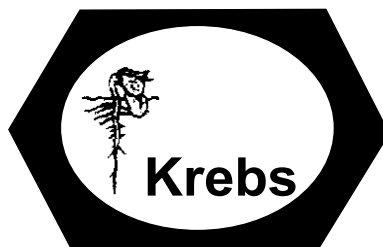


KREBS BIOCHEMICALS & INDUSTRIES LIMITED



**23rd Annual Report
2014 - 15
(01.10.2014 - 31.03.2015)**



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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Dr. R T Ravi	-	Non-Executive Director & Chairman (DIN:00272977)
Mr. Avinash Ravi	-	Managing Director (DIN:01616152)
Mr. G.V.L. Prasad	-	Independent Director (DIN:00017081)
Mrs. Tangirala Malati	-	Independent Director (DIN: 07094957)
Mr. Satish Khivsara	-	Additional Independent Director (DIN: 07244464)

Company Secretary & Compliance Officer

Ms. Haritha Varanasi

REGISTERED OFFICE:

Krebs Biochemicals & Industries Limited
Plot No.34, 8-2-577/B, Maas Heights,
Road No.8, Banjara Hills,
Hyderabad- 500034.
Tel: 040-66037777 Fax: 040-66037755
Email: com_sec@krebsbiochem.com
website: www.krebsbiochem.com

CORPORATE IDENTITY NUMBER:

L24110TG1991PLC013511

PLANT LOCATIONS:

Unit-I

Regadichelika, Talamanchi Panchayat,
Racharlapadu Post, Nellore Dist.- 524316.

Unit-II

Kothapalli Village, Verdurparthy Post,
Kasimkota Mandal, Viakhapatnam Dist- 531031

STATUTORY AUDITORS :

M/s. Pavuluri & Co.,
Chartered Accountants
#105, First Block, 1st Floor,
Divyashakti Complex, Ameerpet,
Hyderabad- 500016.

BANKERS:

HDFC Bank
Axis Bank

AUDIT COMMITTEE:

Mr. G.V.L. Prasad - Chairman
Mrs. T. Malati - Member
Dr. R T Ravi - Member

NOMINATION & REMUNERATION COMMITTEE:

Mrs. T. Malati - Chairman
Mr. G.V.L. Prasad - Member
Dr. R T Ravi - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. G.V.L. Prasad - Chairman
Mr. Avinash Ravi - Member
Dr. R T Ravi - Member

REGISTRAR & SHARE TRANSFER AGENTS

M/s Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Gachibowli,
Hyderabad- 500008.

LISTED AT

BSE Limited.
National Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE268B01013

INVESTOR E-MAIL ID
com_sec@krebsbiochem.com

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of M/s. Krebs Biochemicals & Industries Limited will be held on Tuesday, 29th September, 2015 at 3:00PM at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad, Telangana- 500004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the six months period from 01st October, 2014 to 31st March, 2015 on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Dr. R T Ravi (DIN-00272977) , who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of M/s. Pavuluri & Co, Chartered Accountants, (Registration No.012194S), Hyderabad, who were appointed as the Statutory Auditors of the Company till the conclusion of 27th Annual General Meeting, be and are hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2016.”

SPECIAL BUSINESS:

4. Appointment of Mr. Satish Khivsara as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made thereunder, Mr. Satish Khivsara, (holding DIN 07244464) who was appointed as additional director by the Board of Directors in the meeting held on 13th August, 2015 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Satish Khivsara as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5(five) consecutive years up to 31st March, 2020.

5. To appoint Mr. Avinash Ravi as Managing Director of the company and fix his remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 and Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any re-enactment or modification thereof for the time being in force), subject to the approval of the central Government and such other necessary approval(s), consent(s) or permission(s), as may be required, consent of the members of the Company be and is hereby accorded to appoint Mr. Avinash Ravi (DIN-01616152) as Managing Director of the Company with effect from 13th August, 2015, on such terms and conditions as agreed mutually between the Board and Mr. Avinash Ravi and at a remuneration as set out below for a period of three (3) years up to 13th August, 2018.

Remuneration: Rs. 42.00 Lakhs per annum.

