management and PG diploma in Industrial Relations and Personnel Management. He is a Turn-around and Operations expert, spear-heading business organisations with P & L responsibilities and corporate strategy.
8.	Mr. Satish Khivsara	Independent Director		He is a Chartered Accountant and has 40 years of experience in the field of Finance and entrepreneurship.
9.	Mr. Pabitra Kumar Kalipada Bhattacharya	Managing Director		He did his B.Tech. (Chemical) from UDCT in 1993 and B.Sc Chemistry (Hons.) from Calcutta University in 1989. He is having experience of about 28 years in Manufacturing & Technical Excellence, Production, Business Excellence, Project management, multi sites Operations, Process Improvement, Six Sigma Project Management, Process Development, Quality Assurance and Relationship Management
10.	Mr. Manish Jain	Non-Executive		He is a Chartered Accountant and an Executive MBA in General Management. He has Expertise in Business Development includes new product development, in- licensing of products and technology, heading contract research and manufacturing Services in Ipca Laboratories Limited.

ix. The Company also confirms that the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

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 program 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 23rd September 2021 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 2021-22	
		Held	Present
G V L Prasad (Chairman)	Independent, Non-Executive	4	4
Mrs. Tangirala Malati	Independent, Non-Executive	4	4
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:

25th May, 2021, 30th June 2021; 9th November, 2021 and 12th February, 2022.

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. One meeting of Stakeholders Relationship Committee were held during the year on 11th February 2022.
- 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 2021-22	
		Held	Present
G V L Prasad (Chairman)	Independent, Non-Executive	1	1
Dr R T Ravi	Independent, Non-Executive	1	1
Avinash Ravi	Non-Independent, Non-Executive	1	1
Satish Khivsara	Independent, Non-Executive	1	1

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

Ms. Taruni Banda,
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: 9121144984
Designated e-mail id for investors –
investors@krebsbiochem.com

- vi. Details of investor complaints received and redressed during the year 2021-22

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

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 2021-22	
		Held	Present
Satish Khivsara (Chairman)	Independent, Non-Executive	2	2
Dr R T Ravi	Non-Independent, Non-Executive	2	2
G V L Prasad	Independent, Non-Executive	2	2
Mrs. Tangirala Malati	Independent, Non-Executive	2	2

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 2021-22, the Company paid sitting fees of Rs. 10,000 per board meeting attended to its non-executive directors and Rs. 10,000 for audit committee meeting attended and Rs.5000 for stakeholders' relationship committee and nomination and remuneration committee meeting attended. 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 2022

a) Non-Executive Directors

Name	Sitting Fees (Rs. In lacs)
Dr R T Ravi	0.85
G V L Prasad	1.25
Mrs Tangirala Malati	1.20
Satish Khivsara	1.25
Avinash Ravi	0.45
E J Babu	0.40
Raj Kamal Prasad Verma	0.70
Jitendra Shah	0.20
Manish Jain	0.30

b) Executive Director

Name	Remuneration and Perks (Rs. In lakhs)
Avinash Ravi (Managing Director till 31st July, 2021)	17,39,775
Pabitra Kumar Kalipada Bhattacharya (Managing Director from 1st August, 2021)	20,00,000

The above figures do not include provisions for en-cashable leave and other perquisites.

VI. General Body Meetings

- i. General Meeting
 - a. Annual General Meeting

Financial Year	Date	Time	Venue
2018-2019 (Year ended 31st March 2019)	25.09.2019	11:00 AM	Kothapalli (Village), Kasimkota (Mandal), Anakapalli, Vishakapatnam (District), Andhra Pradesh-531031
2019-2020 (Year ended 31st March 2020)	26.09.2020	2.00 PM	Through Video Conference/ Other Audio Visual Means ("OAVM")
2020-2021 (Year ended 31st March 2021)	23.09.2021	11.00 AM	Through Video Conference/ Other Audio Visual Means ("OAVM")

b. Special Resolutions passed:

- ★ At the 27th Annual General Meeting held on 25th September 2019, the following Special Resolution was passed:
 - Re-appointment of Mr. G V L Prasad (DIN-00017081)) as Independent Director for further period of 5 years.
 - Re-appointment of Dr. Tangirala Malati (DIN-07094957) as Independent Director for further period of 5 years.
 - Re-appointment of Mr. Satish Khivsara (DIN-07244464) as Independent Director for further period of 5 years.
- ★ At the 28th Annual General Meeting held on 26th September 2020- No Special resolutions were passed.
- ★ At the 29th Annual General Meeting held on 23rd September, 2021 the following Special Resolutions have been passed:
 - Re-appointment of Mr. Raj Kamal Prasad Verma (DIN:02166789) as an Independent Director.
 - Appointment of Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) as Managing Director of the Company.

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>

- ii. 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:

There have been not fines imposed on the company during the last three years on any matters related to Capital markets.

- iii. The Disclosures of the Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b)to(i)	Website	Yes

- iv. 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>

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

- vi. 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.

vii. 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>

viii. 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>

ix. Disclosure of commodity price risks and commodity hedging activities

The Company is into manufacture of Active Pharma Ingredients. Since the Company doesn't consume large quantities of commodities in its manufacturing activities, the company is not materially exposed to commodity price risks not does the Company do any commodity hedging.

x. Certificate from Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate in this regard from a Company Secretary in Practise which is annexed to this report.

xi. Total fees for all services paid by the company, on a consolidated basis, to the Statutory Auditor.

The fees paid by the company to its statutory auditors are stated in the Audited Financial Statements which are part of the Annual Report.

xii. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No sexual harassment complaints were received during the year under review.

xiii. Non-compliance of any requirement of Corporate Governance Report with reasons thereof.

None.

xiv. 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 2022. 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 2021-22

Date : 30th September 2022

Time : 11.00 a.m.

Venue : Registered office of the Company

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 30th September 2022, physically at the registered office of the Company

ii. Financial Calendar : 1st April to 31st March

AGM in : September

iii. Date of Book Closure : Nil

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

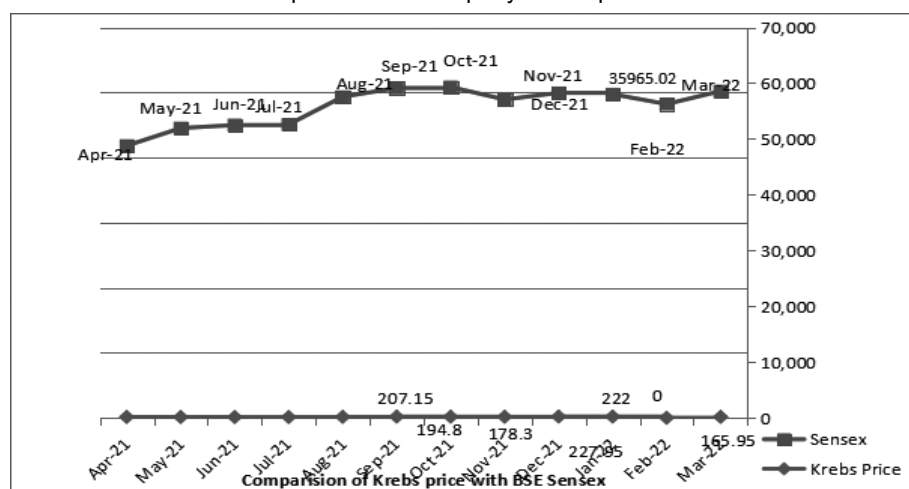
(CIN) of the Company : L24110AP1991PLC103912

vi. Market price data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2021-22 in BSE & NSE

Month	BSE		NSE		No. of shares traded	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	BSE	NSE
April-2021	147.90	82.50	146.40	86.35	1,82,423	1621216
May 2021	140.60	115.50	141.05	115.25	2,07,692	11,03,085
June 2021	132.60	114.05	132.85	113.65	79,080	4,56,683
July 2021	136.35	111.60	136.40	111.70	1,70,486	9,36,929
August 2021	166.60	114.75	166.90	114.85	6,17,800	49,41,194
September 2021	207.15	146.00	207.00	146.00	6,74,180	53,71,125
October 2021	194.80	151.00	195.00	151.80	1,47,890	8,71,037
November 2021	178.30	146.00	179.00	149.05	59,558	6,43,527
December 2021	227.95	158.20	227.90	158.05	2,13,181	21,17,798
January 2022	222.00	165.60	221.65	166.20	1,87,084	12,32,371
February 2022	183.00	130.60	179.60	132.05	1,99,942	11,51,900
March 2022	165.95	136.00	165.90	139.00	63,812	6,47,096

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



viii. Registrars and Share Transfer Agents

Name and Address : KFin Technologies Ltd
Plot No. 31 & 32, Selenium Tower B,
Financial District, Nanakramguda,
Gachibowli, Hyderabad- 500032.

Telephone : 040-67161505

Fax : 040-67161500

E-mail : einward.ris@KFintech.com

Website : www.KFintech.com

ix. Share Transfer System:

96.04% 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 Kfintech 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.

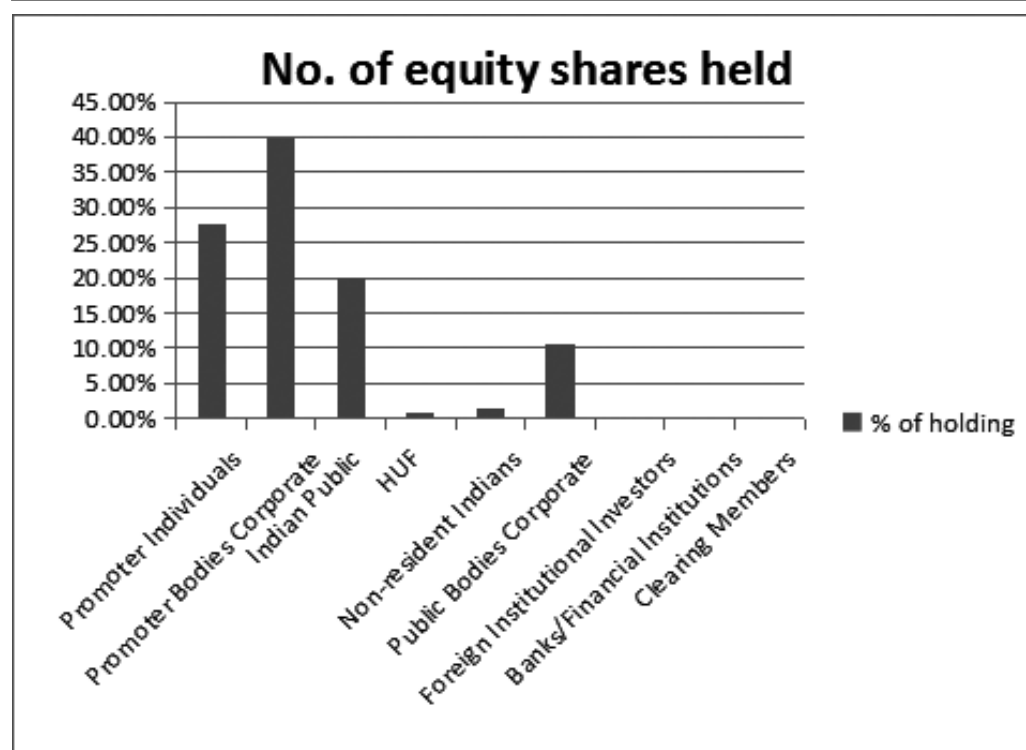
x. Shareholding as on 31st March 2022:

