

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

Chairman & Non-Executive Director (DIN- 00272977)

Mr. Pabitrakumar Kalipada BhattacharyyaManaging Director (DIN-07131152)
(w.e.f 1st August, 2021)**Mr. Avinash Ravi**Director (DIN-01616152)
(ceased to be Managing Director w.e.f 31st July, 2021)**Mr. Manish Jain**Non-Executive Director (DIN- 01856146)
(ceased to be director w.e.f 30th July, 2021)**Mr. E.J Babu**

Non-Executive Director (DIN- 06759124)

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. Taruni Banda** (ACS 46673)**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 Ltd.,**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@krebbsbiochem.com

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. KREBS BIOCHEMICALS & INDUSTRIES LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 23RD, 2021 AT 11.00 AM THROUGH VIDEO CONFERENCE/ OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31 2021 on that date together with the Notes attached there to, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. E J Babu (holding DIN-06759124), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Raj Kamal Prasad Verma (DIN: 02166789) as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Raj Kamal Prasad Verma (DIN:02166789) who has been appointed as a Non-Executive Independent Director on the Board of the Company w.e.f. 13th February, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of (5) five consecutive years commencing from 13th February, 2020 till 12th February, 2025."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby granted to the company for continuation of Mr. Raj Kamal Prasad Verma (DIN:02166789), as a Non- Executive Independent Director subsequent to attaining the age of (75) years during the course of his tenure."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) an/ or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. **Regularize Appointment of Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) as Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 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. Pabitrakumar Kalipada Bhattacharyya (DIN-07131152), who was appointed as Additional Director by Board of Directors on 30th July, 2021 who holds office only up to the 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 Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is 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 the aforesaid resolution."

5. **Appointment of Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) as Managing Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications(s) thereto or re-enactment thereof for the time being in force) and the rules made thereunder and pursuant to Articles of association of the company, the consent of the members of the be company be and hereby accorded to appoint Mr. Pabitrakumar Kalipada Bhattacharyya (DIN-07131152) as Managing Director for the period of 3 (three years) with effect from 1st August, 2021 till 1st August, 2024, who is not liable to retire by rotation, for a monthly remuneration of Rs.2,50,000 p.m/- (Two Lakh fifty thousand) upon the terms and conditions set out in the Explanatory statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment (including remuneration) in such manner as may be agreed upon between Mr. Pabitrakumar Kalipada Bhattacharyya and the Board."

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is 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 the aforesaid resolution."

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

Sd/-

Dr. R T Ravi

Chairman

(DIN-00272977)

Place: Hyderabad

Date: 30.07.2021

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. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. 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.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to 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@krebbsbiochem.com.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2021 to 23rd September, 2021 (Both days inclusive).
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. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.krebbsbiochem.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 private Limited. at www.kfintech.com
8. 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.

9. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
10. 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.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
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 Pvt. Ltd., 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. In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the company or the Depository Participant(s).
20. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2020-2021 will also be available on the Company's website www.krebsbiochem.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: investors@krebsbiochem.com.
21. 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 Pvt. Ltd ("Karvy") 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., 16th September, 2021.
- 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., 16th September, 2021 only shall be entitled to avail the facility of remote e-voting / InstaPoll.
- 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., 16th September, 2021 may obtain the user id and password in the manner mentioned below:
- a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-voting Event Number + Folio Number or DP ID Client ID to 9212993399.
- Example for NSDL:
MYEPWD <SPACE> IN12345612345678
- Example for CDSL:
MYEPWD <SPACE> 1402345612345678
- Example for Physical:
MYEPWD <SPACE> XXXX1234567890
- b) If e-mail address or mobile number of the member is registered against the folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Member may call Karvy's Toll Free Number 1-800-3454-001.
- If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- ix) The remote e-voting facility will be available during the following period:
- Commencement of remote e-voting : From 09.00 AM (IST) on 20th September, 2021
- End of remote e-voting : On 05.00 PM (IST) on 22nd September, 2021
- The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.
- x) The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.krebsbiochem.com and on the website of Kfintech <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- xi) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e., 23rd September, 2021.
- 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 :

<p>NSDL</p> <p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 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. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select “Register Online for IDeAS” Proceed with completing the required fields. <p>3. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. <p>4. By visiting the e-Voting website of NSDL</p> <ol style="list-style-type: none"> 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 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. 	<p>CDSL</p> <ol style="list-style-type: none"> 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. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration Proceed with completing the required fields. <p>3. By visiting the e-Voting website of CDSL</p> <ol style="list-style-type: none"> 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.
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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 & 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 16th July 2021 (For Agenda items 1 to 5) 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 20th September, 2021 and will remain open throughout on all the days up to 5.00 p.m. on 22nd September, 2021 (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 through VC / OAVM 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 the AGM through VC / OAVM on 23rd September, 2021, as per instructions provided in Notice of 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 & Industries Limited) at email: raghu.veedha@kfintech.com or contact at phone no. 1-800-309-4001 (toll free).

A) INSTRUCTIONS FOR ATTENDING THE AGM:

- i) Members will be able to attend the AGM, electronically, through VC / OAVM at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and selecting the 'Event' for the Company's AGM.
- ii) Members who do not have User ID and Password for e-voting or have forgotten User ID and Password may retrieve the same by following the instructions for remote e-voting mentioned in the Notice.
- iii) For better experience, Members are requested to join the meeting through laptop using Google Chrome (preferred browser) or other browsers such as Firefox, Internet Explorer or Safari after removing firewalls.
- iv) Members are advised to use stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio / video loss due to fluctuation in their respective networks.
- v) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the schedule time of the AGM.
- vi) Facility of joining the AGM through VC / OAVM shall be available for 1,000 Members on first come first served basis. However, the participation of Members holding 2% or more shares, Promoters, Institutional

Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

- vii) Those Members who register themselves as speaker will only be allowed to express views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time and to ensure the smooth conduct of the AGM.
- viii) Members, who have casted their votes by remote e-voting may also attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.
- ix) Members who need technical assistance before or during the AGM, can contact Shri I. L. Murthy, Sr. Manager at KFin at e-mail id: lakshmana.murthy@kfintech.com, contact no.: 9177401088 or can also call KFin's toll free no.: 1800-345-4001.

B) INSTRUCTIONS FOR E-VOTING DURING THE AGM:

- i) The e-voting window shall be activated during the AGM. Members shall vote as per the credentials displayed in the e-voting window.
- ii) Members to click on the 'Instapoll' icon and follow the instructions to vote on the resolutions.
- iii) Only those Members, who are present in the AGM through VC / OAVM and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting during the AGM.

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

Place: Hyderabad
 Date: 30.07.2021

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

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	Mr. E J Babu (DIN-06759124)	Mr. Raj Kamal Verma (DIN-02166789)	Mr. Pabitrakumar Kalipada Bhattacharyya (DIN-07131152)
Nationality	Indian	Indian	Indian
Date of Birth	24.07.1963	22.03.1949	17.04.1969
Date of appointment/ re-appointment	10th September, 2018	12th February, 2016	30th July, 2021
Expertise in specific functional areas	<ul style="list-style-type: none"> A nominee of Ipca Labs LTD, Mr E.J Babu currently heads the marketing of APIs globally for Ipca. A skilled marketing and sales professional, he has previously worked with companies like Tata Pharma Limited and Wockhardt Ltd. He completed his postgraduate diploma in Marketing Management from Dahanukar College, Mumbai, Bachelor of Arts from Calicut University, Kerala. 	<ul style="list-style-type: none"> An independent management consultant who provides guidance to start-ups and mentoring and management advice focusing on operations and strategy to companies in pharma, bio-tech, diagnosis/ medical devices, chemicals, animal health products and food colouring industries. He also contributes to various committees including being a Charter Member, The Indus Entrepreneur (TiE), Advisor to Medprime Technologies Pvt Ltd., Mentor at CIIE, IIM Ahmedabad and SINE-IIT Mumbai 	<ul style="list-style-type: none"> He is currently the President Operations (API) at Ipca Labs Ltd. He has previously worked with Sun Pharmaceuticals Ltd. Andheri, Mumbai, Glenmark Generics Ltd., Andheri, Mumbai, Wanbury Ltd., Vashi (Navi Mumbai) and such other companies 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
Qualifications	<ul style="list-style-type: none"> P G Diploma in Marketing Management 	<ul style="list-style-type: none"> Master of Business Administration (MBA). Post Graduate Diploma in Industrial Relations & Personnel Management. Bachelor of Science (Industrial Chemistry). Certificate International Organizations Management. Certified Executive Coach. Certified Predictive Index Analyst. 	<ul style="list-style-type: none"> Pursuing MBA (Finance) from IGNOU B.Tech. (Chemical) from UDCT in 1993 B.Sc Chemistry (Hons.) from Calcutta University in 1989.
Date of first Appointment on the Board of the Company	12.02.2016	12.02.2016	30-07-2021
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Makers Laboratories Limited. Resonance Specialties Limited 	<ul style="list-style-type: none"> Nil
Inter se relationship among Directors	<ul style="list-style-type: none"> He is not related to any of the Directors of the Company. 	<ul style="list-style-type: none"> He is not related to any of the Directors of the Company. 	<ul style="list-style-type: none"> 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.	Five (5)	Six (6)	NIL
Sitting Fee paid during the financial year for Board Meeting	0.50 Lakhs	0.60 Lakhs	NIL

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

Dr. R T Ravi
Chairman
(DIN-00272977)

Place : Hyderabad
Date : 30.07.2021

Explanatory Statement

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

Item No. 3

Mr. Raj Kamal Prasad Verma (DIN: 02166789) was appointed as an Independent 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. He holds office as an Independent Director of the Company upto 12th February 2021.

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors has recommended the re-appointment of Mr. Raj Kamal Prasad Verma (DIN: 02166789) as Independent Director for a second term of 5 (Five) years on the Board of the Company w.e.f. 13th February 2021.

The Board based on the performance evaluation of Independent Directors and as per the recommendations of the Nomination and Remuneration Committee, considers that given the background and experience and contributions made by Mr. Raj Kamal Prasad Verma (DIN: 02166789) during his tenure, the continued association of Mr. Raj Kamal Prasad Verma would be beneficial to the Company and it is desirable to continue and avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Raj Kamal Prasad Verma (DIN: 02166789) as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years on the Board of the Company.

Section 149 of the Act prescribes that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides further that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Raj Kamal Prasad Verma (DIN: 02166789) 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. Raj Kamal Prasad Verma for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Raj Kamal Prasad Verma that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Raj Kamal Prasad Verma fulfils the conditions for appointment as Independent Director as specified in the Act.

A Copy of draft letter of appointment of Mr. Raj Kamal Prasad Verma, setting out the terms and conditions of appointment shall be available for inspection by the members at the corporate office of the Company.