Holiday passage for family staying abroad: Rs. 350,000/- per annum

Leave Travel Concession : Rs. 350,000/- per annum

Provision of a car with driver, Mobile and Land line, Phone & Internet

Expenses on fuel for car, Driver, Mobile, Landline and Internet provision: Rs. 27,500/- per month.

Company's contribution towards Provident Fund and Gratuity payable at a rate not exceeding half of a month's salary for each completed year of service and Encashment of leave at the end of his tenure. The same shall however, not to be included in the computation of limits for the remuneration of perquisites aforesaid.

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

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

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 13.08.2015

Registered Office: Plot No.34, 8-2-577/B,
Road No.8, Banjara Hills, Hyderabad-500034.
Ph: 040-66037777, Fax: 040-66037755
Email: com_sec@krebsbiochem.com,
Website: www.krebsbiochem.com
CIN:L24110TG1991PLC013511

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2015 to 29th September, 2015(Both days inclusive).
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)



11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Private Limited., Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.
17. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website www.krebsbiochem.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: com_sec@krebsbiochem.com.
18. Voting through electronic means
 - i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting. ("Remote E-voting").
 - ii) The facility for voting through electronic voting system ("Insta Poll") shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through "Insta Poll".

- iii) The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- v) The Board of Directors of the Company has appointed Mrs. K. Jhansi Laxmi, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the insta poll and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- 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., 22nd September, 2015.
- 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, 22nd September, 2015 only shall be entitled to avail the facility of remote e-voting / insta poll.
- viii) Any person who becomes a member of the Company after dispatch of the notice of the meeting and holding shares as on the cut-off date i.e, 22nd September, 2015 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 26th September, 2015
End of remote e-voting	: On 05.00 PM (IST) on 28th September, 2015.

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.
- x) The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website

of the Company www.krebsbiochem.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

- xi) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e, September 29, 2015.
- xii) Instructions and other information relating to e-voting
- A) A member receiving an e-mail from Karvy (For members whose e-mail addresses are registered with the Company/Depository Participant(s):
 - a) Launch internet browser by typing the URL : <https://evoting.karvy.com>
 - b) Enter the log in credentials (i.e USER ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID.
However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c) After entering these details appropriately, Click on "LOGIN".
 - d) You will now reach password change menu wherein you are required to mandatorily change password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential
 - e) You need to log in again with the new credentials.
 - f) On successful log in, the system will prompt you to select the E-Voting Event Number for Krebs Biochemicals & Industries Limited.
 - g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify.

Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: jhansi_laxmi@rediffmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- B) In case a member receives physical copy of the notice by post (For members whose email addresses are not registered with the Company/Depository Participant(s)).
 - a) User ID and Initial password - These will be sent separately
 - b) Please follow all steps from Sr No (a) to (l) as mentioned in (A) above, to cast your vote.
 - 2) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - 3) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

For and on behalf of the Board
Krebs Biochemicals & Industries Limited
Sd/-
Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 13.08.2015

EXPLANATORY STATEMENT

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

ITEM NO. 4:

Mr. Satish Khivsara was appointed as Additional Director on 13th August, 2015, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mr. Satish Khivsara for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Satish Khivsara as 'Independent Director' for a term up to 31.03.2020, and pass the resolution set out at Item No. 4. The appointment of Mr. Satish Khivsara is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mr. Satish Khivsara has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that his continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board Mr. Satish Khivsara fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and he is independent of the management.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Mr. Satish Khivsara is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

ITEM NO. 5:

Dr. R T Ravi has resigned as Managing Director of the Company w.e.f. 13th August, 2015 and Mr. Avinash Ravi has been appointed as the Managing Director of the Company by the Board of Directors at their meeting held on 13th August, 2015. The Nomination & Remuneration Committee has approved and recommended the said appointment of Mr. Avinash Ravi as Managing Director of the Company at a remuneration as mentioned below.

Considering the invaluable services being provided by Mr. Avinash Ravi for gearing up the operations of the Company after the revival of the Company and for enabling the Company to diversify into various other areas and since Mr. Avinash Ravi has been appointed as the Occupier of the Company, the Board of Directors thought it fit to appoint him as Managing Director of the Company for a period of three (3) years with effect from 13th August, 2015.