A. Distribution of shareholding as on 31st March 2022

S. NO.	Category (Amount)	No. of cases	% of cases	Amount	% of amount
1	1-5000	8468	88.83	9134930.00	4.24
2	5001- 10000	529	5.55	4202540.00	1.95
3	10001- 20000	237	2.49	3484830.00	1.62
4	20001- 30000	94	0.99	2365270.00	1.10
5	30001- 40000	40	0.42	1408370.00	0.65
6	40001- 50000	34	0.36	1593670.00	0.74
7	50001- 100000	70	0.73	5048320.00	2.34
8	100001 & Above	61	0.64	188367930.00	87.37
	Total:	9533	100.00	215605860.00	100.00

B. Categories of equity shareholders as on 31st March 2022:

Category	No. of equity shares held	% of holding
Promoter Individuals	4978230	25.37%
Promoter Bodies Corporate	10705195	49.65%
Indian Public	3863918	17.92%
HUF	135067	0.63%
Non-resident Indians	203853	0.95%
Public Bodies Corporate	1257393	5.83%
Foreign Institutional Investors	1300	0.01%
Banks/Financial Institutions	522	0.00%
Clearing Members	33072	0.15%
NBFC	0	0.00%
Non-Resident Indian Non Repatriable	232036	1.08%
Director relatives	150000	0.70%
Total	21560586	100%



xi. Dematerialisation of shares and liquidity:

The company's shares are compulsorily traded in dematerialised form on BSE. Equity shares of the company representing 96.04% of the company's equity share capital are dematerialised as on 31st March 2022.

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.

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 2022, 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.

Place: Hyderabad
Date: 01-08-2022

SD/-
Pabitra Kumar Kalipada Bhattacharya
Managing Director
(DIN-07131152)

MANAGING DIRECTOR AND CFO CERTIFICATION

To the members of
Krebs Biochemicals & Industries Limited

I, Pabitra Kumar Kalipada Bhattacharya, Managing Director and R. Ravi Babu, Chief Financial Officer of the Company herewith certify that:

- a) We, have reviewed the audited financial results and the cash flow statements for the quarter and year ended 31st March 2022 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) We 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) We, 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/-

Pabitra Kumar Kalipada Bhattacharya

Managing Director

(DIN-07131152)

SD/-

Ravi Babu

CFO

Place: Mumbai

Date: 01-08-2022

Place: Hyderabad

Date: 01-08-2022

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, 2022, 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 2018-19.
 - ★ 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 2021-22.
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 2022.
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.

SD/-

For **Bhavani & Co**
Chartered Accountants
(Firm's Registration Number : 012139S)
CA S Kavitha Padmini
Partner
M.No : F-229966
UDIN: 22229966AQBOTF4791

Place: Hyderabad

Date: 01.08.2022

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

There were no shares held in the Demat Suspense Account/Unclaimed Suspense Account.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
KREBS BIOCHEMICALS AND INDUSTRIES LIMITED
Kothapalli village Kasimkota Mandal, Anakapalli,
Vishakapatnam, Andhra Pradesh– 531031

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KREBS BIOCHEMICALS AND INDUSTRIES LIMITED having CIN: L24110AP1991PLC103912 and having registered office at Kothapalli village Kasimkota Mandal, Anakapalli, Vishakapatnam, Andhra Pradesh– 531031 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of Appointment in Company
1.	Dr. R. T. Ravi	00272977	12/10/1992
2.	Pabitrakumar Kalipada Bhattacharya	07131152	30/07/2021
3.	Avinash Ravi	01616152	01/02/2009
4.	Satish Khemchand Khivsara	07244464	13/08/2015
5.	Raj Kamal Prasad Verma	02166789	24/08/2020
6.	Venkata Lakshmi Prasad Gundapaneni	00017081	13/08/2014
7.	Malati Tangirala	07094957	13/02/2015
8.	Jitendra Rameshchandra Shah	09377846	09/11/2021

Ensuring the eligibility, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DSMR & Associates**
Company Secretaries
Sd/-

D S M Ram

C. P. No. 4239

Proprietor

UDIN – A014939D000720578

Place: Hyderabad
Date: 1st August, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

Global:

Pharmaceutical Industry worldwide is expected to grow steadily with less developed markets and therapies directed to age related diseases being major drivers. Emerging markets are driving the growth with increasing purchasing power and access to healthcare. Developed markets continue to grow with new medicines. The ongoing Covid-19 pandemic has focused the immediate efforts of the Global Pharmaceutical Industry towards finding therapies for the treatment and also vaccine development.

Further it has made both countries and companies to review the supply chains for critical and essential drugs and their dependency on certain countries. This could be an opportunity for Indian Pharmaceutical Industry.

Indian Pharma Sector:

The Indian Pharmaceutical sector is increasingly recognised as a source of quality and cost effective medicines for the world. Its domestic market is growing at one of the highest rate in the emerging markets and is driven by increasing purchasing power of the population and wider availability of healthcare.

The Indian government has in response to the covid 19 pandemic having studied the supply chains of Indian pharmaceutical manufacturers has announced incentives to promote the manufacturing of APIs which are currently imported from China to make India self reliant.

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 marketing reach of an associate company and also ability to leverage the forward integration possible with their finished dosage capabilities will allow for an exciting opportunity.

Risks, Concerns & Threats:

Dependence on only a few products currently under manufacturing for revenue and growth can pose unexpected risks. In order to mitigate this, a pipeline of new products is being developed.

Updation and upgradation of facility and manpower to be in line with the latest quality and regulatory requirements is of paramount importance. This is a continuous and ongoing Process in the Company which can enable a healthy growth trajectory.

Company infrastructure:

The Company has its Registered Office at Kothapalli (V), Anakapalli, Vishakapatnam, Andhra Pradesh and corporate office at Hyderabad. The Company 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 financial year which is under review, your Company recorded total loss of Rs. (4,452.68) Lakhs compared to a loss of Rs. (2,835.86) lakhs in the previous financial year .

Internal Control Systems and their adequacy:

The Company has in place adequate internal control systems, which is 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 to safeguard its 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 reports 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 that the 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 Companies Act, 2013 and other Standards issued by the Institute of Chartered Accountants of India. All income 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. 53,00,00,000 (Rupees Fifty Three Crore only), comprising of:

- i. Rs. 23,00,00,000 (Rupees Twenty three Crore) equity share capital divided into 2,30,00,000 Equity Shares of Rs. 10/- each; and
- ii. Rs. 130,00,00,000 (Rupees One Hundred Thirty Crore only) preference share capital divided into 1,30,00,000/- Preference Shares of Rs. 100/- each.

Reserves:

The Company has negative reserve & Surplus of Rs. (9665.38) Lakhs as at 31st March, 2022 as against Rs. (6235.35) Lakhs during the previous financial year.

Secured Loans:

Secured Loans at the end of the FY 2021-22 were reported Rs. 998.62 lakhs as against Rs. 1000 Lakhs in the previous FY 2020-21

Investments:

No investments were made during the year under review.

Inventories:

The value of inventories stood at Rs. 2,556.26 Lakhs as on 31st March, 2022. The raw materials, stores and spares are valued at "AT COST" plus 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.

Debtors:

The outstanding debtors were Rs. 87.65 Lakhs during the financial year ended 31st March 2022 as against Rs. 29.98 lakhs as on 31st March 2021.

Fixed Assets:

The net additions made to the fixed assets during the year under review was to Rs. 2,707.84 Lakhs, which takes the total gross block to Rs. 28,513.36 Lakhs as on 31st March, 2022 as against Rs. 25,805.53 Lakhs as on 31st March, 2021.

Depreciation:

The Company has been calculating depreciation on straight line method at the rates specified in Schedule II of the Companies Act, 2013 which amounted to Rs. 565.80 lakhs for the financial year under report (Rs. 486.37 lakhs during the previous financial year), based on the useful life of the assets as per Schedule II of the Companies Act, 2013 and applicable accounting standards.

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.

The company has a very low dependence on imported raw materials.

Finance Charges:

The finance charges during the year amounted to Rs. 539.10 Lakhs as against Rs. 627.90 Lakhs during the previous year including interest paid towards on Inter-corporate Deposits and other statutory payments.

Overheads:

The Other Overheads expenses were Rs. 3,775.56 Lakhs for the FY 2021-22 as against Rs. 2950.20 Lakhs for the F.Y2020-21.

Dividend:

In view of the losses incurred 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.

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 may contain 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 for the Company's products, changes in government regulations and tax regimes.

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/-
Dr. R T Ravi
Chairman
(DIN-00272977)**

Place: Hyderabad

Date: 01-08-2022

INDEPENDENT AUDITOR'S REPORT

To the members of,

M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED,

Report on the Standalone Audit of Financial Statements:

Opinion

We have audited the accompanying standalone financial statements of **M/s. Krebs Biochemicals and Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except the effect of matter referred to in Basis for qualified opinion give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the

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

Material Uncertainty Relating to Going Concern

We draw your attention to note no. 2.21.2 to the financial statements, which states that the Company has incurred loss before tax of Rs. 1131.39 lakhs for the quarter ended 31st March 2022 and Rs. 4,452.68 lakhs for the year ending 31st March 2022. As of 31st March 2022, the total liabilities exceeded its total assets by Rs. 7,509.32 lakhs as compared to Rs. 4273.29 lakhs as at 31st March 2021. These factors indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company's management has carried out an assessment of the Company's financial performance and has obtained a confirmation providing comfort of financial support from the Promoter Company, if required to meet its obligations. There has been continued improvement in production during the current year.

During the FY 2021-22, the Company has prepared strategic plan for next five years. Pursuant to the said plan, the Company continues to focus on various initiatives including cost optimisation through operational efficiency, improvement initiatives, rationalisation of existing operations and increase in sales volumes from the existing and new customers. With continued efforts, the Company expects to address the material uncertainty in future.