A brief profile of Mr. Raj Kamal Prasad Verma 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 are annexed to this statement.

None of the Directors and Key Managerial Personnel except Mr. Raj Kamal Prasad Verma is concerned or interested directly or indirectly in the above resolution.

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

Item No. 4 and 5

Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 0713115) has been inducted into the Board vide Board meeting dated 30-07-2021 on the basis of the recommendations of Nomination and Remuneration Committee at its meeting held on 27th July, 2021 as an additional director subject to regularization at the Annual General Meeting and he has also been appointed as Managing Director subject to approval of members at the Annual General Meeting for a period of 3 (Three years) starting from 1st August, 2021 till 1st August, 2024.

The Board is of the opinion that with the expertise and sound knowledge of Mr. Pabitrakumar Kalipada Bhattacharyya, the company would benefit immensely in technical and strategic aspects.

A brief profile of Mr. Pabitrakumar Kalipada Bhattacharyya (DIN: 07131152) 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 are annexed to this statement.

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

The Company has received from Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152), consent to act as Director of the Company and intimation in Form DIR-8, to the effect that he is not disqualified under Sub-Section(2) of Section 164 of the Companies Act, 2013 and applicable rules.

The terms and conditions of the appointment are as follows:

1. Remuneration: Rs. 2,50,000 per month
 - a) Basic salary-Rs. 2,50,000 per month
 - b) Allowances and Perquisites-NA
 - c) In addition to the above he will also receive the following benefits as per policy/rules of the company or as approved by the Board from time to time:
 - Encashment of Leave
2. Period of re-appointment : 3 years beginning from 1st August 2021

3. Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) shall perform such duties as shall from time to time be entrusted him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Additional Information as required under Schedule V :

I. General Information:

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

Financial performance during the past three years:

Rs. in lakhs

Particulars	2018-19	2019-20	2020-21
Turnover	4808.86	3377.73	5432.17
Net Profit/Loss	(2133.22)	(3014.28)	(2818.60)

Export performance and net foreign exchange earnings:

(Rs. In lakhs)

Particulars	2018-19	2019-20	2020-21
Export Earnings	43.496	NA	NA

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

II) Information about the appointee:

- 1) Background details : Mr. Pabitrakumar Kalipada Bhattacharyya is pursuing MBA (Finance) from IGNOU at present, he holds a Bachelor's degree B.Tech. (Chemical) from UDCT in 1993 and is a graduate in B.Sc Chemistry (Hons.) from Calcutta University in 1989. He has experience of working in established Pharma Company's in which he played the role of Planning project activities viz. scoping, estimation, tracking, account level profitability, proposal making, resource planning, change management, delivery management & post implementation support, heading of the process engineering and technology transfer/commercialization new API and intermediates etc.
- 2) Past remuneration: Nil.
- 3) Recognition or awards : Received several awards in his past experience for his efficient contribution to the organizations.
- 4) Job profile and his suitability : Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) has been a dynamic professional with over 28 years of rich expertise 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. He has been actively involved in the operation of the Company from quite some time.

- 5) Remuneration proposed - As mentioned in the resolution and this explanatory statement.

- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: 58 lakhs P.A

- 7) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: None

III) Other Information :

- 1) Reasons of loss or inadequate profits: The Company has been making steady efforts to improve the financial position but despite its best efforts the company has been facing challenges like stoppage of production due to strike from employees, Pollution control Board issues and also the current Covid-19 Pandemic situation which has hit the global economy.
- 2) Steps taken or proposed to be taken for improvement: The financial restructuring of debt of the Company has been implemented along with the strategic partnership with Ipca Laboratories Limited by way of investment in equity capital of the company by Ipca Laboratories Limited to revive the operations.
- 3) Expected increase in productivity and profits in measurable terms: The management continues to make efforts to come out with effective production plan for increase in the productivity and revenue from operations, which has shown results to some extent during the past 3 years.

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

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested directly or indirectly in the above resolution other than Mr. Pabitrakumar Kalipada Bhattacharyya (DIN- 07131152) and Mr. E. J. Babu (DIN- 06759124) is concerned or interested, financially or otherwise, in this Resolution. The Board recommends ordinary resolution as set out in items no. 4 and special resolution as set out at items no. 5 for approval of members.

Directors' Report

To,
The Members,

The directors submit annual report of Krebs Biochemicals & Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March 2021.

1. Financial Summary

(Rs. in lacs)

Particulars	2020-21	2019-20
Net Sales	3860.64	2358.38
Other Income	1571.53	1,019.35
Total Income	5432.17	3377.73
Expenditure	7127.73	5204.25
P(L)BDIT	(1696.56)	(1826.52)
Loss on sale of Assets	-	Nil
PBDIT (After Extra Ordinary Items)	(1696.56)	(1826.52)
Finance Charges	627.90	592.78
Depreciation	512.40	467.90
Profit/(Loss) Before Tax	(2835.86)	(2887.20)
Exceptional Items	Nil	Nil
Deferred Tax Asset	Nil	Nil
Taxes of earlier years	Nil	Nil
Net profit/(Loss) after Tax	(2835.86)	(2887.20)
Other Comprehensive Income	17.26	(127.08)
Total comprehensive income for the period (comprising Profit/(loss) and other comprehensive income for the year)	(2818.60)	(3,014.28)
Add: balance brought Forward	(15305.67)	(12292.01)
Less: Depreciation	Nil	Nil
Add: Transferred from Profit & Loss Account	(2818.60)	(3013.67)
Balance Carried to Balance Sheet	(18124.26)	(15305.68)

3. Financial Performance

During the year under review, the Company has posted net sales of Rs. 3860.64 lakhs and Rs. 1571.53 lakhs as other income. For the FY 2020-21 the company has incurred a loss of Rs. (2835.86) lakhs as against loss of Rs. (2887.20) lakhs of the previous year ended 31st March 2020. Detailed Performance of the Company is given in the Management and Discussion analysis forming part of the Corporate Governance report.

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 during the year, no dividend is proposed to be declared for the financial year 2020-21.

6. Operations

During the FY 2020-21, A total of four products are being produced in our plant which include Phenylephrine HCl, Simvastatin, Serratiopeptidase and RSS. Backward integration for one of the current products and new product development is ongoing. Significant investment has been made into upgrading the effluent and waste management system and also safety systems to comply

with the latest regulations. All statutory licensing and legal requirements are being continuously complied by your company.

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

a. Covid-19

In the FY 2020-21, the COVID-19 pandemic has continued to contribute to the global crisis, forcing governments to enforce lock-downs in between thereby stalling of all economic activity. The Company immediately focused and ensured the health and well-being of all employees, and on minimizing disruption of production by the Company. As of March 31, 2021, work from home was enabled to employees who could accommodate the same and to work remotely and securely. Although there are uncertainties due to the pandemic the Company has engaged in the best practises to continue the manufacturing operations.

b. Warrants Conversion

The Company has obtained the in-principle approval and also listing and trading approvals from NSE and BSE for the issue and allotment of 35,60,000 Convertible Warrants to IPCA Laboratories Limited

and has accordingly allotted Convertible warrants to M/s. IPCA Laboratories Limited on February 5th, 2020. The Company has on 20th May, 2020 converted partially Warrants to an extent of 16,20,000 and allotted Shares to an extent of 16,20,000 for a price of Rs.10/- each and at a premium of Rs.76/- amounting to Rs.139,320,000/- the same has been listed on NSE and BSE after obtaining the listing and trading approvals.

Further the Company has on 6th April, 2021 at its Board meeting made the Allotment Of remaining 19,40,000 Equity Shares of Rs. 10/- Each at a Premium of Rs. 76/- Per Share to M/S Ipca Laboratories Limited, Promoter Group Shareholder amounting to Rs.166,840,000/-, the same has been listed on NSE and BSE after obtaining the listing and trading approvals.

c. Settlement of Cases

Some of the Vendors have filed winding up cases against the company for the outstanding dues in the various legal forum. The Company has paid all the debts due to the Vendors by entering into a Memorandum of Understanding with them.

8. Share Capital

a) Conversion of Warrants

The Company has on 20th May, 2020 converted partially Warrants to an extent of 16,20,000 and allotted Shares to an extent of 16,20,000 for a price of Rs.10/- each to M/s. IPCA Laboratories Limited and at a premium of Rs.76/-, with this allotment, the paid up equity share capital of the Company has increased to Rs. 1,96,205,860/- consisting of 19620586 equity shares of Rs. 10/- each of the Company.

Further on 6th April, 2021 at its Board meeting the company made the Allotment of remaining 19,40,000 Equity Shares of Rs. 10/- Each at a Premium of Rs. 76/- Per Share to M/S Ipca Laboratories Limited, Promoter Group Shareholder and with this allotment, the paid up equity share capital of the Company increased to Rs. 21,56,05,860/- consisting of 21,560,586 equity shares of Rs. 10/- each of the Company.

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.

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 2020-21 at their meeting held on 27th May, 2021.

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.

Re-appointments

- a) During the year under review, Mr. Manish Jain has retired by rotation and being eligible for re-appointment, at the 28th Annual General Meeting held on 26th September 2020 he had been re-appointed as Director.
- b) During the year under review, the period of Mr. Raj Kamal Verma, Independent Director has ended on 12th February, 2021 and being eligible for re-appointment, the Board of Directors at its meeting held on 5th November, 2020 has re-appointed him with effect from 13th February, 2021, subject to approval of members at this Annual General Meeting.

Cessation

None of the directors ceased to be directors during the FY2020-21.

Mr. Manish Jain, Director has ceased to be a director w.e.f 31st July, 2021.

Key Managerial Personnel

The Board of Directors at its meeting held on 30th April, 2020 appointed Mr. R. Ravi Babu as Chief Financial Officer of the Company.

The Board of Directors at its meeting held on 30th July, 2021 appointed Mr. Pabitrakumar Kalipada Bhattacharyya as 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).

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

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

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

Mr. R. Ravi Babu - Chief Financial Officer

Ms. Taruni Banda - Company Secretary

13.1 Retire by Rotation

Mr. E J Babu, retires by rotation as Director and he offers himself for re-appointment at the ensuing 29th Annual General Meeting to be held on 23rd September 2021.

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 2020-21, Six (6) meetings of the Board were held. Details of the meetings of the board are provided in the corporate governance report which forms part of this report.

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 contributed towards welfare of 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 and Multi disciplinary functions. We maintain mutual and beneficial relationship with the Suppliers, Vendors and Customers.

We provide continual training to the employees working in the plants by upgrading the knowledge of GMP practices, enriching the quality of life. We continually 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 EDQ. Many customers have audited Unit-I Nellore plant and have approved 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 World class customer requirements for their satisfaction with zero complaints and by implementing theALCOA 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

- | | | | |
|----|-----------------------|---|----------|
| 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 2021.