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

The terms and conditions of the appointment are as follows:

1. Remuneration : Rs. 42.00 Lakhs
2. Period of Appointment : Three years beginning from 13th August, 2015 and ending on 12th August, 2018.
3. Mr. Avinash Ravi shall perform such duties as shall from time to time be entrusted him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Additional Information as required under Schedule V:

I. General Information:

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

Financial performance during the past three years: Rs. in lacs

Particulars	2014-15	2013-14	2012-13
Turnover	Nil	Nil	1144.90
Net Profit/Loss	(784.01)	(434.61)	(1520.27)

Export performance and net foreign exchange earnings:

Particulars	2014-15	2013-14	2012-13
Export Earnings	Nil	Nil	245.94

- 4) Foreign Investments or collaborations, if any : Nil
- II) Information about the appointee:
 - 1) Background details: Mr. Avinash Ravi is a graduate in Bio Process Engineering from the University of New South Wales, Australia. He has done his project work in fermentation and Laboratory Control from Suntroy Brewery, Queens Land, Australia and done his Student exchange programme from University of Alberta, Canada. He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc. He stood 2nd in place in National Medical Quiz Competition.
 - 2) Past remuneration: Rs. 93, 280 P.M.
 - 3) Recognition or awards : Nil
 - 4) Job profile and his suitability : Mr. Avinash Ravi worked as Project Manager in Tarapur, Maharashtra and has contributed much in reviving a sick company. Based on his qualifications and experience the Board find him suitable candidate.
 - 5) Remuneration proposed - As mentioned in the resolution.
 - 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person : 50 lakhs P.A
 - 7) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Avinash Ravi is holding 15,48,304 equity shares in the Company.

His remuneration is in tune of Rs. 42.00 Lakhs and he is also a part of promoter group. He is son of Dr. R T Ravi, promoter of the Company.

III) Other Information:

- 1) Reasons of loss or inadequate profits: Both the manufacturing units were not in operation during the last two years on account of lay off of employees at Unit-II and lock out of the Unit-I due to illegal strike of the employees.
- 2) Steps taken or proposed to be taken for improvement: The financial restructuring of debt of the Company, followed by investment to revive the operations.
- 3) Expected increase in productivity and profits in measurable terms: The restructuring of debt is completed as on 31st March, 2015. The management is making efforts to come out with effective production plan for resuming the operations and increasing the productivity.

The resolution seeks the approval of the members in terms of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Mr. Avinash Ravi as Managing Director of the Company. None of the Directors and Key Managerial Personnel except Mr. Avinash Ravi, Dr. R T Ravi and their relatives are concerned or interested directly or indirectly in the above resolution.

Brief Profile of the Directors seeking appointment:

Particulars	Mr. Satish Khivsara	Mr. Avinash Ravi
Date of appointment	13.08.2015	01.02.2009
Age & Qualification	70years, B.Com, FCA	36 years, Graduate in Bio-Processing Engineering from University of New South Wales, Australia.
Nature of expertise	Having over 40 years of expertise in the field of Finance & Entrepreneurship.	He is specially qualified and trained in production and purification of Biotechnology products like Monoclonal Anti-Bodies, R-DNA Products etc
Directorships in another companies	Nil	Nil
Relationship with other directors or Key Managerial Personnel	Nil	He is Son of Dr. R T Ravi , Non-executive Director & Chairman of the Company
No. of shares held in the Company as on 31.03.2015	Nil	15,48,304

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

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

Place : Hyderabad

Date : 13.08.2015

BOARD'S REPORT

Your Directors submit their report for the six months ended 31st March, 2015.