Our opinion not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	PRINCIPAL AUDIT PROCEDURE Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. Discussed with the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.
2	Recoverability of Income Tax Refund Receivable As at March 31, 2022, other non current assets include Income Tax Refund receivable amounting to Rs 240.86 lakhs out of which amount of Rs 201.60 lakhs are pending adjudication.	Principal audit procedure We have verified the relevant documents and records, the sustainability and likelihood of recoverability upon final resolution.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) As required by Section 143(3) of the Act, based on our audit we 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 it 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 relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
- (B) 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, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note: 32)
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act :



In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For **BHAVANI & Co.**
Chartered Accountants
Firm Reg. No:012139S

(CA S KAVITHA PADMINI)
PARTNER M.No:229966
UDIN: 22229966AJKTZV9527

Place : Hyderabad

Date : 23-05-2022

“Annexure A” to the Independent Auditors’ Report

With reference to Annexure A referred to in paragraph 1 in 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, 2022, we report that:

i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment to cover all the assets once every three years 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 Property, Plant and Equipment were due for verification during the year and 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management has conducted the physical verification of inventory at reasonable intervals. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, during the year, the company has been

sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (f) of the Order are not applicable.

iv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public.

Accordingly Clause 3(v) of the Order is not applicable.

vi. As informed to us, the maintenance of Cost Records has 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. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company’s (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.

vii. (a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, sales tax, customs duty, Goods and Service Tax and any other statutory dues as applicable with appropriate authorities. There were no arrears of outstanding statutory dues as on last day of the financial year concerned for a period of more than six months from the date on which they become payable.

(b) According to the information and explanation given to us, the following dues of the service tax, customs duty, excise duty, value added tax, GST, Central sales tax, Cess and other statutory dues which have not been deposited with appropriate authorities on account of any dispute.

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (in Rs.)	Deposits/paid in (Rs.)	Forum where the dispute is pending with
Income Tax Act, 1961	Income Tax	AY 2002-03	(74,307)	-	Hon'ble High Court of Telangana
Income Tax Act, 1961	Income Tax	AY 2003-04	1,97,28,131	-	Hon'ble High Court of Telangana
Income Tax Act, 1961	Income Tax	AY 2004-05	96,74,080	-	Hon'ble High Court of Telangana
Income Tax Act, 1961	Income Tax	AY 2018-19	6,11,398	-	CIT (Appeals)
Customs Act, 1962	Interest & Penalty (DEEC Licence)	FY 2004-05	1,44,58,766	37,20,977	Commissioner (Appeals) Customs
Customs Act, 1962	Custom duty & Interest (E PCG License)	FY 2004-05	4,25,662	7,000	Commissioner (Appeals) Customs
Employees provident fund & Miscellaneous provisions Act, 1952	Damages	FY 2014-15 to FY 15-16	1,29,93,000	17,50,000	Court of Central Government Industrial Tribunal, at Hyderabad
Employees State Insurance Act, 1948	Damages	for the period 12/2010 to 11/2018	18,29,855	-	Hon'ble court of ESI cum Principal Senior Civil Judge, Visakhapatnam
Employees State Insurance Act, 1948	Interest	for the period 12/2010 to 04/2011 and 003/2012 to 11/2018	4,16,392	-	Hon'ble court of ESI cum Principal Senior Civil Judge, Visakhapatnam

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),

- ix. (a) According to the records of the company examined by us, the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained. Accordingly, clause 3(ix)(c) is not applicable.
- (d) According to the information and explanation given to us and an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31st March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanation given to us and procedures performed by us, we report that the Company has not raised loans during the year on the

pledge of securities held in its subsidiaries, joint ventures and associate companies (as defined under the Act).

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) the company has made preferential allotment of non-convertible, non-cumulative, redeemable Preference Shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were obtained.
- xi. (a) Based on the examination of the books and records of the Company and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

- xii. According to the information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii. According to the information and explanations to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash operating losses of Rs. 1721.61 lakhs during the financial year covered by our audit and Rs. 1457.48 lakhs during immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. We draw attention to Note no. 2.21.2 to the financial statements, which indicates that the Company has incurred loss before tax of Rs. 4452.68 lakhs as against loss before tax of Rs. 2835.86 lakhs during previous year ended 31st March, 2021. Company's Networth is fully eroded and that the Current liabilities exceeds it's current assets by Rs. 4,257.07 lakhs. On the basis of the above and according to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events

or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting it's liabilities existing at the date of balance sheet as and when they fall due with in a period of one year from the balance sheet date. However M/s Ipca Laboratories Ltd. (Promoter Company) is providing comfort of financial support , as and when required to meet the Company's obligations.

- xx. In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BHAVANI & Co.**
Chartered Accountants
Firm Reg. No:012139S

(CA S KAVITHA PADMINI)
PARTNER M.No:229966
UDIN: 22229966AJKTZV9527

Place : Hyderabad

Date : 23-05-2022

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Krebs Biochemicals and Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls over financial reporting of **M/s. Krebs Biochemicals and Industries Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to financial statements 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 (the Guidance Note).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as “the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial control system over financial reporting of the Company.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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.

For **BHAVANI & Co.**
Chartered Accountants
Firm Reg. No:012139S

Place : Hyderabad

Date : 23-05-2022

(CA S KAVITHA PADMINI)
PARTNER M.No:229966
UDIN: 2229966AJKTZV9527

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

(Rs in Lacs)

PARTICULARS	Note No	As at 31.03.2022 Audited	As at 31.03.2021 Audited
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	13,768.51	11,626.49
(b) Capital Work in Progress	3	653.09	1,008.91
(c) Other Intangible Assets	4	102.38	166.24
(d) Intangible assets under development	5	184.71	184.71
(e) Financial Assets	6	229.88	224.30
(f) Other Non Current Assets	7	492.67	569.62
Total Non Current Assets		15,431.24	13,780.27
Current Assets			
(a) Inventories	9	2,556.26	1,660.04
(b) Financial Assets			
(i) Trade Receivables	10	87.65	29.98
(ii) Cash & Cash Equivalents	11	10.06	71.07
(iii) Other Financial Assets	6	21.08	36.67
(c) Other Current Assets	8	874.28	344.00
Total Current Assets		3,549.33	2,141.76
Total Assets		18,980.57	15,922.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	2,156.06	1,962.06
(b) Other Equity	13	(9,665.38)	(6,235.35)
Total Equity		(7,509.32)	(4,273.29)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	14	13,293.00	10,054.64
(ii) Other Financial Liabilities	15	627.13	565.07
(b) Provisions	16	30.16	50.09
(c) Retirement benefit obligations	17	233.20	206.28
(d) Other Non Current Liabilities	18	4,500.00	4,500.00
Total Non Current Liabilities		18,683.49	15,376.08
Current Liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	19	998.62	1,000.00
(ii) Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		681.76	260.46
(b) Total outstanding dues of creditors other than micro and small enterprises		3,108.88	1,817.21
(iii) Other Financial Liabilities	21	1,419.89	888.10
(b) Other Current Liabilities	22	1,480.72	704.09
(c) Provisions	16	59.07	82.45
(d) Retirement benefit obligations	17	57.46	66.92
Total Current Liabilities		7,806.40	4,819.24
Total Equity and Liabilities		18,980.57	15,922.03

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

for and on behalf of the Board of Directors

For For BHAVANI & CO

Chartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha Padmini

Partner
M.NO.229966

Sd/-

DR. R.T. RAVI

Chairman
DIN: 00272977

Sd/-

B TARUNI

Company Secretary

Sd/-

Pabitrakumar Kalipada Bhattacharyya

Managing Director
DIN :07131152

Sd/-

R RAVIBABU

C F O

Place : Mumbai
Date : 23.05.2022

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022

(Rs in Lacs)

PARTICULARS	Note No	Year ended 31.03.2022	Year ended 31.03.2021
I Revenue From Operations	23	5,294.06	3,860.64
II Other Operating Income	24	676.25	1,509.40
III Other Income	25	115.58	62.13
IV Total Income (I+II+III)		6,085.89	5,432.17
V Expenses			
Cost of Materials Consumed	26	4,618.01	2,562.26
Changes in Inventories of Finished Goods and Work-In-Progress	27	(553.79)	32.49
Employee Benefits Expenses	28	1,530.02	1,582.78
Finance Costs	29	539.10	627.90
Depreciation and Amortization Expenses	3&4	629.67	512.40
Other Manufacturing Expenses	30	3,305.78	2,628.48
Other Expenses	31	469.78	321.72
Total Expenses (V)		10,538.57	8,268.03
VI Profit/ (Loss) Before Exceptional Items and Tax (I-V)		(4,452.68)	(2,835.86)
VII Exceptional Items		-	-
Total Exceptional items (VII)		-	-
VIII Profit/ (Loss) Before Tax (VI-VII)		(4,452.68)	(2,835.86)
IX Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
X Profit/ (Loss) for the Period From Continuing Operations (VIII-IX)		(4,452.68)	(2,835.86)
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)		(4,452.68)	(2,835.86)
XV Other Comprehensive Income			
A. (i) Items That Will Not Be Reclassified to Profit or Loss		(30.47)	25.51
(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		(4.17)	(8.25)
(ii) Income Tax Relating to Items That Will Be Reclassified to Profit or Loss		-	-
Other Comprehensive Income for the year		(34.64)	17.26
XVI Total Comprehensive Income For The Period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)		(4,487.32)	(2,818.60)
XVII Earning per Equity Share (For Continuing Operation):			
(1) Basic		(20.81)	(14.37)
(2) Diluted		(20.81)	(14.37)

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

For For BHAVANI & CO

Chartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha Padmini
Partner
M.NO.229966