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. 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	Winding up cases against the Company	The Company has paid all the debts due to the Vendors by entering into a Memorandum of Understanding with them. Accordingly there are no debts due by the Company to them and the winding up cases shall have to be appropriately withdrawn by the Vendors.
4.	The company has received demand notice in Form-3 under INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC) on 7th August, 2019, which was filed by RR Innovatives.	The Hon'ble NCLT, Amaravati Bench has disposed of and withdrawn the case which came to the knowledge of the Company on 11th June, 2020.

28. Transactions with related parties

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

29. 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.

30. 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, 2021 is available on the Company's website- www.krebsbiochem.com

31. 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.

32. Disclosures relating to Subsidiaries, Associates and Joint Ventures

The company doesn't have any subsidiary companies, Associate Companies and Joint Ventures during the year under review.

33. 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.

34. 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.

35. 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.

36. 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-IV" to this report.

37. 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.

38. 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.

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

A Case against the Company has been registered by RR innovative Pvt Ltd in the National company law Tribunal, Amaravathi Bench invoking the Insolvency proceedings, accordingly an order has been received against the Company from the tribunal on 22nd May, 2020 admitting the application of RR innovative Pvt Ltd and appointing an Insolvency Resolution Professional (IRP) Mr.Rajesh Chhaparia, Vizag. The Company has made a settlement with RR innovative Pvt Ltd by paying the outstanding debt due as per the order and accordingly a withdrawal petition has been filed by the IRP vide which the National Company Law Tribunal has passed an order on 11th June, 2020 suspending it earlier order dated 22nd May, 2020.

40. 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 during the year under review.

41. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

FUND UTILISATION STATEMENT	
PARTICULARS	AMOUNT(RS.)
INFLOW (A)	
75% RECEIVED AGAINST CONVERSION OF SHARE WARRANTS 16,20,000 NOS	104,490,000
OUTFLOW (B)	
ICD REPAYED	100,000,000
SUNDRY CREDITORS	4,329,822
ADVANCE FOR CAPITAL WORKS	91,348
PURCHASE OF FUEL	68,830
TOTAL OUTFLOW (B)	104,490,000

42. 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: 30-07-2021

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 2021.

- 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 2020-21 (Amount in Rs.)	% increase/ (Decrease) in remuneration in the FY 2020-21	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	52,30,000	(0.04)	7.54	The company is in continuing losses for the past financial years and during the year the company posted a net loss of Rs. 2835.86 lakhs
2.	Ravi Ravibabu #	14,78,438	26.58	2.65	Please refer to the note above.
3	Taruni Banda (Company Secretary)	7,63,020	44.89	1.37	

Mr. Ravi Babu has been appointed as CFO w.e.f. 30th April, 2020.

- b. The median remuneration of the employees of the company during the financial year was Rs. 5,57,172/-
- c. The percentage decrease in the median remuneration of employees in the financial year : 6%.
- d. There were 390 Regular employees and 120 contract employees as on 31st March 2021.
- 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 : 30-07-2021

Annexure-II
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31STMARCH, 2021

[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).

Due to COVID-19 pandemic, there was no possibility to visit the Company due to complete lockdown imposed by the Centre. I have inspected all the relevant documents necessary for Secretarial Audit based upon the information provided by the Company through online mode and audit was conducted in a manner that provided me a reasonable basis for evaluating all the documents and records and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021 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 exemption provided by the MCA under CFSS Scheme and filed the below mentioned forms under the Scheme:
 - a) Form MGT-7 (Annual return) for the Financial year 2019-20
 - b) Form AOC-4 (XBRL) for the Financial year 2019-20
 - c) Form GNL-2 (Form for submission of documents with the Register)
 - d) Form DPT-3 (Return of Deposits) for the Financial year 2019-20
 - e) Form DIR-12 relating to the appointment of Mr. Ravi Babu as the Chief Financial Officer of the Company (Date of Appointment- 30.04.2020)

- f) Form- MGT-14 relating to the appointment of Mr. Ravi Babu as the Chief Financial Officer of the Company (Date of Appointment- 30.04.2020)

- g) Form- MGT-14 to approve the audited financial results for the year ended 31st March 2020

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, 2020
- 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, 2020

- (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 regulation 29(2), the company has allotted @ 86/- per share including a premium of Rs. 76/- per share were converted and allotted to M/s IPCA Laboratories Limited, a promoter group shareholder on 20th May 2020 in dematerialized format.

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The company has allotted 35,60,000 warrants each of which is convertible into 1 equity share of Rs.10/- each of the company at a premium of Rs. 76 per share to M/s IPCA Laboratories Limited after obtaining the approval of members in the Extra Ordinary General Meeting held on 5th February 2020.

The company has received money for conversion of 16,20,000 warrants from M/s IPCA Laboratories Limited, a promoter group shareholder and accordingly the company has converted and allotted

16,20,000 equity shares to M/s IPCA Laboratories Limited on 20th May 2020.

- (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.

The reporting of clause 6(A) and 6(B) 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 listed entities and their material subsidiaries" is not applicable during the Review Period.

- (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;

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

- a. Pharmacy Act, 1948;
- b. Drugs and Cosmetics Act, 1940;
- c. Indian Boilers Act, 1923
- d. Factories Act, 1948
- e. Water (Prevention and Control of Pollution) Act, 1974

- f. Air (Prevention and Control of Pollution) Act, 1981

However, the Pollution Control Board has issued a temporary revocation of the stop production order for a period of 3 months. Subsequently on 11th March, 2020 the Pollution Control Board has issued permanent revocation of the stop production order.

We bring to the notice of the members that the Company is yet to comply with the conditions specified in the order dated 11th March, 2020 issued by the Andhra Pradesh 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

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.

I further report that the compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

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. 16,20,000 equity shares of Rs. 10 each of the company @ 86/- per share including a premium of Rs. 76/- per share were converted and allotted to M/s IPCA Laboratories Limited, a promoter group shareholder on 20th May 2020 in dematerialized format.
2. The following creditors have filed Winding up Petitions under the provisions of Section 433 of the Companies Act, 1956 with the Hon'ble High Court at Hyderabad having jurisdiction over the States of Andhra Pradesh & Telangana for non-payment of their dues:
 - Aurobindo Pharma Limited
 - Trident Chemphar Limited
3. The company has received demand notice in Form-3 under INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC) on 7th August, 2019, which was filed by RR Innovatives, for which a reply notice was sent by the company on 16th August, 2019 & the Settlement terms were sent to the counsel of RR Innovative on 1st October, 2019. However, they did not agree for the Settlement and filed an application with NCLT and the first hearing was held on 18th October, 2019.

During the dates of hearing, the Principal amount of Rs. 56,87,424/- was paid in installments & the final installment was paid on 6th February, 2020, Settlement could not be arrived by the Parties as RR innovative was seeking interest but the company was not ready to pay the interest amount.

Since the Lockdown was going on, the courts did not function for some time & when the matter got listed, an order appointing Insolvency Resolution Professional was passed and the order has been passed defectively stating that the company did not pay the total amount of Rs. 56,87,424/- where as RR Innovative was seeking higher interest amount of about 14 Lakhs but the company has paid the exact interest amount as per claim i.e., Rs. 7,92,578/- on 27th May, 2020 and has intimated the same to IRP.

The company has filed an application with NCLT for correction of order and direction to RR innovative to give withdrawal Form-FA and RR Innovative has agreed to settle and submit withdrawal form-FA to the company on 30th May 2020 and a withdrawal application has been filed by IRP and the matter got listed on 9th June, 2020 and The Hon'ble NCLT, Amaravati Bench has disposed of and withdrawn the case which came to the knowledge of the Company on 11th June, 2020.

For **DSMR & Associates**
Company Secretaries

D S M Ram
Proprietor

C.P. No.4239

UDIN : A014939C000714682

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.

Place: Hyderabad

Date: 30th July, 2021

Annexure-III

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis :
 - a) Name(s) of the related party and nature 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 : Supply and Lease agreements
- 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 : 30-07-2021

Annexure-IV

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	<ul style="list-style-type: none"> ● Installed VFD for Motor of A/RE/003 reactor, and same being continued for new equipments to improve the efficiency and decrease the power consumption. ● Procured Energy efficient chillers and removed old high power consumed chillers to save the power. ● The replacement work of Old street lights MV/SV lamps with LED lamps being continued. Total 18 lamps replaced. ● Interlocking system provided to AHU blowers to DX outdoor units for Auto ON/OFF w.r.t set point to decrease the power consumption. ● Insulation provided to all utility lines (chilled, brine and steam lines) to avoid energy losses. ● Steam condensate water recovery system provided at columns area and water consumption at boiler reduced. ● Auto control steam valves provided for RCVD hot water tanks to save the steam consumption and save the energy. ● Timers provided for Plant street lights to start and stop timely to save the energy. 	<ul style="list-style-type: none"> ● All Blocks lighting 160 Watts lamps replaced with 20 Watts LED Lamps. ● Insulation provided to all steam lines and chilled water lines where ever damaged to avoid losses. ● All condensers de-scaling done to increase the efficiency. ● All cooling towers spray nozzles and fins cleaned. ● DM Water Plant existing SBA feed pump 10 HP replaced with 5HP Motor. To full fill the requirement of flow rate is 5 M3/Hour. ● In J-Block, for all Exhaust fans remote control push buttons provided. ● Auto power factor controllers 4 Nos installed to control power factor to reduce the power losses. ● 196 TR Chiller is installed in place of 200 TR rental chiller to circulate the chilled water to plant process equipment. ● ATFD cooling tower is commonly using to both ATFD & MEES by running 50 HP pump with necessary line modifications and stopped another cooling tower with pumps 40 HP & 20 HP.
Energy Initiatives Planned	<ul style="list-style-type: none"> ● Auto power factor control panel installation to maintain correct power factor. Capex to be raised and to be implemented. ● Will be initiated to install temperature controllers, pressure transmitter, and digital panel meters to monitor and control the process parameters to increase the efficiency of systems. ● We will be planned to provide rain water harvesting pits to collect and save the water during Rainey season. ● To improve the performance of Vacuum pumps, dedicated cooling tower will be installed. ● Level control switches will be provided to install for water storage tanks, effluent storage tanks and steam condensate recovery water tanks for proper usage and avoid over flow by implement auto control system. ● Energy efficient motors (IE 03) will be procured here after for continuous running motors. 	<ul style="list-style-type: none"> ● VFD to be planed for 120HP Chilled water secondary pump. ● Temperature controllers to be planned for all cooling tower fans ● To Air receivers 04 No's Auto Water drain systems to be provided. ● Proposed to provide VFD's for 6TPH Boiler ID & FD fans to save the electrical energy. ● Proposed to provide VFD's 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. ● Energy efficient motors (IE 03) will be procured here after for continuous running motors. ● Proposed to install level switches at raw water sumps & Condensate water tanks to control the overflow. ● 3.125 MW Power Plant is under renovation ● By using power plant steam generation, VAM will be coming in operation. So, 210TR chillers-2 Nos & 150TR chiller – 1 No can be avoided.