1. Financial Performance:

The key financial summary of your company for the six months period from 1st October, 2014 to 31st March, 2015 is as under:

(Rs. in lakhs)

Particulars	2014-15 (01.10.2014 to 31.03.2015)	2013-14 (01.07.2015 to 30.09.2014)
Net Sales	Nil	Nil
Other Income	1.12	2.13
Total Income	1.12	2.13
Expenditure	490.25	400.47
PBDIT	(489.13)	(398.34)
Loss on sale of Assets	Nil	3.41
PBDIT(After Extra Ordinary Items)	(489.13)	(401.75)
Finance Charges	402.85	8.41
Depreciation	187.13	Nil
Profit/(Loss) Before Tax	(1079.11)	(410.16)
Exceptional Items	295.10	15.55
Deferred Tax Asset	Nil	(39.99)
Taxes of earlier years	Nil	Nil
Net profit/(Loss) after Tax	(784.01)	(434.60)
Prior Period Adjustments	Nil	Nil
Profit/(Loss) after prior period adjustments	(784.01)	(434.60)
Add: balance brought Forward	(4630.79)	(4196.19)
Less: Depreciation	(32.66)	Nil
Add: Transferred from Profit & Loss Account	(784.01)	(434.60)
Balance Carried to Balance Sheet	(5447.46)	(4630.79)

2. Directors' Comments on Auditor's Report:

S.No	Basis for Qualified Opinion	Explanation by the Board
1.	Reference is invited to Note 15 of the Financial statements; the Company's Non Current Assets consist of Long term Trade Receivables of Rs. 2169.80 lacs. We are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful for recovery. Had the Company provided provision for the same, the loss for the period would have been higher by Rs. 2169.80 lacs	The dues are long pending. The Company has initiated the appropriate proceedings to recover the said dues and the same are pending. However, the management is also considering the provisioning of the debtors as and when it is deemed necessary.

3. Financial Year of the Company

In order to align with the provisions of the Companies Act, 2013, the Financial year of the Company has been changed as 1st April to 31st March. The Company has declared the Financial results for the 15 months period from 1st July 2013 to 30th September, 2014. Hence, the financials for the FY 2014-15 are declared for 6 months period from 1st October, 2014 to 31st March, 2015.

4. Dividend:

On account of losses during the period, no dividend is proposed to be declared for the financial period 1st October, 2014 to 31st March, 2015.

5. Changes in the Share Capital.

During the period under review, the Authorized share Capital of the Company has been increased from Rs. 10 Crores to Rs. 20 Crores.

6. Events subsequent to the financial results

Your company has allotted 23 lakh equity shares to M/s Ipca Laboratories Limited and 6 lakh equity shares to M/s Pinky Ventures Private Limited on preferential basis subsequent to the date of the financial results. As a result the paid up share capital of the Company is Rs. 12,41,42,860/- comprising of 1,24,14,286 equity shares.

7. Ipca Laboratories Limited

During the period under review, Ipca Laboratories Limited has acquired joint management stake in the Company and also made a public announcement of open offer to the public shareholders of the Company under SEBI(Substantial Acquisition of Shares and Takeover) Regulations, 2011.

8. Statutory Auditors

The shareholders in their meeting held on 31st December, 2014 approved the appointment of M/s Pavuluri & Co., Chartered Accountants, Hyderabad as the Statutory Auditors of the Company to hold office till the conclusion of the 27th Annual General Meeting subject to ratification of shareholders in every Annual General Meeting. Accordingly, a resolution seeking members' ratification on appointment of M/s Pavuluri & Co., Chartered Accountants, Hyderabad as the Statutory Auditors of the Company for the financial year 2015-16 is included at Item No.3 of the notice convening the Annual General Meeting.

9. Internal Auditors

The Board of Directors based on the recommendation of Audit Committee has appointed M/s Palesetti & Co, Chartered Accountants, Hyderabad, as Internal Auditors of the Company for the Financial Year 2015-16.

10. Appointment of Key Managerial Personnel

The Board of Directors at their meeting held on 13th August, 2015 has appointed Mr. Avinash Ravi as Managing Director of the Company w.e.f. 13th August, 2015 for a period of three (3) years up to 12th August, 2018. A resolution seeking the consent of the members for the appointment and remuneration of Mr. Avinash Ravi as Managing Director is included in Item No.5 to the notice convening the Annual General Meeting.