Place : Mumbai
Date : 23.05.2022

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI
Chairman
DIN: 00272977

Sd/-

B TARUNI
Company Secretary

Sd/-

Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN :07131152

Sd/-

R RAVIBABU
C F O

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

(Rs in Lacs)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	(4,452.68)	(2,835.86)
Adjustments for:		
Depreciation and Amortisation Expenses	629.67	512.40
Non Current provisions	(27.65)	27.31
Financial Charges	539.10	627.90
Operating Profit before Working Capital Changes	(3,311.56)	(1,668.25)
Changes in Working Capital		
(Increase)/Decrease in Inventories	(896.22)	(160.49)
(Increase)/Decrease in Trade Receivables	(57.67)	(9.77)
(Increase)/Decrease in Other Financial Assets	15.59	(28.50)
(Increase)/Decrease in Other Current Assets	(530.28)	(3.37)
(Increase)/Decrease in Financial Assets	(5.58)	(70.64)
(Increase)/Decrease in Other Non Current Assets	76.96	(177.35)
Increase /(Decrease) in Retirement benefit obligations	(9.46)	(48.15)
Increase/(Decrease) in Current Provisions	(23.38)	(1.10)
Increase/(Decrease) in Trade Payables	1,712.97	(187.13)
Increase/(Decrease) in Other financial liabilities	531.78	1,061.36
Increase/(Decrease) in financial liabilities	(1.38)	-
Increase/(Decrease) in Other Current Liabilities	776.63	(164.09)
Cash generated from Operations	1,589.95	210.78
Net Cash Flow from Operating Activities	(1,721.61)	(1,457.48)
Proceeds from / (Payment to) Capital Work-in-Progress	355.83	(774.35)
Proceeds from / (Payment to) Property, Plant & Equipment	(2,707.84)	(1,776.29)
Proceeds from / (Payment to) Other Financial Liabilities	62.06	295.71
Cash Flow from Investing Activities	(2,289.95)	(2,254.93)
Financial Charges	(539.10)	(627.90)
Proceeds from / (Payment to) borrowings	3,238.35	3,349.06
Proceeds from / (Payment to) Share Capital	1,251.30	1,044.89
Cash Flow from Financing Activities	3,950.55	3,766.05
Net Increase (Decrease) in Cash and Cash equivalents	(61.01)	53.64
Cash and Cash equivalents as at the beginning of the year	71.07	17.43
Cash and Cash equivalents at the end of the year	10.06	71.07

For For BHAVANI & COChartered Accountants
Firm's Reg No: 012139SSd/-
CA S. Kavitha Padmini
Partner
M.NO.229966Place : Mumbai
Date : 23.05.2022**for and on behalf of the Board of Directors**Sd/-
DR. R.T. RAVI
Chairman
DIN: 00272977Sd/-
B TARUNI
Company SecretarySd/-
Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN :07131152Sd/-
R RAVIBABU
C F O

Statement of Changes in Equity

Movements in Equity Share Capital

(Rs. in Lacs)

	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2020	180.00	1,800.06
Increased during the year	16.20	162.00
As at 31.03.2021	196.20	1,962.06
Increased during the period	19.40	194.00
As at 31.03.2022	215.60	2,156.06

Other Equity as at 31-03-2022

(Rs. in Lacs)

		Reserves & Surplus				
	Money Received against Share Warrants	Securities Premium Reserve	Retained Earnings	State Subsidy	IND AS Conversion Reserves	Total Other Equity
Balance as at 01.04.2021	417.10	10,327.36	(18,124.26)	39.38	1,105.08	(6,235.35)
Profit for the year	-	-	(4,487.32)	-	-	(4,487.32)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the year	417.10	10,327.36	(22,611.58)	39.38	1,105.08	(10,722.68)
Received on Preferential Issue	1,251.30	1,474.40				2,725.70
Share warrants converted into Equity share Capital	(1,668.40)					(1,668.40)
Balance as at 31.03.2022	-	11,801.76	(22,611.58)	39.38	1,105.08	(9,665.38)

Note:

- 1) 19,40,000 Share warrants converted @ Rs.86/- each, having face value of Rs.10/- each issued at premium of Rs.76 /- each on 06-04-2021 and Rs.1,251.30 lacs received towards balance amount. After this allotment the total share capital has been increased to Rs.2,156.06 lacs and share premium has been increased to Rs.11,801.76 Lacs.

Other Equity as at 31-03-2021

(Rs. in Lacs)

		Reserves & Surplus				
	Money Received against Share Warrants	Securities Premium Reserve	Retained Earnings	State Subsidy	IND AS Conversion Reserves	Total Other Equity
Balance as at 01.04.2020	765.40	9,096.16	(15,305.67)	39.38	1,105.08	(4,299.65)
Profit for the year	-	-	(2,835.86)	-	-	(2,835.86)
Other Comprehensive Income	-	-	17.27	-	-	17.27
Total Comprehensive Income for the year	765.40	9,096.16	(18,124.26)	39.38	1,105.08	(7,118.24)
Received on Preferential Issue	1,044.90	1,231.20				2,276.10
Share warrants converted into Equity share Capital	(1,393.20)					(1,393.20)
Balance as at 31.03.2021	417.10	10,327.36	(18,124.26)	39.38	1,105.08	(6,235.35)

Note:

- 1) 16,20,000 Share warrants converted @ Rs.86/- each, having face value of Rs.10/- each issued at premium of Rs.76 /- each on 20-05-2020 and Rs.1,044.90 lacs received towards balance amount. After this allotment the total share capital has been increased to Rs.1,962.06 lacs and share premium has been increased to Rs.10,327.36 Lacs.

For For BHAVANI & CO

Chartered Accountants
Firm's Reg No: 012139S

Sd/-
CA S. Kavitha Padmini
Partner
M.NO.229966

Place : Mumbai
Date : 23.05.2022

for and on behalf of the Board of Directors

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

Sd/-
B TARUNI
Company Secretary

Sd/-
Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN :07131152

Sd/-
R RAVIBABU
C F O

Annexure to Change in Equity**(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	31.03.2022		31.03.2021	
	No. of Shares	Amount In Rs	No. of Shares	Amount In Rs
Equity shares of ₹ 10 each				
At the beginning of the year	19,620,586	196,205,860	18,000,586	180,005,860
Changes during the year	1,940,000	19,400,000	1,620,000	16,200,000
Outstanding at the end of the year	21,560,586	215,605,860	19,620,586	196,205,860

(ii) Rights, preferences and restriction attached to the equity shares: NA

The Company has one class of equity shares having a par value of ₹ 10 each. Each equity shareholder is entitled to one vote per share. The dividend recommended by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of Liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% of aggregate shares in the Company:

Name of Shareholder	31.03.2022		31.03.2021	
	No. of Shares	Amount In Rs	No. of Shares	Amount In Rs
Equity Shares with voting rights				
IPCA LABORATORIES LIMITED	10,705,195	49.65%	8,765,195	44.67%
HEMALATHA RAVI	2,691,524	12.48%	2,691,524	13.72%
AVINASH RAVI	2,140,272	9.93%	2,140,272	10.91%
SUN PHARMACEUTICAL INDUSTRIES LTD	1,036,943	4.81%	1,050,000	5.35%
Total	16,573,934	76.9%	14,646,991	74.7%

(iv) Details of Equity shares held by Promoters

Name of the Promoter	01.04.2021		31.03.2022		31.03.2022	
	No. of shares held at the beginning	% of shares held at the beginning	No. of shares held at the end	% of shares held at the end	No. of shares transferred/ gifted/Issued, if any	% of change in the shareholding, if any.
DR R T RAVI	23,474	0.12%	23,474	0.11%	-	
HEMALATHA RAVI	2,691,524	13.72%	2,691,524	12.48%	-	
AVINASH RAVI	2,140,272	10.91%	2,140,272	9.93%	-	
AJAY RAVI	112,288	0.57%	112,288	0.52%	-	
ADITYA RAVI	10,672	0.05%	10,672	0.05%	-	
IPCA LABORATORIES LIMITED	8,765,195	44.67%	10,705,195	49.65%	1,940,000	4.98%
Total	13,743,425	70.05%	15,683,425	72.74%	1,940,000	4.98%

Significant accounting policies to the Financial Statements for the Year Ended 31st March, 2022

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, Visakhapatnam (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

- 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.
- 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.
- 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 overhead

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	Fences, wells, tube wells	5 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

Ind AS 115 recognises revenue on transfer of the Control of goods or services, either over a period of time or at a point in time, at an amount that the entity expects to be entitled in exchange for those goods or Services. The company has adopted Ind AS 115 from FY 2018-19 and recognised revenue accordingly.

- a) Export sales: Export sales are recognized on the date of Bill of Lading. However, final adjustments are made in the year of receipt of discharge port analysis.
- b) Domestic sales: Domestic sales are accounted on the date of Forwarding Note (Rail dispatches / Lorry receipt / Delivery challan). However, in case of spot auction under electronic mode, the sale is recognized on conclusion of the auction.
- c) Scrap sales: Income is accounted on realization basis in respect of used / surplus / obsolete / unserviceable materials / waste products and scrap

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 life. 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.

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.

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)
- 4 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.

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.

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 substantively 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.

2.20 Recent Amendments

Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022 as below.

Ind AS 103 - Reference to Conceptual Framework

The amendment specifies that to qualify for recognition as part of applying the acquisition method, the identified assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for financial reporting under Indian Accounting Standards (Conceptual Framework) issued by the ICAI at acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendment mainly prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sale proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Cost of Fulfilling a Contract

The amendment specifies that the cost of fulfilling a contract comprises the cost that relates directly to the contract. Costs that relate directly to the contract can either be incremental of cost of fulfilling that contract (example would be direct labour, materials) or an allocation of other costs that relates directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve

any potential confusion regarding treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

2.21 Significant Judgements

2.21.1 Contingent liabilities

The Company has received various orders and notices from tax and other judicial authorities in respect of direct taxes, indirect taxes and labour matters. The outcome of these matters have a material effect on the financial position, results of operations or cash flows. The filing of suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision for a loss may be appropriate. Management regularly analyses current information about these matters and makes provision for probable losses including the estimate of legal expense to resolve the matters. In their assessment management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss.

2.21.2 Going Concern Assumption

During the year ended 31st March, 2022 Company has incurred loss before tax of Rs. 4452.68 lakhs as against loss before tax of Rs. 2835.86 lakhs during previous year ended 31st March, 2021. Total Liabilities exceeded its total assets by Rs. 7509.32 Lakhs as on 31st March, 2022 compared to Rs. 4273.29 Lakhs as on 31st March, 2021. This financial position indicates that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company's management has carried out an assessment of financial performance and has obtained confirmation from our promoter M/s Ipca Laboratories Ltd., providing comfort of financial support, as and when required to meet the Company's liabilities. During the current financial year, the Company has prepared strategic plan for next five years. Pursuant to the plan, the Company continues to focus on various initiatives including cost optimisation through operational efficiency, rationalization of existing operations and increase in sales volume. With continued efforts the Company expects to address the material uncertainty in future. Accordingly the above financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of business.