Annexure-IV

**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)
		j. Proposed to install VFDs to all Fermenters in fermentation block renovation k. Proposed to provide new Air compressor with drier and VFD in place of existing 40 HP Air compressor for instrumentation air. l. Proposed to provide new 60 TR Methanol Brine chiller with VFD in place of existing Brine chiller to circulate brine to process equipment with high efficiency. m. Provided 20 HP CT Water pump in place of 100 HP pump for RFE Vacuum purpose.

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

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

iii) The capital investment on energy conservation equipment.

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

B. Technology Absorption**Research & Development**

i) Specific areas in which R&D Work was carried out by the Company: None

ii) Benefits derived as a result of the above R&D: None

iii) Future plan of action: Currently none

iv) Expenditure incurred on R&D : None

v) Imported technology (imported during the last 5 years): The Company has not imported any technology in the past 5 years.

c)

Foreign Exchange Earnings and Outgo	Rs. in lakhs
Used	206.135 (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: 30-07-.2021

Secretarial compliance report of KREBS BIOCHEMICALS AND INDUSTRIES LIMITED for the year ended 31st March, 2021

[Pursuant to the SEBI Circular No. IR/CFD/CMD/27/2019/ Dated 08.02.2019]

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, 2021 ("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. X (a)
 - II. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

The company has allotted 35,60,000 warrants each of which is convertible into 1 equity share of Rs.10/- each of the company at a premium of Rs. 76 per share to M/s IPCA Laboratories Limited after obtaining the approval of members in the Extra Ordinary General Meeting held on 5th February 2020. The company has received money for conversion of 1620000 warrants from M/s IPCA Laboratories Limited and accordingly the company has converted and allotted 1620000 equity shares to M/s IPCA Laboratories Limited.
 - 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;

- (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.

- (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 13 (3) of SEBI (LODR) Regulations, 2015 – Statement giving the number of investor complaints where the Company has submitted the same for the quarter ending 30th June 2019 on 30.07.2019	31st March, 2020	NIL	The same has been taken on record by the Stock Exchange
2	Regulation 14 of SEBI (LODR) Regulations, 2015 – There was Delay in making the payment of listing fee to the Stock Exchange	31st March, 2020	The company has paid interest for delay in making the payment	We observe that the company has paid interest for the period of delay to the Stock exchanges
3	Regulation 25 (3) of SEBI (LODR) Regulations, 2015 – Meeting of Independent directors was not held	31st March, 2020	Since exemption has been granted under the provisions of Companies Act, 2013, no meeting was conducted.	We observe that the company has convened Meeting of Independent directors but the same could not be held due to Covid-19 Pandemic
4	Regulation 31 (2) of SEBI (LODR) Regulations, 2015 – Entire Promoter Share holding is not in Demat form.	31st March, 2020	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.

Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means, and audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

For **DSMR & Associates**
Company Secretaries

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

UDIN: A014939C000546987

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

Place : Hyderabad
Date : 30-06-2021

Annexure 'A'

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

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

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

For **DSMR & Associates**
Company Secretaries

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

UDIN : A014939C000714682

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

Place: Hyderabad
Date: 30th July, 2021

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

- i. 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.
- ii. As on 31st March 2021, the Company has eight directors. Of the eight directors, seven (i.e 87.5%) are non-executive directors and four (i.e 50%) are independent directors. The composition of board is in conformity with Regulation 17 of the listing regulations and Section 149 of the Act.
- iii. None of the directors on the company's Board hold directorships in more than 10 public companies. Furthermore, none of them is a member of more than ten committees or chairman of more than 5 committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2021 have been made by the Directors.
- iv. Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the listing regulations read with Section 149(6) of the Act. 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.
- v. The names and categories of the Directors on the Board, their attendance, board meetings held during the year and number of directorships and committee chairmanships/ memberships held by them in other public companies as on 31st March, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act, Chairmanships/memberships of board committees shall only include audit committee and stakeholders' relationship committee.

Name	Attendance at the AGM held on 26th September, 2020	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	6	5	Nil	Nil	Nil	Nil
Mr. Avinash Ravi	Yes	6	6	Nil	Nil	Nil	Nil
Mr. G.V.L. Prasad	Yes	6	6	Nil	Nil	Nil	Nil
Dr. Tangirala Malati	Yes	6	6	Nil	Nil	Nil	Nil
Mr. Satish Khivsara	Yes	6	6	Nil	Nil	Nil	Nil
Mr. Manish Jain	Yes	6	6	Nil	1	Nil	Nil
Mr. E.J. Babu	Yes	6	5	Nil	1	Nil	Nil
Mr. Raj Kamal Prasad Verma	Yes	6	6	Nil	2	1	2

- i. Six (6) 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:
30th April, 2020, 20th May, 2020, 15th June 2020; 7th August 2020; 5th November, 2020; and 30th January, 2021.
The necessary quorum was present for all the meetings.
- ii. During the year 2020-21, 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 2021 are given below :

Name	Category	Number of equity shares
Dr R T Ravi	Non-Independent, Non-Executive	23474
Avinash Ravi	Non-Independent, Executive	2140272
G V L Prasad	Independent, Non-Executive	142530
Mr. Manish Jain	Non-Executive	100
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

- vii. Except Dr R T Ravi and Mr. Avinash Ravi, 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	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. Manish Jain	Non-Executive Director	He is a Chartered Accountant and 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.
5.	Mr. E J Babu	Non-Executive Director	He possess 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.

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 26th September, 2020 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 2020-21	
		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:

14th June 2020, 7th August 2020; 5th November, 2020 and 30th January, 2021.

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 29th January 2021.

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 2020-21	
		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 2020-21

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

C. Nomination & Remuneration Committee

- 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.
- 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 2020-21	
		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
Tangirala Malati	Independent, Non-Executive	2	2

Two(2) nomination and remuneration committee meetings were held during the year on 30th April, 2020 and 5th November, 2020.

- The company doesn't have any employee stock option scheme.
- 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.
- 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.
- During the year 2020-21, the Company paid sitting fees of Rs. 10,000 per board meeting to its non-executive directors to attend the meeting and Rs. 10,000 for audit committee meeting and Rs. 5000 for stakeholders' relationship committee and nomination and remuneration committee meetings respectively. The company also reimburses out of pocket expenses and travel expenses incurred by the directors to attend the meetings.
- Details of remuneration for the year ended 31st March 2021

a) Non-Executive Directors

Name	Sitting Fees (Rs. In lacs)
Dr R T Ravi	0.70
G V L Prasad	1.20
Mrs Tangirala Malati	1.15
Satish Khivsara	1.20
Manish Jain	0.60
E J Babu	0.50
Raj Kamal Prasad Verma	0.60

b) Executive Director

Name	Remuneration and Perks (Rs. In lakhs)
Avinash Ravi (Managing Director)	52.30

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

VI. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue
2017-18 (Year ended 31st March 2018)	10.09.2018	11:00 AM	Sarojini Villa, Kothapalli (V), Kasimkota, Anakapalli, Vishakapatnam, Andhra Pradesh-531031
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")

b. Special Resolutions passed:

- At the 26th Annual General Meeting held on 10th September 2018, the following Special Resolution was passed:
 - Re-appointment of Mr. Avinash Ravi as Managing Director of the Company for a period of three (3) years.
- 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.

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 2019. 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 2019-20

Date : 26th September 2020

Time : 2.00 P.M

Venue : Through Video Conference

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 23rd September, 2021, through Video Conference/ Other Audio Visual Means ("OAVM") at 02:00 PM.

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

AGM in : September

iii. Date of Book Closure : As mentioned in the notice to AGM to be held on 16th September 2021

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.

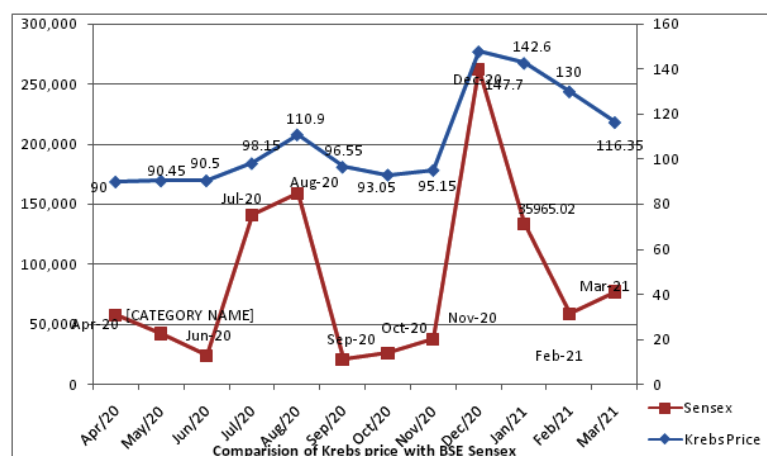
v. Corporate Identity Number (CIN) of the Company :
L24110AP1991PLC103912

vi. Market price data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2020-21 in BSE & NSE

Month	BSE		NSE		No. of shares traded	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	BSE	NSE
April-2020	90.00	60.10	96.00	68.00	57,640	5,39,908
May 2020	90.45	66.00	92.20	64.40	42,686	4,66,455
June 2020	90.50	75.05	91.95	74.70	24,255	2,13,607
July 2020	98.15	68.75	98.15	68.10	141,354	8,37,797
August 2020	110.90	73.55	111.35	81.40	159,218	9,55,271
September 2020	96.55	81.55	96.75	80.10	21,193	1,71,616
October 2020	93.05	82.65	97.50	83.00	26,087	1,44,133
November 2020	95.15	81.50	95.00	83.60	38,031	1,96,168
December 2020	147.70	90.00	148.80	92.00	262,465	18,06,755
January 2021	142.60	111.25	142.45	111.20	133,664	9,06,694
February 2021	130.00	98.10	121.90	103.20	58,684	3,88,868
March 2021	116.35	90.10	116.85	83.10	77,482	3,21,212

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 Pvt. Ltd
Plot No. 31 & 32, Karvy Selenium Tower B,
Financial District, Nanakramguda,
Gachibowli, Hyderabad- 500032.

Telephone

: 040-67161505

Fax

: 040-67161500

E-mail

: einward.ris@karvy.com

Website

: www.karvycomputershare.com

ix. Share Transfer System:

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 Karvy Computershare Private Limited at the above mentioned address.