The Board of Directors at their meeting held on 13th August, 2015 also appointed Ms. Haritha Varanasi (ICSI Membership No. A34293) as the Company Secretary of the Company and Mr. CVRSN Kumar as the Chief Financial Officer of the Company w.e.f 13th August, 2015.

11. 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-I to the Board's Report. There are qualifications during the period ended 31st March, 2015.

Since the Company was non operational during the period, the Company was not in a position to appoint the CS, CFO and Internal Auditors and the non-executive directors in the Board.

However, subsequently the Company has appointed them at the Board Meeting held on 13th August, 2015 and is in compliance with the constitution of Board with required Executive, Non-Executive and Independent Directors.

12. Corporate Social Responsibility:

Your Company doesn't fall under the category of companies to which the Corporate Social Responsibility is applicable.

13. Risk Management :

During the period under review, your Company doesn't fall under the category of companies to which the Risk Management Committee is mandatory as per clause 49 of the Listing Agreement.

14. Directors:

The Board of Directors has appointed Mr. Satish Khivsara, as an Additional Director of the Company at their meeting held on 13th August, 2015, who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of the Nomination & Remuneration Committee considered the appointment of Mr. Satish Khivsara as an Independent Director subject to approval of the shareholders. Accordingly, a resolution seeking approval of the members for his appointment as an Independent Director for a period of 5 years is included in Item No. 4 of the Notice convening the Annual General Meeting.

During the period under review, the Board of Directors has appointed Mrs. Tangirala Malati as an Independent Director on 13th February, 2015. The members have approved the appointment of Mrs. Tangirala Malati at the Extra-Ordinary General Meeting held on 11th March, 2015.

During the period under review, Mr. R. Ch. Satyanarayana has resigned from the office of the Director w.e.f. 13th December, 2014.

Mr. Avinash Ravi is being appointed as the Managing Director of the Company. The Board of Directors at their meeting held on 13th August, 2015 has approved the appointment of Mr. Avinash Ravi as approved and recommended by the Nomination and Remuneration Committee. The approval of the members is sought for the said appointment of Mr. Avinash Ravi as Managing Director of the Company as Resolution Item No. 5 in the Notice to the 23rd Annual General Meeting.

Every Independent Director, at the first meeting of the Board of Directors in which he participates as a Director and thereafter at the First Meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013.

A brief profile of the Directors of the Company is annexed herewith as Annexure- II to this report.

15. Board Meetings and Committees thereof:

The Board of Directors duly met Four (4) times on 28.11.2014, 13.12.2014, 13.02.2015 and 31.03.2015 in respect of which meetings, proper notices were given and the

proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

The details of the Committees and their constitution and meetings held is provided in the Corporate Governance Report.

16. 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.

17. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, to the best of their Knowledge and belief and according to the information and explanation obtained, your Directors confirm:

- i. That in the preparation of the financial statements for the period under review, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the Company at the end of the period ended 31st March, 2015 and of the profit and/or loss of the Company for the period.
- iii. That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The accounts are prepared on a going concern basis. The properties and assets of the Company are adequately covered by insurance policies.
- v. that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Vigil Mechanism/Whistle Blower Policy:

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement if any in the Company. The details of the policy are explained in the Corporate Governance Report and also posted on the website of the Company www.krebsbiochem.com.

19. Code of Conduct

The Board has laid down a code of conduct for board members and senior management personnel of the Company. The Code sets the duties of Independent Directors as prescribed under the Companies Act, 2013. The Board of Directors and senior management personnel of the company adhere to the code of conduct . A declaration pertaining to the compliance of code of conduct signed by the Managing Director forms part of the Corporate Governance Report.

20. Prevention of Insider Trading.

The Company has adopted code of conduct for prevention of Insider Trading and code of fair disclosure of unpublished price sensitive information as per the SEBI(Prohibition of Insider Trading) Regulations, 2015. All the Directors, Senior Management employees and other employees who are having access to the unpublished price sensitive information are governed by the code of conduct.

21. Related Party Transactions:

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As a part of the Related Party Transactions Policy, all related party transactions will be placed before the Audit Committee and also the Board for approval. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company www.krebsbiochem.com.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 is herewith annexed as Annexure-III to this report.

22. Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-IV to this report.