Note 3 : Property, Plant & Equipment

(Rs. in Lacs)

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 31.03.2022																			
Gross Carrying Amount																			
Deemed Cost as on 01.04.2021	4,841.87	30.80	1,971.75	246.17	13,142.42	1,204.35	162.67	1,018.19	350.93	1,460.78	360.05	561.39	104.15	52.49	72.09	118.16	107.28	25,805.52	1,008.91
Additions	- 7.20	288.88	62.41	951.90	303.69	1.54	314.03	-	353.02	398.85	7.69	-	-	2.14	0.29	15.49	0.71	2,707.84	2,352.01
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,707.84
Closing Gross Carrying Amount	4,841.87	37.99	2,260.63	308.58	14,094.32	1,508.03	164.21	1,332.22	350.93	1,813.80	758.90	569.08	104.15	54.62	72.38	133.65	107.99	28,513.36	653.09
Accumulated Depreciation	-	16.36	1,055.86	33.60	9,463.68	946.66	100.32	633.14	347.72	641.12	164.11	369.97	98.15	48.99	53.57	113.59	92.20	14,179.05	-
Depreciation charge for the Year	-	6.47	70.67	4.22	339.50	10.72	3.26	35.66	0.54	49.62	16.60	14.40	0.69	0.68	2.44	0.65	9.69	565.80	-
Closing Accumulated Depreciation	-	22.82	1,126.53	37.82	9,803.18	957.38	103.58	668.80	348.26	690.74	180.71	384.37	98.83	49.67	56.01	114.24	101.89	14,744.85	-
Closing Net Carrying Amount	4,841.87	15.17	1,134.10	270.75	4,291.14	550.65	60.63	663.42	2.67	1,123.06	578.19	184.71	5.32	4.95	16.37	19.41	6.10	13,768.51	653.09
Year Ended 31.03.2021																			
Gross Carrying Amount																			
Deemed Cost as on 01.04.2020	4,841.87	30.80	1,918.65	127.80	12,378.08	1,204.35	139.31	881.73	350.93	933.76	265.40	523.00	104.15	50.40	62.61	118.16	98.24	24,029.23	234.56
Additions	-	-	53.09	118.36	764.34	-	23.36	136.46	-	527.02	94.65	38.39	-	2.08	9.49	-	9.04	1,776.29	2,550.66
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,776.31
Closing Gross Carrying Amount	4,841.87	30.80	1,971.75	246.17	13,142.42	1,204.35	162.67	1,018.19	350.93	1,460.78	360.05	561.39	104.15	52.49	72.09	118.16	107.28	25,805.52	1,008.91
Accumulated Depreciation	-	10.17	988.67	31.13	9,149.13	937.69	97.96	605.42	347.19	617.18	155.45	356.94	97.01	48.77	51.91	112.94	85.12	13,692.67	-
Depreciation charge for the Year	-	6.19	67.19	2.48	314.55	8.97	2.37	27.72	0.54	23.94	8.66	13.03	1.13	0.22	1.66	0.65	7.08	486.37	-
Closing Accumulated Depreciation	-	16.36	1,055.86	33.60	9,463.68	946.66	100.32	633.14	347.72	641.12	164.11	369.97	98.15	48.99	53.57	113.59	92.20	14,179.05	-
Closing Net Carrying Amount	4,841.87	14.44	915.89	212.56	3,678.74	257.69	62.34	385.05	3.21	819.66	195.94	191.42	6.00	3.50	18.52	4.57	15.08	11,626.48	1,008.91

(a) Capital-work-in progress ageing schedule

(Rs. in Lacs)

Capital Work in Progress	Amount in CWIP As at 31.03.2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress					
3 Hydroxy acetophenone	85.00	-	-	-	85.00
3APC-3 Amino pyrazole 4 Carboxamide hemisulphate	3.93	-	-	-	3.93
Dichloro 4 fluoren methanol	33.09	68.67	-	-	101.76
Lincomysin	3.06	1.15	-	-	4.20
Phenylepherine	386.99	-	-	-	386.99
Simvastatin	71.20	-	-	-	71.20
Total	583.27	69.82	-	-	653.09

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

(Rs. in Lacs)

Capital Work in Progress	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
PROJECTS		Nil	Nil	Nil	Nil

Note 4 : Other Intangible assets

(Rs in Lacs)

Particulars	Product Development
Year Ended 31.03.2022	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2021	282.07
Additions	-
Capitalised during the year	-
Closing Gross Carrying Amount	282.07
Opening Accumulated Amortisation	115.83
Amortisation charge for the Year	63.86
Closing Accumulated Amortisation	179.69
Closing Net Carrying Amount	102.38
Year Ended 31.03.2021	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2021	282.07
Additions	-
Capitalised during the year	-
Closing Gross Carrying Amount	282.07
Opening Accumulated Amortisation	89.80
Amortisation charge for the Year	26.02
Closing Accumulated Amortisation	115.83
Closing Net Carrying Amount	166.24

Note 5 : Intangible Assets Under Development

(Rs in Lacs)

Particulars	Product Development Under Process
Year Ended 31.03.2022	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2021	184.71
Additions	-
Capitalised during the year	-
Closing Gross Carrying Amount	184.71
Opening Accumulated Amortisation	-
Amortisation charge for the Year	-
Closing Accumulated Amortisation	-
Closing Net Carrying Amount	184.71
Year Ended 31.03.2021	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2020	184.71
Additions	-
Capitalised during the year	-
Closing Gross Carrying Amount	184.71
Opening Accumulated Amortisation	-
Amortisation charge for the Year	-
Closing Accumulated Amortisation	-
Closing Net Carrying Amount	184.71

Products Under Development ageing schedule

(Rs. in Lacs)

Under Development	Amount in Under Development As at 31.03.2022				
Products Under Development	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Orlistatin	-			72.88	72.88
ATS-8				18.57	18.57
ATS-8&PEH				15.51	15.51
Simvastatin				77.62	77.62
Clydamycin				0.14	0.14
Total	-	-	-	184.71	184.71

Note 6 : Financial Assets

(Rs. in Lacs)

Particulars	31.03.2022		31.03.2021	
	Current	Non Current	Current	Non Current
Security Deposit	-	226.13		220.55
Advances to Employees	11.39	3.74	29.01	3.74
Interest Accrued and due	9.19	-	6.52	-
Interest Accrued but not due	0.50	-	1.14	-
Total Financial Assets	21.08	229.88	36.67	224.30

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

b) Interest Accrued but Not due is Interest receivable on Margin Money Deposits with Banks.

Note 7 : Other Non Current Assets

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Capital Advances	70.93	185.47
Other Advances	121.33	121.33
Balances with Govt Authorities		
IT Refund Receivable	201.60	-
TDS Receivable	39.25	202.47
ITC Receivable	21.50	21.50
TCS Receivable	0.78	1.65
Customs Duty	37.29	37.21
Total Other Non Current Assets	492.67	569.62

Note 8 : Other Current Assets

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Balances with Govt Authorities	794.81	275.45
Advances for materials & Services	30.22	29.01
Prepaid Expenses	49.25	39.54
Total Other Current Assets	874.28	344.00

Annexure to Loans & Advances: (Refer Note No.6,7 and 8)

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-
Total	-	-

Note 9: Inventories

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Raw Materials	999.68	835.64
Work in Progress	1,192.06	664.17
Finished Goods	164.87	139.28
Stores, Spares & Consumables	60.57	20.95
Materials Under Transit	139.09	-
Total Inventories	2,556.26	1,660.04

Note 10 : Trade Receivables

Unsecured, Considered Good

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Trade Receivables	-	5.05
Receivable from Related Parties	87.65	24.93
Total Receivables	87.65	29.98
Out Standing for a Period Exceeding Six Months	-	0.33
Others	87.65	29.65

(i) Trade receivables ageing schedule for the year ended as on March 31, 2022:

(Rs. in Lacs)

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	Total
Undisputed receivables- considered good	87.65	-	-	-	87.65
Undisputed receivables-considered doubtful	-	-	-	-	-
Disputed receivables- considered good	-	-	-	-	-
Disputed receivables-considered doubtful	-	-	-	-	-
Total	87.65	-	-	-	87.65

(ii) Trade receivables ageing schedule for the year ended as on March 31, 2021:

(Rs. in Lacs)

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	Total
Undisputed receivables- considered good	29.48	0.17	0.33	-	29.98
Undisputed receivables-considered doubtful	-	-	-	-	-
Disputed receivables- considered good	-	-	-	-	-
Disputed receivables-considered doubtful	-	-	-	-	-
Total	29.48	0.17	0.33	-	29.98

Note 11 : Cash & Cash Equivalents

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Balances with Banks		
- in current accounts	3.20	59.01
- in Margin Money accounts	6.83	11.83
Cash on Hand	0.04	0.24
Total Cash & Cash Equivalents	10.06	71.07

Note 12 : Share Capital**a) Authorised Share Capital**

All Figures In Lacs

Particulars	No. of Shares (Equity)	Amount (Rs)	No. of Shares (Preference)	Amount (Rs)
As at 01.04.2020	230.00	2,300.00	30.00	3,000.00
Increased during the year	-	-	-	-
As at 31.03.2021	230.00	2,300.00	30.00	3,000.00
Increased during the year	-	-	100.00	10,000.00
As at 31.03.2022	230.00	2,300.00	130.00	13,000.00

b) Movements in Share Capital

All Figures In Lacs

Particulars	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2020	180.00	1,800.06
Increased during the period	16.20	162.00
As at 31.03.2021	196.20	1,962.06
Increased during the period	19.40	194.00
As at 31.03.2022	215.60	2,156.06

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) 19,40,000 Share warrants converted @ Rs.86/- each, having face value of Rs.10/- each issued at premium of Rs.76 /- each on 06-04-2021 and Rs.1,251.30 lacs received towards balance amount.