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

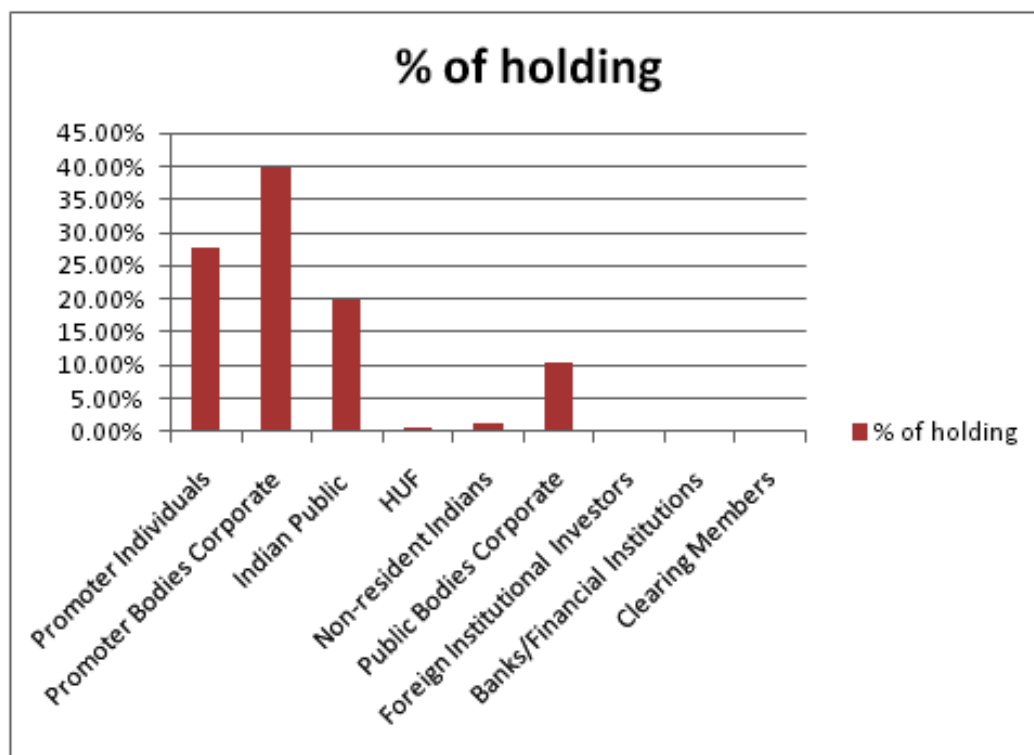
x. Shareholding as on 31st March 2021:

A. Distribution of shareholding as on 31st March 2021

S. NO.	Category (Amount)	No. of cases	% of cases	Amount	% of amount
1	1-5000	5563	86.99	692838	3.53
2	5001- 10000	407	6.36	323272	1.65
3	10001- 20000	184	2.88	276249	1.41
4	20001- 30000	75	1.17	187495	0.96
5	30001- 40000	25	0.39	87183	0.44
6	40001- 50000	28	0.44	132279	0.67
7	50001- 100000	57	0.89	415058	2.12
8	100001& Above	25	0.39	358123	1.83
		31	0.48	17148089	87.40
	Total:	6395	100.00	19620586	100.00

B. Categories of equity shareholders as on 31st March 2021:

Category	No. of equity shares held	% of holding
Promoter Individuals	4978230	25.37%
Promoter Bodies Corporate	8765195	44.67%
Indian Public	5881396	29.98%
HUF	102321	0.52%
Non-resident Indians	305,209	1.56%
Public Bodies Corporate	1809611	9.22%
Foreign Institutional Investors	1300	0.01%
Banks/Financial Institutions	522	0.00%
Clearing Members	26,222	0.13%
NBFC	0	0.00%
Total	18000586	100%



C. Top ten equity shareholders of the company as on 31st March 2021:

S.No	Name of the equity shareholder	No. of equity shares held	% of holding
1.	Ipca Laboratories Limited	8765195	44.67
2.	Hemalata Ravi	2691524	13.69
3.	Avinash Ravi	2140272	10.91
4.	Sun Pharmaceutical Industries Ltd	1050000	5.35
5.	Brescon Ventures Private Limited	499000	2.54
6.	K. Satish	443067	2.26
7.	Shaaaji Palliyath	200000	1.02
8.	Edelweiss Asset Reconstruction Company Limited	150000	0.76
9.	Nagendra Rao Vempati	119600	0.61
10.	Ajay Ravi	112,288	0.57

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 2021.

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 2021, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the code of conduct as applicable to them.

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

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

Place: Hyderabad

Date: 27-05.2021

MANAGING DIRECTOR AND CFO CERTIFICATION

To the members of
Krebs Biochemicals & Industries Limited

I, Avinash Ravi, 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 2021 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.

Avinash Ravi
Managing Director
(DIN-01616152)

R. Ravi Babu
CFO

Place: Hyderabad

Date: 27.05.2021

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, 2021, 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 2020-21.
 - 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 2020-21.
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 2019.
5. We state that such compliance is neither an assurance as to the future viability of the Company of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad

Date : 27-05-2021

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,
Anakapalle- 531031
Visakhapatnam, India

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, Anakapalle- 531031, Visakhapatnam, India (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, 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, 2021 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, such other Statutory Authority. Ensuring the eligibility of 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-A014939C000714704

Place: Hyderabad

Date : 30-07-2021

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. 2,818.60 Lakhs compared to a loss of Rs. 3,014.28 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. 30,00,00,000 (Rupees Thirty Crore only) preference share capital divided into 30,00,000 Preference Shares of Rs. 100/- each.

Reserves:

The Company has an accumulated losses of Rs. 6235.35 Lakhs as at 31st March, 2021 as against accumulated loss of Rs. 4299.65 Lakhs during the previous financial year.

Secured Loans:

Secured Loans at the end of the FY 2020-21 were reported Rs. 1000 Lakhs as against Rs. NIL in the previous FY 2019-20.

Investments:

No investments were made during the year under review.

Inventories:

The value of inventories stood at Rs. 1,660.04 Lakhs as on 31st March, 2021. 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. 29.98 Lakhs during the financial year ended 31st March 2021 as against Rs. 20.21 lakhs as on 31st March 2020.

Fixed Assets:

The net additions made to the fixed assets during the year under review was to Rs. 1,776.29 Lakhs, which takes the total gross block to Rs. 25,805.53 Lakhs as on 31st March, 2021 as against Rs. 24,029.24 Lakhs as on 31st March, 2020.

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. 486.37 lakhs for the financial year under report (Rs. 441.88 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. 627.90 Lakhs as against Rs. 592.78 Lakhs during the previous year including interest paid towards on Inter-corporate Deposits and other statutory payments.

Overheads:

The Other Overheads expenses were Rs. 2,950.20 Lakhs for the FY 2020-21 as against Rs. 2,110.32 Lakhs for the F.Y 2019-20.

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: 30-07-2021

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 on 31st March, 2021, and the Statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended 31st March, 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 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, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the loss 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 as key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue Recognition</p> <p>Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers.</p> <p>Revenue is key driver of the business and judgment is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned.</p> <p>The management of the Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified</p> <p>Revenue Recognition as a significant risk and key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition; Analytical review of the revenue recognized over the year Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant. We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognized in the appropriate period; We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements. The Company's accounting policy on Revenue recognition is included in notes. Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31st March 2021 in the standalone financial statements.

2. Due to the outbreak of Corona virus (Covid 19) and consequential lock down across the country for significant period of the first half of financial year 2020-21 there were disruption in business activities (and also subsequent to 31 March 2021 in the month of April to June 2021), however the Company has carried out its operations in Factory, as the Company's Products / Services has been declared as an essential service by Government of India.

The Management believes that there is not much of an impact likely due to this pandemic on business of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of all receivables, inventories, Property, plant and equipment and Intangible Assets and does not anticipate any impairment to those financial and non-financial assets. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Financial Performance Highlights, Directors' Report including Annexures to Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

The other information as stated above not made available to us as of the date of signing of this report is expected to be made available to us after the date of this statutory auditor's report.

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 when made available 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.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, in accordance with the accounting principles

generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has no pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bhavani & Co.
Chartered Accountants
 Firm Registration No. 012139S

CA S. Kavitha Padmini
 Partner
 Membership No. 229966
 UDIN : 21229966AAAACT1575

Place: Hyderabad

Date: 27-05-2021

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2021:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, GST, Service Tax, Duty of Customs and any other statutory dues with the appropriate authorities though there has been slight delay in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.
- 14) The Company has not made any preferential allotment of shares during the year under review. The requirement specified under section 42 of the Companies act 2013 has been complied.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Bhavani & Co.
Chartered Accountants
 Firm Registration No. 012139S
CA S. Kavitha Padmini
Partner
 Membership No. 229966
 UDIN: 21229966AAAACT1575

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

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

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

We have audited the internal financial controls over financial reporting of KREBS BIOCHEMICALS AND INDUSTRIES LIMITED (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bhavani & Co.
Chartered Accountants
Firm Registration No. 012139S

CA S. Kavitha Padmini
Partner
Membership No. 229966
UDIN: 21229966AAAACT1575

Place: Hyderabad

Date: 27-05-2021

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

(Rs in Lacs)

PARTICULARS	Note No	As at 31.03.2021 Audited	As at 31.03.2020 Audited
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	11,626.49	10,336.56
(b) Capital Work in Progress	3	1,008.91	234.56
(c) Other Intangible Assets	4	166.24	192.27
(d) Intangible assets under development	5	184.71	184.71
(e) Financial Assets	6	224.30	153.65
(f) Other Non Current Assets	7	569.62	392.28
Total Non Current Assets		13,780.27	11,494.03
Current Assets			
(a) Inventories	9	1,660.04	1,499.56
(b) Financial Assets			
(i) Trade Receivables	10	29.98	20.21
(ii) Cash & Cash Equivalents	11	71.07	17.43
(iii) Other Financial Assets	6	36.67	8.17
(c) Other Current Assets	8	344.00	340.63
Total Current Assets		2,141.76	1,885.99
Total Assets		15,922.03	13,380.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,962.06	1,800.06
(b) Other Equity	13	(6,235.35)	(4,299.65)
Total Equity		(4,273.29)	(2499.59)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	14	10,054.64	6,550.58
(ii) Other Financial Liabilities	15	565.07	269.36
(b) Provisions	16	50.09	46.75
(c) Retirement benefit obligations	17	206.28	199.58
(d) Other Non Current Liabilities	18	4,500.00	4,500.00
Total Non Current Liabilities		15,376.08	11,566.26
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	19		
(a) Total outstanding dues of micro and small enterprises		260.46	276.21
(b) Total outstanding dues of creditors other than micro and small enterprises		1,817.21	1,988.58
(iii) Other Financial Liabilities	20	1,888.11	981.75
(b) Other Current Liabilities	20	704.09	868.18
(c) Provisions	16	82.45	83.56
(d) Retirement benefit obligations	17	66.92	115.07
Total Current Liabilities		4,819.24	4,313.35
Total Equity and Liabilities		15,922.03	13,380.02

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

For For BHAVANI & COChartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha Padmini