Note 13 : Other Equity

Particulars	31.03.2022	31.03.2021
Securities Premium Account	11,801.76	10,327.36
State Subsidy	39.38	39.38
Retained Earnings	(22,611.60)	(18,124.27)
Ind AS conversion reserve	1,105.08	1,105.08
Money received against share warrants	-	417.10
Total Reserves & Surplus	(9,665.38)	(6,235.35)

Securities Premium Reserve

Particulars	31.03.2022	31.03.2021
Opening Balance	10,327.36	9,096.16
Received during the period	1,474.40	1,231.20
Closing Balance	11,801.76	10,327.36

State Subsidy

Particulars	31.03.2022	31.03.2021
Opening Balance	39.38	39.38
Closing Balance	39.38	39.38

Retained Earnings

Particulars	31.03.2022	31.03.2021
Opening Balance	(18,124.27)	(15,305.67)
Net profit for the period	(4,487.33)	(2,818.60)
Closing Balance	(22,611.60)	(18,124.27)

Ind As Conversion Reserve

Particulars	31.03.2022	31.03.2021
Opening Balance	1,105.08	1,105.08
Closing Balance	1,105.08	1,105.08

Money received against share warrants

Particulars	31.03.2022	31.03.2021
Opening Balance	417.10	765.40
Received during the Period	1,251.30	1,044.90
Share warrant convert into Equity share capital	(1,668.40)	(1,393.20)
Closing Balance	-	417.10

Note 14 : Long term Borrowings

(Rs. in Lacs)

(Rs. in Lacs)							
Particulars	Maturity Date	Terms of Repayment	Interest Rate / Coupon Rate	31.03.2022		31.03.2021	
				Current Portion	Non Current Portion	Current Portion	Non Current Portion
Secured							
Term Loans							
From Govt (Interest Free Sales Tax Loan)	31.03.2025	Annually once	8.00%	18.32	38.00	59.18	52.14
From Directors		Refer point (b)	12.00%	-	55.00	-	355.00
From Ipca Laboratories Limited		With in 3 years from the date of its acceptance	8.00%	-	200.00	-	6,647.50
Non convertible, Redeemable,		Refer point (d)		-	3,000.00	-	3,000.00
Non-Cumulative preference shares		Refer point (e)			10,000.00		-
Total				18.32	13,293.00	59.18	10,054.64

- a) 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 period the company has paid interest free sales tax Loan of Rs.59.18 lakhs for its Pharma division unit at Kothapalli. The interest free sales tax loan so far stood at Rs.56.32 lakhs after remeasuring the liability at fair value at a discounting rate of 8%.
- b) Loan from Directors Rs. 55 lakhs of Mr.Avinash Ravi which is interest free loan.
- c) IPCA Laboratories Ltd-ICD (Inter Company Deposit) bearing rate of Interest@8%.
- d) 30,00,000 9% Non convertible, Redeemable, Non-cumulative preference shares issued on 05-02-2020 at the rate of Rs.100/- each without premium to IPCA Laboratories limited.
These preference shares does not have any voting rights. As per Ind AS 32, Non Convertible Redeemable Preference Shares to be classified as Debt under Term Loans.
- e) 100,00,000 9% Non convertible, Redeemable, Non-cumulative preference shares issued on 30-12-2021 at the rate of Rs.100/- each without premium to IPCA Laboratories limited.
These preference shares does not have any voting rights. As per Ind AS 32, Non Convertible Redeemable Preference Shares to be classified as Debt under Term Loans.

Note 15: Other Financial Liabilities

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Payables for Capital Works		
i. Total outstanding dues of micro and small enterprises	136.47	76.84
ii. Total outstanding dues of creditors other than micro and small enterprise	490.66	488.23
Total Other Financial Liabilities	627.13	565.07

Annexure to Note No.15

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Acceptances:	627.13	565.07
Other than acceptances:	-	-
Total	627.13	565.07
Of the above		
- Total outstanding dues of micro enterprises and small enterprises	136.47	76.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises	490.66	488.23

(i) The details regarding the aging of Trade payables as at March 31, 2022 are as follows :

(Rs. in Lacs)

Particulars	Less than 1 year	1-2 years	2-4 years	Above 4 years	Total
Undisputed Dues					
MSME	136.47	-	-	-	136.47
Others	475.77	-	0.94	13.94	490.66
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total Trade payables	612.24	-	0.94	13.94	627.12

(ii) The details regarding the aging of Trade payables as at March 31, 2021 are as follows:

(Rs. in Lacs)

Particulars	Less than 1 year	1-2 years	2-4 years	Above 4 years	Total
Undisputed Dues					
MSME	76.84	-	-	-	76.84
Others	467.90	1.12	4.45	14.76	488.23
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total Trade payables	544.74	1.12	4.45	14.76	565.07

Note 16: Provisions

(Rs. in Lacs)

Particulars	31.03.2022		31.03.2021	
	Current	Non Current	Current	Non Current
Provision for Bonus	48.50	-	49.08	-
Provision for Leave Encashment	10.57	30.16	33.37	50.09
Total Provisions	59.07	30.16	82.45	50.09

Note 17: Retirement benefit obligations

(Rs. in Lacs)

Particulars	31.03.2022		31.03.2021	
	Current	Non Current	Current	Non Current
Provision for Gratuity	57.46	233.20	66.92	206.28
Total Retirement benefit obligations	57.46	233.20	66.92	206.28

Note 18: Other Non Current Liabilities

Rs in Lacs

Particulars	31.03.2022	31.03.2021
Interest Free Lease Deposit	4,500.00	4,500.00
Total Other Non Current Liabilities	4,500.00	4,500.00

Interest free refundable lease deposit of Rs. 4,500 lakhs is against lease cum manufacturing services agreement with M/s IPCA Laboratories Ltd, which is going to expire as per below dates.

->Unit-1 (Nellore) expires on 3rd October,2023.

->Unit-2 (Anakapalli) expires on 12th December,2023.

Note 19: Short term Borrowings Rs in Lacs

Particulars	31.03.2022	31.03.2021
Bajaj Finance Ltd -STL	-	1,000.00
RBL Bank Ltd (FDOD)	998.62	-
Total short term Borrowings	998.62	1,000.00

Note on RBL Bank Ltd (FDOD) availed on 1st September 2021.

Type, amount, nature of facility:- Overdraft against Fixed deposit (ODFD), amount of Rs.10 Crores, on revolving nature, to meet working capital requirement/for meeting cash flow mismatches

Rate of interest:- FD rate + 0.75% pa.

Margin:- 110% of the value of the Fixed Deposit.

Security:-

1) Fixed deposit to the extent of 110% of the facility to be duly lien marked in favour of the Bank to be placed under lien by Ipca Laboratories Ltd till the tenure of the credit facilities.

2) Exclusive charge on Plant & Machinery of the borrower laying or stored in the borrower's facilities, premises and godowns or any other place, both present and future.

Other terms:- As per sanction letter dt.02nd July 2021.

Note 20: Trade Payables Rs in Lacs

Particulars	31.03.2022	31.03.2021
Trade Payables		
For Materials		
i. Total outstanding dues of micro and small enterprises	679.94	260.46
ii. Total outstanding dues of creditors other than micro and small enterprise	2,752.84	1,464.16
For Services		
i. Total outstanding dues of micro and small enterprises	1.82	-
ii. Total outstanding dues of creditors other than micro and small enterprise	356.04	353.05
Total Trade Payables	3,790.64	2,077.67

Annexure to Note No.20 Rs in Lacs

Particulars	31.03.2022	31.03.2021
Acceptances:	3,417.22	1,629.95
Other than acceptances:	373.42	447.71
Total	3,790.64	2,077.67
Of the above		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note .20)	681.76	260.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,108.88	1,817.20

(i) The details regarding the aging of Trade payables as at March 31, 2022 are as follows: (Rs. in Lacs)

Particulars	Less than 1 year	1-2 years	2-4 years	Above 4 years	Total
Undisputed Dues					
MSME	678.48	0.77	2.50	0.01	681.76
Others	2,448.93	3.44	8.35	274.75	2,735.47
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	373.41	373.41
Total Trade payables	3,127.41	4.21	10.85	648.17	3,790.64

(ii) The details regarding the aging of Trade payables as at March 31, 2021 are as follows: (Rs. in Lacs)

Particulars	Less than 1 year	1-2 years	2-4 years	Above 4 years	Total
Undisputed Dues					
MSME	257.85	0.10	2.51	-	260.46
Others	1,080.69	4.21	16.37	268.22	1,369.49
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	447.71	447.71
Total Trade payables	1,338.54	4.31	18.88	715.93	2,077.67

Note 21: Other Financial Liabilities Rs in Lacs

Particulars	31.03.2022	31.03.2021
Current Maturities of Long Term Borrowings	18.32	59.18
Payables for Related Parties		
Interest Payable on ICD	710.31	307.53
Interest Payable to Directors	107.47	90.96
Other Payables	49.31	49.31
Payables for Others	107.22	162.36
Provision for Materials under Transit	164.10	-
Salaries Payable	190.08	171.85
Audit Fees Payable	6.79	15.47
Directors Remuneration Payable	66.29	31.45
Total Other Financial Liabilities	1,419.89	888.10

Note22: Other Current liabilities Rs in Lacs

Particulars	31.03.2022	31.03.2021
Statutory Remittances	245.55	153.46
Advance from Customers		
from Related Parties	1,211.43	529.11
from others	23.74	21.52
Total Other Current Liabilities	1,480.72	704.09

Note 23: Revenue from Operations Rs in Lacs

Particulars	31.03.2022	31.03.2021
Domestic Sales	5,294.06	3,860.64
Total Revenue from Operations	5,294.06	3,860.64

Note 24: Other Operating Income Rs in Lacs

Particulars	31.03.2022	31.03.2021
Lease Rentals	101.69	101.69
Job Work Services	544.05	1,377.20
Fee for Providing Manufacturing Services	30.51	30.51
Total Operating Revenue	676.25	1,509.40

Note 25: Other Income Rs in Lacs

Particulars	31.03.2022	31.03.2021
Sale of Scrap (Including RM Scrap)	79.80	54.92
Interest Income	35.78	7.21
Total Other Income	115.58	62.13

Note 26: Cost of Materials consumed Rs in Lacs

Particulars	31.03.2022	31.03.2021
Raw Materials at the beginning of the year	835.64	651.63
Add: Purchases	4,782.05	2,749.67
Less: Self Consumption	-	(3.40)
Less: Closing Stock at the end of the year	999.68	835.64
Total Cost of Materials Consumed	4,618.01	2,562.26

Note 27: Changes in Inventories of Finished Goods, Work in Progress (Rs. in Lacs)

Particulars	31.03.2022	31.03.2021
a) Work in Progress		
Opening Stock	659.54	593.48
Closing Stock	1,183.96	659.54
Net (Increase) / Decrease	(524.42)	(66.06)
b) Job Work Service Under Process		
Opening Services	4.63	94.45
Closing Services	8.10	4.63
Net (Increase) / Decrease	(3.47)	89.81
c) Finished Goods		
Opening Stock	139.28	148.52
Less: Samples	(0.32)	(0.50)
Closing Stock	164.87	139.28
Net (Increase) / Decrease	(25.90)	8.74
Total (a+b+c)	(553.79)	32.49

Note 28: Employee Benefit Expenses (Rs. in Lacs)

Particulars	31.03.2022	31.03.2021
Salaries, Wages & Benefits	1,432.52	1,451.32
Staff Welfare	60.10	79.16
Directors Remuneration	37.40	52.30
Total Employee Benefits	1,530.02	1,582.78

Note 29: Finance Costs (Rs. in Lacs)

Particulars	31.03.2022	31.03.2021
Interest on ICD	451.37	440.31
Other Interest	87.10	186.86
Bank Charges	0.64	0.73
Total Finance Costs	539.10	627.90

Note 30: Other Manufacturing Expenses (Rs. in Lacs)

Particulars	31.03.2022	31.03.2021
Power & Fuel	2,278.76	1,591.08
Lab Expenditure	103.63	120.56
Repairs & Maintenance (Including Spares & Consumables)	414.79	341.06
Machinery Rent	27.60	63.60
ETP Maintenance	138.09	282.52
Manpower Charges	342.91	229.67
Total Other Manufacturing Expenses	3,305.78	2,628.48

Note 31: Other Expenses

(Rs. in Lacs)

Particulars	31.03.2022	31.03.2021
Rent	33.81	30.65
Rates & Taxes	124.25	40.07
Insurance	10.94	8.27
Printing & Stationary	24.85	20.92
Communication Expenses	10.48	11.13
Consultancy & Legal Exp.	72.71	29.64
General Expenses	10.35	11.06
Security Service Charges	77.84	74.62
Directors Sitting fees	6.60	5.95
Auditors' Remuneration		
Statutory Audit fee	1.50	1.50
Tax Audit fee	1.00	1.00
Internal Audit fee	3.00	3.00
Secretarial Audit fee	1.55	1.55
Travelling & Conveyance	29.42	43.81
Directors Travelling	0.04	0.25
Office Maintenance	14.10	10.99
Carriage Outward	23.04	13.54
Business Promotion Expenditure	0.38	0.47
Bad debts written off	-	8.02
Donations	0.21	0.62
Interest and Penalties	5.80	-
Prior Period Expense	17.91	4.65
Total Other Expenses	469.78	321.72

NOTE- 32**Contingent Liabilities :**

The following contingent liabilities are not provided for.

(i) Income Tax: Various demands raised by the Income Tax authorities amounting to Rs.299.39 lakhs (Previous Year Rs.293.28 lakhs) for which the company filed an appeal with Honourable High Court of Judicature at Hyderabad for the State of Telangana and CIT (appeals).

(ii) Customs Duty: Various demands raised by Chennai Customs authorities against Advance license (DEEC) amounting to Rs.107.38 lakhs (net), also against EPCG license amounting to Rs.4.26 lakhs towards non submission of EODC for which the company filed an appeal with Commissioner of Customs (Chennai Sea Port).

(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 Lacs based on interim directions.

(iv) Employee State Insurance: Damages u/s 85B amounting to Rs.18.30 lakhs, Interest u/s 39(5) amounting to Rs.4.16 lakhs for Vizag unit were raised by ESIC authorities for which the company filed an appeal with higher authority.

NOTE- 33

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- 34**Managerial Remuneration:** (Rs. in Lacs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Managing Director Pabitrakumar Kalipada Bhattacharyya (w.e.f 01st August,2021)		
---- Remuneration	20.00	-
Managing Director Avinash Ravi (Ceased to be Managing Director w.e.f 31th July,2021)		
---- Remuneration	13.89	42.00
---- Perquisites	1.20	3.30
---- LTA	1.16	3.50
---- Holiday Passage	1.16	3.50
---- Leave Encashment	16.02	-
---- Gratuity	16.15	-
Total	69.57	52.30

NOTE- 35**Related party disclosures :****a) Name of the related parties:**Promoters / Promoters Group :

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

Investing Parties having significant influence on the Company directly : M/s.Ipca Laboratories Ltd

Directors :

Dr.R.T.Ravi - Chairman.
 Mr. Pabitrakumar Kalipada Bhattacharyya -
 Managing Director (w.e.f 01st August,2021).
 Mr. Avinash Ravi - Director
 (Ceased to be Managing Director w.e.f 31st July,2021)
 Mr. E.J.Babu - Director
 (Ceased to be director w.e.f 09th November,2021)
 Mr. Manish Jain - Director
 (Ceased to be director w.e.f 30th July,2021)
 Mr.Jitendra Shah (w.e.f 09th November,2021)
 Mr. Raj Kamal Prasad Verma-Independent Director
 Mr. Satish Khivsara - Independent Director
 Mr. G V L Prasad - Independent Director
 Mrs. Malati Tangirala - Independent Director

Key Management Personnel :

Mr.R Ravibabu- CFO
 Ms.B Taruni - CS

Companies in which Directors relatives are Directors :

M/s. Ravi Agroceuticals Pvt Ltd

b) Aggregated Related party disclosures for the financial year 2021-22

i) Particulars of transactions during the year

Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
a) Remuneration and Perquisites paid/ payable to Promoters/Promoters Group Avinash Ravi (Ceased to be Managing Director w.e.f 31st July,2021)	49.57	52.30
b) Remuneration paid/payable to Managing Director Pabitrakumar Kalipada Bhattacharyya (w.e.f 01st August,2021)	20.00	-
c) Sitting Fees paid/payable to Directors	6.60	5.95
d) Remuneration paid/payable to Key Managerial Persons R.Ravi babu	16.62	14.17
B.Taruni	8.67	7.85
e) Transactions with Investing Parties having significant influence on the Company directly -Ipca Laboratories Ltd ICD Received (Net)	(6,447.50)	5,400.00
Interest Paid/Payable on ICD (Net)	406.23	407.29
Purchases made (Including Taxes)	2,326.91	1,300.72
Sales and Services made (Including Taxes, Excluding Cash discount)	7,356.29	6,468.21
Advances received	2,548.28	1,042.29
f) Amount received against Non convertible, Redeemable,Non-cumulative preference shares to Ipca Laboratories Ltd	10,000.00	-
g) Amount Received Against Share Warrants - Ipca Laboratories Ltd	1,251.30	1,044.90
h) Transactions with Promoters/Promoters Group Interest Paid/Payable to Avinash Ravi on Loan (Net)	16.51	22.20
i) Transactions with a Companies in which Directors relatives are Directors Amount paid/payable to Ravi Agroceuticals Pvt Ltd	-	6.13
TOTAL	17,559.48	15,771.99

ii) Amounts due from /(due to) related parties at the year end
 (Rs. in Lacs)

Nature of Transaction	31st March 2022	31st March 2021
a) Amounts due from /(due to) Investing Parties having significant influence on the Company directly		
Ipca Laboratories - Lease Deposit	(4,500.00)	(4,500.00)
Ipca Laboratories - ICD	(200.00)	(6,647.50)
Ipca Laboratories Ltd - Creditor	(1,265.48)	(523.94)
Ipca Laboratories Ltd - Debtor	87.65	24.93
Ipca Laboratories Ltd - Advances Received	(1,211.43)	(529.11)
Interest Payable to Ipca on ICD	(710.31)	(307.53)
Ipca Laboratories Ltd - Non convertible, Redeemable, Non-cumulative preference shares	(13,000.00)	(3,000.00)
b) Amounts due from /(due to) Promoters/Promoters Group		
Avinash Ravi - Loan	(55.00)	(355.00)
Interest Payable to Avinash Ravi on Loan	(107.47)	(90.96)
Remuneration Payable to Avinash Ravi	(28.11)	(8.74)
Remuneration Payable to Dr.R.T.Ravi	(36.45)	(36.45)
Rent Payable to Hemalatha Ravi	(18.02)	(18.02)
Salary Payable to Ajay Ravi	(4.75)	(4.75)
Salary Payable to Aditya Ravi	(4.84)	(4.84)
c) Amounts due from /(due to) Companies in which Directors relatives are Directors		
Rent Payable to Ravi Agroceuticals Pvt Ltd	(31.29)	(31.29)
TOTAL	(21,085.51)	(16,033.20)

(Rs. in Lacs)

NOTE- 36

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- 37**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.

(Rs. in Lacs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit after Tax	(448,732,360)	(281,859,835)
Closing equity shares outstanding (Nos.)		
Opening equity shares outstanding (Nos.)	19,620,586	18,000,586
Add: Issued during the year (Nos.)	1,940,000	1,620,000
Closing equity shares outstanding (Nos.)	21,560,586	19,620,586
Weighted avg no. of shares outstanding (Nos.) (Basic)	21,560,586	19,620,586
Weighted avg no. of shares outstanding (Nos.) (Diluted)	21,560,586	19,620,586
Nominal Value of Equity Share	10.00	10.00
Basic EPS	(20.81)	(14.37)
Diluted EPS	(20.81)	(14.37)

NOTE- 38

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

NOTE- 39

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- 40

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- 41**Other Statutory Information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company does not any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The company does not have any investments through more than two layers of investment companies as per section 2(87) (d) and section 186 of Companies Act, 2013.

NOTE- 42

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

for and on behalf of the Board of Directors

Sd/-	Sd/-
DR. R.T. RAVI	Pabitrakumar Kalipada Bhattacharyya
Chairman	Managing Director
DIN: 00272977	DIN :07131152
Sd/-	Sd/-
B TARUNI	R RAVIBABU
Company Secretary	C F O

For For BHAVANI & CO

Chartered Accountants
Firm's Reg No: 012139S

Sd/-
CA S. Kavitha Padmini
Partner
M.NO.229966

Place : Mumbai
Date : 23.05.2022

Additional Notes

Movement of Inventory

(Rs. In Lacs)

Particulars	Figures as at end of 31-March-2022	Figures as at end of 31-March-2021
Raw Materials including packing materials	999.68	835.64
Work in Progress		
Phenylephrine	498.96	310.14
Simvastatin	199.65	176.23
Lovastatin	410.41	84.01
Sambam (RSS)	63.98	78.22
Others	10.95	10.95
Total Work in progress	1,183.96	659.55
Finished Goods		
Phenylephrine	62.96	84.05
Simvastatin	98.41	51.73
Others	3.50	3.50
Total Finished Goods	164.87	139.28
Spares, Fuels and Consumables	58.44	25.58
Total Inventory	2406.94	1660.06

Movement of Intangible Assets

(Rs. In Lacs)

Particulars	Gross Block			Amortization Block			Net Block
	As at 1st April, 2021	Additions during the year	As at 31st March, 2022	Up to 1st April 2021	For the Year	Up to 31st March, 2022	As at 31st March, 2022
Product Development expenses-Others	184.71	-	184.71	-	-	-	184.71
Product Development expenses-Serratio	214.13	-	214.13	98.77	19.23	117.99	96.14
Product Development expenses-Phenylephrine	11.89	-	11.89	4.46	1.19	5.65	6.24
Product Development expenses-RSS	56.04	-	56.04	12.59	43.45	56.04	-0.00
Total	466.77	0.00	466.77	115.82	63.86	179.69	287.09

Note: Rs.43,44,464/- for RSS balance of product development expenses fully amorisatized due to termination of Product license Agreement Dt.09th Mar'22.