Partner
M.NO.229966Place : Hyderabad
Date : 27.05.2021**for and on behalf of the Board of Directors**

Sd/-

DR. R.T. RAVI

Chairman
DIN: 00272977

Sd/-

B TARUNI
Company Secretary

Sd/-

AVINASH RAVI

Managing Director
DIN: 01616152

Sd/-

R RAVIBABU
C F O

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(Rs in Lacs)

PARTICULARS	Note No	Year ended 31.03.2021	Year ended 31.03.2020
I Revenue From Operations	21	3,860.64	2,358.38
II Other Operating Income	22	1,509.40	982.82
III Other Income	23	62.13	36.52
IV Total Income (I+II+III)		5,432.17	3,377.73
V Expenses			
Cost of Materials Consumed	24	2,562.26	1,917.74
Changes in Inventories of Finished Goods and Work-In-Progress	25	32.49	(331.87)
Employee Benefits Expenses	26	1,582.78	1,508.06
Finance Costs	27	627.90	592.78
Depreciation and Amortization Expenses	3&4	512.40	467.90
Other Manufacturing Expenses	28	2,628.48	1,705.21
Other Expenses	29	321.72	405.11
Total Expenses (V)		8,268.03	6,264.93
VI Profit/ (Loss) Before Exceptional Items and Tax (I-V)		(2,835.86)	(2,887.20)
VII Exceptional Items			
Depletion in the Value of Inventory		-	-
Amount Written Off		-	-
Prior Period (Expenditure) / Income		-	-
Profit on sale of Fixed Assets		-	-
Total Exceptional items (VII)		-	-
VIII Profit/ (Loss) Before Tax (VI-VII)		(2,835.86)	(2,887.20)
IX Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
X Profit/ (Loss) for the Period From Continuing Operations (VIII-IX)		(2,835.86)	(2,887.20)
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)		(2,835.86)	(2,887.20)
XV Other Comprehensive Income			
A. (i) Items That Will Not Be Reclassified to Profit or Loss		25.51	(7.70)
(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		(8.25)	(119.39)
(ii) Income Tax Relating to Items That Will Be Reclassified to Profit or Loss		-	-
Other Comprehensive Income for the year		17.26	(127.08)
XVI Total Comprehensive Income For The Period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)		(2,818.60)	(3,014.28)
XVII Earning per Equity Share (For Continuing Operation):			
(1) Basic		(14.53)	(17.90)
(2) Diluted		(14.53)	(17.90)

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

For For BHAVANI & COChartered Accountants
Firm's Reg No: 012139SSd/-
CA S. Kavitha Padmini
Partner
M.NO.229966Place : Hyderabad
Date : 27.05.2021**for and on behalf of the Board of Directors**Sd/-
DR. R.T. RAVI
Chairman
DIN: 00272977Sd/-
B TARUNI
Company SecretarySd/-
AVINASH RAVI
Managing Director
DIN: 01616152Sd/-
R RAVIBABU
C F O

Value Through Biochemistry



KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

(Rs in Lacs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	(2,835.86)	(2,887.20)
Adjustments for:		
Depreciation and Amortisation Expenses	512.40	467.90
Non Current provisions	27.30	(165.66)
Financial Charges	627.90	592.78
Operating Profit before Working Capital Changes	(1,668.26)	(1,992.18)
Changes in Working Capital		
(Increase)/Decrease in Inventories	(160.49)	(603.19)
(Increase)/Decrease in Trade Receivables	(9.77)	270.89
(Increase)/Decrease in Other Financial Assets	(28.50)	12.86
(Increase)/Decrease in Other Current Assets	(3.37)	(183.34)
(Increase)/Decrease in Financial Assets	(70.64)	(8.31)
(Increase)/Decrease in Other Non Current Assets	(177.35)	126.30
Increase /(Decrease) in Retirement benefit obligations	(48.15)	38.03
Increase/(Decrease) in Current Provisions	(1.10)	17.97
Increase/(Decrease) in Trade Payables	(187.12)	125.53
Increase/(Decrease) in Other financial liabilities	1,061.36	(1,392.41)
Increase/(Decrease) in Other Current Liabilities	(164.09)	38.10
Cash generated from Operations	210.79	(1,557.57)
Net Cash Flow from Operating Activities	(1,457.48)	(3,549.75)
Proceeds from / (Payment to) Capital Work-in-Progress	(774.35)	(71.11)
Proceeds from / (Payment to) Property, Plant & Equipment	(1,776.29)	(870.01)
Proceeds from / (Payment to) Intangible assets under development	-	-
Proceeds from / (Payment to) Other Intangible Assets	-	-
Proceeds from / (Payment to) Other Financial Liabilities	295.70	(81.11)
Cash Flow from Investing Activities	(2,254.94)	(1,022.23)
Financial Charges	(627.90)	(592.78)
Proceeds from / (Payment to) long term borrowings	3,349.06	1,506.70
Proceeds from / (Payment to) Share Capital	1,044.90	1,943.60
Cash Flow from Financing Activities	3,766.06	2,857.52
Net Increase (Decrease) in Cash and Cash equivalents	53.64	(1,714.46)
Cash and Cash equivalents as at the beginning of the year	17.43	1,731.89
Cash and Cash equivalents at the end of the year	71.07	17.43

For For BHAVANI & COChartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha PadminiPartner
M.NO.229966Place : Hyderabad
Date : 27.05.2021**for and on behalf of the Board of Directors**

Sd/-

DR. R.T. RAVIChairman
DIN: 00272977

Sd/-

B TARUNI

Company Secretary

Sd/-

AVINASH RAVIManaging Director
DIN: 01616152

Sd/-

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 01.04.2019	166.30	1,663.06
Increased during the year	13.70	137.00
As at 31.03.2020	180.00	1,800.06
Increased during the year	16.20	162.00
As at 31.03.2021	196.20	1,962.06

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.

Other Equity as at 31-03-2020

(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 01.04.2019		8,054.96	(12,292.01)	39.38	1,105.70	(3,091.98)
Profit for the year	-	-	(2,887.20)	-	-	(2,887.20)
Profit/(Loss) on sale of fixed asset			0.62		(0.62)	-
Other Comprehensive Income	-	-	(127.08)	-	-	(127.08)
Total Comprehensive Income for the year	-	8,054.96	(15,305.67)	39.38	1,105.08	(6,106.25)
Received on Preferential Issue	765.40	1,041.20	-			1,806.60
Balance as at 31.03.2020	765.40	9,096.16	(15,305.67)	39.38	1,105.08	(4,299.65)

For For BHAVANI & COChartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha Padmini
Partner
M.NO.229966Place : Hyderabad
Date : 27.05.2021**for and on behalf of the Board of Directors**

Sd/-

DR. R.T. RAVI
Chairman
DIN: 00272977

Sd/-

B TARUNI
Company Secretary

Sd/-

AVINASH RAVI
Managing Director
DIN: 01616152

Sd/-

R RAVIBABU
C F O

Significant accounting policies to the Financial Statements for the Year Ended 31st March, 2021

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 Regadichelika, 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

- a) Raw Materials, Work-In-Progress and Finished Goods are valued at lower of the cost or net realisable value. Cost of raw materials comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.
- b) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- c) The basis of determining the cost is

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

2.4 Property plant and equipment :

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. "Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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

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

I 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. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised.

The Said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind AS 115.

II Ind AS 116 Leases:

Effective 1st April' 2019, the company has adopted Ind AS 116 - Leases using the modified retrospective method. The adoption of the standard did not have any material impact on the stand alone financial result of the company.

2.21 Effect of Covid-19

The company has considered the possible effects that may result from the pandemic relating to Covid 19 on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the future possible uncertainties in the global economic conditions, the Company has, at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non - financial assets. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

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 31.03.2021																			
Gross Carrying Amount																			
Deemed Cost as on 01.04.2020	4,841.87	30.80	1,918.65	127.80	12,378.08	1,204.36	139.31	881.73	350.93	933.76	265.40	523.00	104.15	50.40	62.61	118.16	98.24	24,029.24	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	1,204.36	162.67	1,018.19	350.93	1,460.78	360.05	561.39	104.15	52.49	72.09	118.16	107.28	25,805.53	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	257.70	62.34	385.05	3.21	819.66	195.94	191.42	2.00	3.50	18.52	4.57	15.08	11,626.49	1,008.91
Year Ended 31.03.2020																			
Gross Carrying Amount																			
Deemed Cost as on 01.04.2019	4,842.50	27.89	1,898.60	107.77	11,919.09	1,204.36	97.47	841.64	350.93	672.70	255.40	519.58	104.15	50.40	62.29	118.16	86.30	23,159.22	163.45
Additions	-	2.91	20.05	20.03	458.99	-	41.84	40.09	-	261.06	10.00	3.42	-	-	0.32	-	11.93	870.64	941.71
Disposals	0.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63	870.60
Closing Gross Carrying Amount	4,841.87	30.80	1,918.65	127.80	12,378.08	1,204.36	139.31	881.73	350.93	933.76	265.40	523.00	104.15	50.40	62.61	118.16	98.24	24,029.24	234.56
Accumulated Depreciation	-	4.73	922.31	29.35	8,857.01	928.72	97.47	577.09	346.65	608.79	148.26	344.35	95.58	48.22	50.38	112.29	79.60	13,250.79	-
Depreciation charge for the Year	-	5.44	66.36	1.78	292.13	8.97	0.49	28.33	0.54	8.38	7.19	12.60	1.44	0.55	1.53	0.65	5.51	441.88	-
Closing 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	-
Closing Net Carrying Amount	4,841.87	20.63	929.98	96.68	3,228.95	266.67	41.35	276.31	3.74	316.58	109.94	166.05	7.14	1.64	10.70	5.22	13.12	10,336.56	234.56

Note 4 : Other Intangible assets

(Rs in Lacs)

Particulars	Product Development
Year Ended 31.03.2021	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2020	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
Year Ended 31.03.2020	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2019	282.07
Additions	-
Capitalised during the year	-
Closing Gross Carrying Amount	282.07
Opening Accumulated Amortisation	63.78
Amortisation charge for the Year	26.02
Closing Accumulated Amortisation	89.80
Closing Net Carrying Amount	192.27

a) Product Development expenses of certain key products amortized over a period of 10 years.