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

(Rs. In Lacs)

Particulars	31.03.2022	31.03.2021
Current Service cost	2,199,341	2,298,931
Interest Expense	1,315,763	1,281,715
Past Service cost	-	-
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognized for the period	3,047,221	(2,551,430)
Expense recognized in statement of P&L a/c	3,515,104	3,580,646
Expenses recognised in Other Comprehensive Income	3,047,221	(2,551,430)

Changes in present value of defined benefit obligation

Particulars	31.03.2022	31.03.2021
Present value of defined benefit obligation at the beginning of the year	22,091,539	21,791,681
Current Service cost	2,199,341	2,298,931
Interest Expense	1,315,763	1,281,715
Past Service cost	-	-
Actuarial (Gain)/ Loss	3,047,221	(2,551,430)
Benefit paid	(3,185,072)	(729,358)
Present value of defined benefit obligation at the end of the year	25,468,792	22,091,539

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

Particulars	31.03.2022	31.03.2021
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	3,185,072	729,358
Contribution by Employee	-	-
Benefits Paid	(3,185,072)	(729,358)
Fair Value of Plan Assets at the end	-	-

Principal Actuarial Assumptions:

Mortality	2021-22	2020-21
	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	7.10%	6.16%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	9.76	9.93
Employee Attrition Rate	PS:0 to 40:5%	PS:0 to 40:5%

Fair Value Measurement

Financial instruments by category

(Rs. In Lacs)

Particulars	As at end of 31-March-2022			As at end of 31-March-2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Trade Receivables			87.65			29.98
Cash and cash equivalents			10.06			71.07
Other Financial Assets			21.08			36.67
Total			118.79			137.72
Financial Liabilities						
Trade Payables			3108.88			1817.21
Borrowings			13,920.13			10619.71
Others			-			-
Total			17,029.01			12436.92

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

(Rs.)

Particulars	2021-22	2020-21
Depreciation on PPE	565.80	486.37
Amortisation of Intangible Assets	63.86	26.02
Depreciation and Amortisation as per Statement of Profit and Loss	629.67	512.40

Revenue (Ind AS 115)

a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers

(Rs. In Lacs)

Particulars	2021-22	2020-21
Type of goods or service		
Sale of goods		
Phenylephrine	3,825.51	2,314.61
Lovastatin	676.86	-
Simvastatin	791.69	1,545.58
Sabam-RSS	-	0.45
Sale of Services		
Sale of Services	676.25	1,509.40
Others		
Other Operating revenue	115.58	62.13
Total revenue from contract with customers	6,085.89	5,432.17
India	6,085.89	5,432.17
Outside India	-	-
Total revenue from contract with customers	6,085.89	5,432.17

The following are the analytical ratios for the year ended 31st March 2022 and 31st March 2021

Particulars	Numerator	Denominator	Units	31.03.2022	31.03.2021	Variance	Reason of Variance (Where variance is more than 25%)
Current Ratio	Current Assets	Current Liabilities	No of times	0.45	0.44	2.31%	
Debt Equity Ratio	Total Debt	Share Holder Equity	No of times	(1.91)	(2.60)	-26.73%	Increase in Debt and decrease in Shareholder's Equity due to Loss
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	No of times	(0.22)	(0.14)	53.15%	Increase in Loss
Return on Equity	Net Profit after Taxes	Average Share Holders equity	Percentage		59.30%	66.36%	-10.65%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory		6.48	5.36	20.89%	
Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	No of times	101.51	214.00	-52.56%	Increase in Average Trade Receivables
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	No of times	1.63	1.19	36.68%	Increase in Credit Purchase
Net Capital Turnover Ratio	Net Sales	Working Capital	No of times	(1.43)	(2.03)	-29.54%	Net Current Assets is negative. Increase in negative working capital is around 60% whereas sale increase is only 12%.
Net Profit Ratio	Net Profit	Net Sales	Percentage	-73.16%	-52.20%	40.15%	Increase in Loss
Return on Capital Employed	Earnings before interest & tax	Capital Employed	Percentage	-67.45%	-37.80%	78.43%	Increase in Loss

The following are the analytical ratios for the year ended 31st March 2022 and 31st March 2021

S.No.	Ratio	Formula	Group	Particulars	31.03.2022	31.03.2021
1	Current Ratio	Current Assets / Current Liabilities	Current Assets	Inventories	2,556.26	1,660.04
				Trade receivables	87.65	29.98
				Cash and cash equivalents	0.04	0.24
				Bank balances other than(iii) above	10.02	70.84
				Other current assets	874.28	344.00
				Other Financial Assets	21.08	36.67
			Current Liabilities	A	3,549.33	2,141.76
				Trade payables	3,790.64	2,077.67
				Short Term Borrowings	998.62	1,000.00
				Other Financial Liabilities	1,419.89	888.10
				Other Current Liabilities	1,480.72	704.09
				Provisions	59.07	82.45
				Retirement benefit obligations	57.46	66.92
			Current Ratio	B	7,806.40	4,819.24
				A / B	0.45	0.44
				Change	0.02	-
2	Debt Equity Ratio	Total Debt / Share Holders Equity	Total Debt	Long Term Debt	13,293.00	10,054.64
				Current Maturities	998.62	1,000.00
				Debt - A	18.32	59.18
			Equity	B	14,309.94	11,113.83
			Debt Equity ratio	A/B	(7,509.32)	(4,273.29)
				Change	(1.91)	(2.60)
					(0.27)	-
3	Debt Service Coverage Ratio	EBIDT / Principal & Interest payments	EBITDA	PBT	(4,452.68)	(2,835.86)
			Principal and Interest	Interest	539.10	627.90
				Depreciation & Amortisation	629.67	512.40
				A	(3,283.92)	(1,695.56)
				Current Maturities	18.32	59.18
				Long Term Debt	13,293.00	10,054.64
				Short Term Borrowings	998.62	1,000.00
				Interest	539.10	627.90
			DSCR	B	14,849.04	11,741.73
				A/B	(0.22)	(0.14)
				Change	0.53	-
4	Return on Equity	PAT / Equity	PAT	A	(4,452.68)	(2,835.86)
			Equity	B	(7,509.32)	(4,273.29)
			Return on equity	A/B	0.59	0.66
				Change	(0.11)	-
5	Inventory Turnover Ratio	Sales or COGS / Average Inventory	Sales	A	5,294.06	3,860.64
			COGS	Cost of Goods sold		
				Cost of materials consumed	4,618.01	2,562.26
				Proportionate Other manufacturing exp	2,931.34	1,889.67
				Changes in inventories of finished goods, stock-in-trade and work-in-progress	(550.32)	(57.32)
				Other Direct Expenses		
			Average Inventory	COGST - A	6,999.03	4,394.61
				Opening Inventory	803.46	836.45
				Closing Inventory	1,356.93	803.46
				Average Inventory - B	1,080.19	819.95
			Inventory Turnover Ratio	A/ B (Sales basis)	4.90	4.71
				Change	0.04	-
			Inventory Turnover Ratio	A/ B (COGS basis)	6.48	5.36
				Change	0.21	-
			In days (365 / Ratio)			
			Inventory Turnover Ratio	A/ B (Sales basis)	74.47	77.52
			Inventory Turnover Ratio	A/ B (COGS basis)	56.33	68.10
6	Trade Receivables Turnover Ratio	Net Credit Sales / Avg A/cs Receivables	Revenue From Operations	Revenue From Operations	5,294.06	3,860.64
			Other Operating Income	Other Operating Income	676.25	1,509.40
			Net Credit Sales	Net Credit Sales	5,970.31	5,370.04
			Avg Accounts Receivables	Avg Accounts Receivables	29.98	20.21
				Opening Debtors	87.65	29.98
				Closing Debtors	58.81	25.09
				Average Receivables - B		

S.No.	Ratio	Formula	Group	Particulars	31.03.2022	31.03.2021
			Tr. Receivables TO Ratio In days	A/ B 365 / Ratio Change	101.51 3.60 (0.53) 1.11	214.00 1.71 - -
7	Trade Payable Turnover Ratio	Net Credit Purchase / Avg Trade Payables	Net Credit Purchases Tr. Payables TO Ratio In days	<u>Net Credit Purchases</u> Raw materials Packing Materials Traded Goods A Opening Tr. Payables Closing Tr. Payables Avg. Payables - B A/ B 365 / Ratio Change	4,734.64 47.41 - 4,782.05 2,077.67 3,790.64 2,934.15 1.63 223.96 0.37 (0.27)	2,722.50 27.17 - 2,749.67 2,534.15 2,077.67 2,305.91 1.19 306.09 - -
8	Net Capital Turnover Ratio	Net Sales / Working Capital	Net Sales Working Capital Net Capital TO Ratio	Revenue From Operations Other Operating Income Other Income A Current Assets - i Current Liabilities - ii I - ii - B A/ B Change	5,294.06 676.25 115.58 6,085.89 3,549.33 7,806.40 (4,257.07) (1.43) (0.30)	3,860.64 1,509.40 62.13 5,432.17 2,141.76 4,819.24 (2,677.48) (2.03) -
9	Net Profit Ratio	Net Profit / Net Sales	Net Profit Net Sales NP / Net Sales Ratio	A B A/ B Change	(4,452.68) 6,085.89 (0.73) 0.40	(2,835.86) 5,432.17 (0.52) -
10	Return on Capital Employed	Earnings Before Interest & Tax / Capital Employed	EBIT Capital Employed Return on CE	A Tangible Net worth Share Capital Other equity Net worth - i Total Debt Long Term Debt Current Maturities Debt - ii Deferred Tax Liability - iii Capital Employed (i+ii+iii) - B A/B Change	(3,913.58) 2,156.06 (9,665.38) (7,509.32) - 13,293.00 18.32 13,311.32 - 5,801.99 (0.67) 0.78	(2,207.96) 1,962.06 (6,235.35) (4,273.29) - 10,054.64 59.18 10,113.83 - 5,840.53 (0.38) -

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

s my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on **Friday, 30th day of September 2022 at 11:00 AM** at Registered Office – Kothapalli(Village), Kasimkota (Mandal), Anakapalli, Vishakapatnam (District), 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 31.03.2022
2. To appoint a director in place of Dr. R T Ravi (DIN-00272977), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Avinash Ravi (DIN-01616152), who retires by rotation and being eligible, offers himself for re-appointment.
4. To Regularize the appointment of Mr. Jitendra Shah (DIN-09377846) as Director.
5. To Approve Related Party Transactions with M/s. IpcaLaboratories Limited.
6. Ratification of the remuneration payable to the cost Auditor for the Financial Year 2022-2023.

Signed this day of..... 2022

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 30th Annual General Meeting of the members of the company to be held on Friday, 30th of September 2022 at 11:00 AM at Registered Office - Kothapalli (Village), Kasimkota (Mandal), Anakapalli, Vishakapatnam (District), 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.

CIN:L24110AP1991PLC103912

Tel: 040 - 9121144984

Email : investors@krebsbiochem.com

Website : www.krebsbiochem.com