Note 5 : Intangible Assets Under Development

(Rs in Lacs)

Particulars	Product Development Under Process
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
Year Ended 31.03.2020	
Gross Carrying Amount	-
Deemed Cost as on 01.04.2019	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

Note 6 : Financial Assets

(Rs. in Lacs)

Particulars	31.03.2021		31.03.2020	
	Current	Non Current	Current	Non Current
Security Deposit		220.55		149.91
Advances to Employees	29.01	3.74	1.00	3.74
Interest Accrued and due	6.52	-	6.80	-
Interest Accrued but not due	1.14	-	0.38	-
Total Financial Assets	36.67	224.30	8.17	153.65

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	31.03.2021	31.03.2020
Capital Advances	185.47	77.99
Other Advances	121.33	121.33
Balances with Govt Authorities		
TDS Receivable	202.47	171.47
ITC Receivable	21.50	21.50
TCS Receivable	1.65	-
Customs Duty	37.21	-
Total Other Non Current Assets	569.62	392.28

Note 8 : Other Current Assets

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Balances with Govt Authorities	275.45	277.36
Advances for materials & Services	29.01	39.29
Prepaid Expenses	39.54	23.98
Total Other Current Assets	344.00	340.63

Note 9: Inventories

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Raw Materials	835.64	651.63
Work in Progress	664.17	687.93
Finished Goods	139.28	148.52
Stores, Spares & Consumables	20.95	11.48
Total Inventories	1,660.04	1,499.56

Note 10 : Trade Receivables

Unsecured, Considered Good

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Trade Receivables	5.05	12.85
Receivable from Related Parties	24.93	11.99
Less : Allowance for Doubtful Debts	-	(4.64)
Total Receivables	29.98	20.21
Out Standing for a Period	-	8.03
Exceeding Six Months		
Others	29.98	12.18

Note 11 : Cash & Cash Equivalents

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Balances with Banks		
- in current accounts	59.01	4.13
- in Margin Money accounts	11.83	11.83
Deposits with Maturity Less than three months	-	-
Cash on Hand	0.24	1.47
Total Cash & Cash Equivalents	71.07	17.43

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 01.04.2019	200.00	2,000.00	-	-
Increased during the year	30.00	300.00	30.00	3,000.00
As at 31.03.2020	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

b) Movements in Share Capital

All Figures In Lacs

Particulars	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2019	166.30	1,663.06
Increased during the year	13.70	137.00
As at 31.03.2020	180.00	1,800.06
Increased during the year	16.20	162.00
As at 31.03.2021	196.20	1,962.06

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) 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.

c) Details of shares held by each shareholder holding more than 5% shares:

Names of share holders	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares in Lakhs	% holding	Number of shares in Lakhs	% holding
Equity shares with voting rights				
Ipca Laboratories Ltd	87.65	44.67%	71.45	39.69%
Hemalatha Ravi	26.92	13.72%	26.92	14.96%
Avinash Ravi	21.40	10.91%	21.40	11.89%
Sun Pharmaceutical Industries Ltd	10.50	5.35%	10.50	5.83%
	146.47	74.65%	130.27	72.37%

Note 13 : Other Equity

Particulars	31.03.2021	31.03.2020
Securities Premium Account	10,327.36	9,096.16
State Subsidy	39.38	39.38
Retained Earnings	(18,124.27)	(15,305.67)
Ind AS conversion reserve	1,105.08	1,105.08
Money received against share warrants	417.10	765.40
Total Reserves & Surplus	(6,235.35)	(4,299.64)

Securities Premium Reserve

Particulars	31.03.2021	31.03.2020
Opening Balance	9,096.16	8,054.96
Received during the year	1,231.20	1,041.20
Closing Balance	10,327.36	9,096.16

State Subsidy

Particulars	31.03.2021	31.03.2020
Opening Balance	39.38	39.38
Additions	-	-
Closing Balance	39.38	39.38

Retained Earnings

Particulars	31.03.2021	31.03.2020
Opening Balance	(15,305.67)	(12,292.01)
Net profit for the period	(2,818.60)	(3,014.28)
Profit on sale of fixed asset transferred from Ind AS conversion reserve to retained earnings	-	0.62
Closing Balance	(18,124.27)	(15,305.67)

Ind As Conversion Reserve

Particulars	31.03.2021	31.03.2020
Opening Balance	1,105.08	1,105.70
Profit on sale of fixed asset transferred from Ind AS conversion reserve to retained earnings	-	(0.62)
Closing Balance	1,105.08	1,105.08

Money received against share warrants

Particulars	31.03.2021	31.03.2020
Opening Balance	765.40	-
Received during the year	1,044.90	765.40
Share warrants convert into Equity share capital	(1,393.20)	-
Closing Balance	417.10	765.40

(Rs. in Lacs)

Note 14 : Long term Borrowings

Particulars	Maturity Date	Terms of Repayment	Interest Rate / Coupon Rate	31.03.2021		31.03.2020	
				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%	59.18	52.14	70.68	103.08
From Directors		Refer point (b & c)		-	355.00	-	200.00
From Ipca Laboratories Limited		With in 3 years from the date of its acceptance	8.00%	-	6,647.50	-	3,247.50
Non convertible, Redeemable, Non-Cumulative preference shares		Refer point (e)			3,000.00		3,000.00
Total				59.18	10,054.64	70.68	6,550.58

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.70.68 lakhs for its Pharma division unit at Kothapalli. The interest free sales tax loan so far stood at Rs.111.33 lakhs after remeasuring the liability at fair value at a discounting rate of 8%.

- b) Loan from Directors includes Rs.200 lakhs of Mr.Avinash Ravi which is bearing interest@12% pa.
- c) Loan from Directors includes Rs.155 lakhs which is outstanding liability of Mr.Avinash Ravi converted into long term Loan account as on 31-03-2021.
- d) IPCA Laboratories Ltd reduced rate of Interest on ICD (Inter Company Deposit) from 11.5% to 8% from 1st July, 2020 onwards.
- e) 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.

Note 15: Other Financial Liabilities Rs in Lacs

Particulars	31.03.2021	31.03.2020
Payables for Capital Works		
i. Total outstanding dues of micro and small enterprises	76.84	111.54
ii. Total outstanding dues of creditors other than micro and small enterprise	488.23	157.82
Total Other Financial Liabilities	565.07	269.36

Note 16: Provisions

(Rs. in Lacs)

Particulars	31.03.2021		31.03.2020	
	Current	Non Current	Current	Non Current
Provision for Bonus	49.08		44.61	-
Provision for Leave Encashment	33.37	50.09	38.95	46.75
Other Provisions	-	-	-	-
Total Provisions	82.45	50.09	83.56	46.75

Note 17: Retirement benefit obligations

(Rs. in Lacs)

Particulars	31.03.2021		31.03.2020	
	Current	Non Current	Current	Non Current
Provision for Gratuity	66.92	206.28	115.07	199.58
Total Retirement benefit obligations	66.92	206.28	115.07	199.58

Note 18: Other Non Current Liabilities Rs in Lacs

Particulars	31.03.2021	31.03.2020
Interest Free Lease Deposit	4,500.00	4,500.00
Rent Received in Advance	-	-
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: Trade Payables Rs in Lacs

Particulars	31.03.2021	31.03.2020
Trade Payables		
For Materials		
i.Total outstanding dues of micro and small enterprises	260.46	276.09
ii.Total outstanding dues of creditors other than micro and small enterprise	1,464.16	1,726.90
For Services		
i.Total outstanding dues of micro and small enterprises	-	0.11
ii.Total outstanding dues of creditors other than micro and small enterprise	353.05	261.68
Total Trade Payables	2,077.67	2,264.79

Note 20: Other Financial Liabilities & Other Current Liabilities

Other Financial Liabilities Rs in Lacs

Particulars	31.03.2021	31.03.2020
Current Maturities of Borrowings	59.18	70.68
Bajaj Finance Ltd -STL	1,000.00	-
Payables for Other Expenses		
Payables for Related Parties	447.80	320.56
Payables for Others	162.36	290.33
Salaries Payable	171.85	241.29
Audit Fees Payable	15.47	28.61
Directors Remuneration Payable	31.45	30.27
Total Other Financial Liabilities	1,888.10	981.75

Short Term Loan (Secured) availed from Bajaj Finance Ltd of Rs.1,000 Lakhs on 20th Aug'2020, Which is repayable with in one year in a single payment, and Interest @ 7.65% per Annum shall payable on monthly basis (Exclusive charge on Plant & Machinery of Krebs Biochemicals & Industries Limited having WDV of Rs. 33.38 Crores as a Primary security & Lien on FD (Fixed Deposit) placed with Bajaj finance Ltd for 110% of loan amount by IPCA Laboratories Ltd as collateral security).

Other Current liabilities

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Statutory Remittances	153.46	278.52
Advance from Customers		
Advances received from Related parties	529.11	569.79
Advances received from others	21.52	19.87
Total Other Current Liabilities	704.09	868.18

Note 21: Revenue from Operations Rs in Lacs

Particulars	31.03.2021	31.03.2020
Export Sales	-	-
Domestic Sales	3,860.64	2,358.38
Total Revenue from Operations	3,860.64	2,358.38

Note 22: Other Operating Income

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Lease Rentals	101.69	101.69
Job Work Services	1,377.20	850.62
Fee for Providing Manufacturing Services	30.51	30.51
Total Operating Revenue	1,509.40	982.82

Note 23: Other Income

Rs in Lacs

Particulars	31.03.2021	31.03.2020
Sale of Scrap (Including RM Scrap)	54.92	9.85
Interest Income	7.21	25.98
Profit on sale of fixed asset	-	0.69
Total Other Income	62.13	36.52

Note 24: Cost of Materials consumed Rs in Lacs

Particulars	31.03.2021	31.03.2020
Raw Materials at the beginning of the year	651.63	386.95
Add: Purchases	2,749.67	2,184.81
Less: Self Consumption	(3.40)	(2.38)
Less: Closing Stock at the end of the year	835.64	651.63
Total Cost of Materials Consumed	2,562.26	1,917.74

Note 25: Changes in Inventories of Finished Goods, Work in Progress

(Rs. in Lacs)

Particulars	31.03.2021	31.03.2020
a) Work in Progress		
Opening Stock	593.48	413.24
Less: Self Consumption	-	-
Closing Stock	659.54	593.48
Net (Increase) / Decrease	(66.06)	(180.24)
b) Job Work Service Under Process		
Opening Services	94.45	47.98
Closing Services	4.63	94.45
Net (Increase) / Decrease	89.81	(46.47)
c) Finished Goods		
Opening Stock	148.52	44.03
Less: Samples	(0.50)	(0.67)
Closing Stock	139.28	148.52
Net (Increase) / Decrease	8.74	(105.16)
Total (a+b+c)	32.49	(331.87)

Note 26: Employee Benefit Expenses

(Rs. in Lacs)

Particulars	31.03.2021	31.03.2020
Salaries, Wages & Benefits	1,451.32	1,411.75
Staff Welfare	79.16	44.00
Director's Remuneration	52.30	52.32
Total Employee Benefits	1,582.78	1,508.06

Note 27: Finance Costs

(Rs. in Lacs)

Particulars	31.03.2021	31.03.2020
Interest on ICD	440.31	540.57
Other Interest	186.86	51.79
Bank Charges	0.73	0.42
Total Finance Costs	627.90	592.78

Note 28: Other Manufacturing Expenses

(Rs. in Lacs)

Particulars	31.03.2021	31.03.2020
Power & Fuel	1,591.08	1,028.04
Lab Expenditure	120.56	70.92
Repairs & Maintenance (Including Spares & Consumables)	341.06	287.53
Machinery Rent	63.60	61.05
ETP Maintenance	282.52	147.47
Manpower Charges	229.67	110.19
Total Other Manufacturing Expenses	2,628.48	1,705.21

Note 29: Other Expenses

(Rs. in Lacs)

Particulars	31.03.2021	31.03.2020
Rent	30.65	18.63
Rates & Taxes	40.07	104.39
Insurance	8.27	3.89
Printing & Stationary	20.92	16.51
Communication Expenses	11.13	18.96
Consultancy & Legal Exp.	29.64	38.97
General Expenses	11.06	15.26
Security Service Charges	74.62	62.82
Directors Sitting fees	5.95	5.55
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	43.81	35.84
Directors Travelling	0.25	7.22
Office Maintenance	10.99	17.88
Carriage Outward	13.54	6.35
Business Promotion Expenditure	0.47	9.76
Expected Credit Losses	-	2.94
Bad debts written off	8.02	-
Penalties/Liquidated Damages	-	12.44
Donations	0.62	0.50
Interest and Penalties	-	7.52
Prior Period Expense	4.65	12.65
Total Other Expenses	321.72	405.11

NOTE- 30**Contingent Liabilities :**

The following contingent liabilities are not provided for.

(i) Income Tax: Various demands raised by the Income Tax authorities amounting to Rs.293.28 lakhs (Previous Year Rs.336.18 lakhs) for which the company filed an appeal with Honorable High Court of Judicature at Hyderabad for the State of Telangana.

(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 preferred to file appeals with higher authority.

(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- 31

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- 32**Managerial Remuneration:**

(Rs. in Lacs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Managing Director Avinash Ravi		
---- Remuneration	42.00	42.02
---- Perquisites	3.30	3.30
---- LTA	3.50	3.50
---- Holiday Passage	3.50	3.50
Total	52.30	52.32

NOTE- 33**Related party disclosures :****a) Name of the related parties:**Promoters / Promoters Group :

Dr. R.T.Ravi - Chairman
Mr. Avinash Ravi - Managing Director
Mrs. Hemalata Ravi w/o Dr.R.T.Ravi
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. Avinash Ravi - Managing Director
Mr. E.J.Babu - Director
Mr. Manish Jain - Director
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 wef 30.04.2020
Ms. B Taruni - CS wef 09.08.2019

Companies in which Directors relatives are Directors :

M/s. Ravi Agroceuticals Pvt Ltd

b) Aggregated Related party disclosures for the financial year 2020-21

i) Particulars of transactions during the year (Rs. in Lacs)

Nature of Transaction	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Remuneration and Perquisites paid/ payable to Promoters/Promoters Group		
Avinash Ravi -Managing Director	52.30	52.32
b) Sitting Fees paid/payable to Directors	5.95	5.55
c) Remuneration paid/payable to Key Managerial Persons		
R.Ravi babu	14.17	-
B.Taruni	7.85	4.88
S.Phani Srinath	-	1.00
V.Haritha	-	2.50
d) Transactions with Investing Parties having significant influence on the Company directly-Ipca Laboratories Ltd		
ICD Received	5,400.00	1,115.00
Interest Paid/Payable on ICD	407.29	486.52
Purchases made (Including Taxes)	1,300.72	989.27
Sales and Services made (Including Taxes, Excluding Cash discount)	6,468.21	4,025.56
Advances received	1,042.29	1,114.20
e) Amount received Against Shares Issued to Promoters/Promoters Group		
IPCA Laboratories Limited	-	1,178.20
f) Amount received against Non convertible, Redeemable, Non-cumulative preference shares to Ipca Laboratories Ltd	-	3,000.00
g) Amount Received Against Share Warrants - Ipca Laboratories Ltd	1,044.90	765.40
h) Transactions with Promoters/ Promoters Group		
Interest Paid/Payable to Avinash Ravi on Loan	22.20	21.66
i) Transactions with a Companies in which Directors relatives are Directors		
Amount paid/payable to Ravi Agroceuticals Pvt Ltd	6.13	2.70
TOTAL	15,771.99	12,764.75

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

(Rs. in Lacs)

Nature of Transaction	31st March 2021	31st March 2020
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	(6,647.50)	(3,247.50)
Ipca Laboratories Ltd - Creditor	(523.94)	(631.33)
Ipca Laboratories Ltd - Debtor	24.93	11.99
Ipca Laboratories Ltd - Advances Received	(529.11)	(569.79)
Interest Payable to Ipca on ICD	(307.53)	(32.24)
Ipca Laboratories Ltd - Non convertible, Redeemable, Non-cumulative preference shares	(3,000.00)	(3,000.00)
b) Amounts due from/(due to) Promoters/Promoters Group		
Avinash Ravi - Loan	(355.00)	(200.00)
Interest Payable to Avinash Ravi on Loan	(90.96)	(68.76)
Remuneration Payable to Avinash Ravi	(8.74)	(7.57)
Remuneration Payable to Dr.R.T.Ravi	(36.45)	(36.45)
Rent Payable to Hemalatha Ravi	(18.02)	(18.02)
Advances received from Avinash Ravi	-	(125.78)
Advances received from Hemalatha Ravi	-	(42.43)
Ajay Ravi - Creditor	-	(0.50)
Advances received from Aditya Ravi	-	(7.70)
Salary Payable to Ajay Ravi	(4.75)	(4.75)
Salary Payable to Aditya Ravi	(4.84)	(4.84)
c) Amounts due from/(due to) to Companies in which Directors relatives are Directors		
Rent Payable to Ravi	(31.29)	(25.62)
Agroceuticals Pvt Ltd		
TOTAL	(16,033.20)	(12,511.29)

NOTE- 34

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- 35

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 2021	For the year ended 31st March 2020
Profit after Tax	(281,859,835)	(301,428,289)
Closing equity shares outstanding (Nos.)		
Opening equity shares outstanding (Nos.)	18,000,586	16,630,586
Add: Issued during the year (Nos.)	1,620,000	1,370,000
Closing equity shares outstanding (Nos.)	19,620,586	18,000,586
Weighted avg no. of shares outstanding (Nos.) (Basic)	19,620,586	18,000,586
Weighted avg no. of shares outstanding (Nos.) (Diluted)	19,402,521	16,839,617
Nominal Value of Equity Share	10.00	10.00
Basic EPS	(14.53)	(17.90)
Diluted EPS	(14.53)	(17.90)

NOTE- 36

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

NOTE- 37

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- 38

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- 39

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 For BHAVANI & CO

Chartered Accountants
Firm's Reg No: 012139S

Sd/-

CA S. Kavitha Padmini

Partner

M.NO.229966

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI

Chairman

DIN: 00272977

Sd/-

AVINASH RAVI

Managing Director

DIN: 01616152

Sd/-

B TARUNI

Company Secretary

Sd/-

R RAVIBABU

C F O

Place : Hyderabad

Date : 27.05.2021

Additional Notes

Movement of Inventory

(Rs. In Lacs)

Particulars	Figures as at end of 31-March-2021	Figures as at end of 31-March-2020
Raw Materials including packing materials	835.64	651.63
Work in Progress		
Phenylephrine	310.14	250.22
Simvastatin	176.23	182.73
Lovastatin	84.01	69.24
Sambam (RSS)	78.22	88.75
Others	10.95	96.98
Total Work in progress	659.55	687.93
Finished Goods		
Phenylephrine	84.05	10.80
Simvastatin	51.73	134.22
Others	3.50	3.50
Total Finished Goods	139.28	148.52
Spares, Fuels and Consumables	25.58	11.48
Total Inventory	1660.05	1499.56

Movement of Intangible Assets

(Rs. In Lacs)

Particulars	Gross Block			Amortization Block			Net Block
	As at 1st April, 2020	Additions during the year	As at 31st March, 2021	Up to 1st April 2020	For the Year	Up to 31st March, 2021	As at 31st March, 2021
Product Development expenses-Others	184.71	-	184.71	-	-	-	184.71
Product Development expenses-Serratio	134.59	-	214.13	79.54	19.23	98.77	115.36
Product Development expenses-Phenylephrine	8.62	-	11.89	3.27	1.19	4.46	7.43
Product Development expenses-RSS	49.05	-	56.04	6.99	5.61	12.59	43.45
Total	376.97	0.00	466.77	89.80	26.02	115.82	350.95

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

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a non funded plan.

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet as per Actuarial Valuation.

Expenses recognised in Statement of Profit & Loss

Particulars	31.03.2021	31.03.2020
Current Service cost	2,298,931	2,039,949
Interest Expense	1,281,715	1,293,079
Past Service cost	-	-
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognized for the period	(2,551,430)	769,566
Expense recognized in statement of P&L a/c	3,580,646	3,333,028
Expenses recognised in Other Comprehensive Income	(2,551,430)	769,566

Changes in present value of defined benefit obligation

Particulars	31.03.2021	31.03.2020
Present value of defined benefit obligation at the beginning of the year	21,791,681	17,689,087
Current Service cost	2,298,931	2,039,949
Interest Expense	1,281,715	1,293,079
Past Service cost	-	-
Actuarial (Gain)/ Loss	(2,551,430)	769,566
Benefit paid	(729,358)	-
Present value of defined benefit obligation at the end of the year	22,091,539	21,791,681

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

Particulars	31.03.2021	31.03.2020
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	-	-
Contribution by Employee	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end	-	-

Principal Actuarial Assumptions:

Mortality	2020-21	2019-20
	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.16%	6.14%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	9.93	9.97
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-2021			As at end of 31-March-2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Trade Receivables			29.98			20.21
Cash and cash equivalents			71.07			17.43
Other Financial Assets			36.67			8.17
Total			137.72			45.81
Financial Liabilities						
Trade Payables			1817.21			2264.79
Borrowings			10,619.71			6819.94
Others			-			-
Total			12,436.92			9084.73

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

(Rs.)

Particulars	2020-21	2019-20
Depreciation on PPE	486.58	441.88
Amortisation of Intangible Assets	26.02	26.02
Depreciation and Amortisation as per Statement of Profit and Loss	512.60	467.90

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	2020-21	2019-20
Type of goods or service		
Sale of goods		
Phenylephrine	2,314.61	1,462.45
Simvastatin	1,545.58	848.41
Sabam-RSS	0.45	47.53
Sale of Services		
Sale of Services	1,509.40	982.82
Others		
Other Operating revenue	62.13	36.52
Total revenue from contract with customers	5,432.17	3,377.73
India	5,432.17	3,377.73
Outside India	-	-
Total revenue from contract with customers	5,432.17	3,377.73