23. Management Discussion & Analysis:

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is herewith annexed as "Annexure V" to this report.

24. Particulars of Employees:

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 60 lakhs per financial year or 5 lakhs per month, as the case may be for the period ended 31st March, 2015.

25. Corporate Governance:

The Company has been making every endeavor to bring more transparency in the conduct of the business. As per the requirements of Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance for the period 2014-15 and a Certificate from the Auditors of the Company are furnished and forms part of this report.

26. Human Resources:

Your Company takes utmost care to attract and retain efficient employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees and the management is the driving force behind the Company's vision. The employees have resumed their duties after the lay off and strike. The company has paid bonuses for the employees who have joined back their duties. Your Company appreciates the spirit of its dedicated employees.



27. Energy Conversation, 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-VI" to this report.

28. Acknowledgments:

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, 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
Krebs Biochemicals & Industries Limited

Sd/-

Avinash Ravi

Managing Director

(DIN-01616152)

Place : Hyderabad

Date : 13.08.2015

ANNEXURE – I
SECRETARIAL AUDIT REPORT
FOR THE PERIOD ENDED 31ST MARCH, 2015

[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 & Industries Limited
Plot No. 34, 8 – 2 – 577/B, Road No. 2,
Banjara Hills, Hyderabad – 500034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KREBS BIOCHEMICALS AND INDUSTRIES LIMITED (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit for the period ended on 31st March, 2015 (01.10.2014 to 31.03.2015) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes, 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 period ended on 31st March, 2015 (from 01.10.2014 to 31.03.2015) according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under except for:
 - a. Appointment of Whole Time Company Secretary
 - b. Appointment of Chief Financial Officer (CFO)
 - c. Appointment of Internal Auditor
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under except that the trading of Equity Shares is under suspension in National Stock Exchange of India Limited
- (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 (no activities during the period of audit)

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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 –

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.

- (e) 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.
- (f) 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;
- (g) 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
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
During the period of our audit the Company has not done any buy back of its securities. Hence the reporting of compliance under these regulations does not arise;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
Since the Secretarial standards have not been notified during the period of our audit the same are not applicable to the Company
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited (except for Clause 49 of the Listing Agreement, the compliance of which has been certified by the Statutory Auditors) except for the following:
 - a. Clause 31 and Clause 36 and Clause 47 relating to the appointment of Company Secretary
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 not duly constituted since the Company does not have Non Executive directors and also does not comply with the provisions of Section 152 relating to the number of Directors retiring by rotation. However the Company has proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except for delay in filing the necessary forms (relating to appointment and resignation of Directors) with the Registrar of Companies, Andhra Pradesh and Telangana.

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.

We further report that during the audit period the Company has

- i. obtained the approval of its members and other statutory authorities for increase in the authorized share capital of the Company from Rs.10 crores to Rs.20 crores.
- ii. obtained the approval of its members in the Extra Ordinary General Meeting held on 11th March, 2015 for allotment on preferential basis as specified below:
 - a. 23,00,000 Equity Shares of Rs.10/- each at a Premium of Rs.44/- per share to IPCA Laboratories Limited.
 - b. 6,00,000 Equity Shares of Rs.10/- each at a Premium of Rs.44/- per share to Pinky Ventures Private Limited.

- c. 6,50,000 Equity Shares of Rs.10/- each at a Premium of Rs.44/- per share to Mrs. Hemalatha Ravi.
- d. 6,80,000 Fully Convertible Warrants to be converted into 6,80,000 Equity Shares within a period of 18 months at a conversion price of Rs.54/- (Rs.10/- face value plus Rs.44/- Premium).
- e. IPCA Laboratories Limited has acquired 18,00,000 Equity Shares of Rs.10/- each at a price of Rs.54/- per share from the existing promoters on 11th February, 2015. Consequent to the transfer and approval of Board of Directors for issuing 23,00,000 Equity Shares to IPCA Laboratories Limited, takeover was triggered and IPCA Laboratories Limited has filed offer document with SEBI for making open offer to the existing shareholders of the Company in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

For DSMR & Associates

Company Secretaries

Sd/-

D S M Ram

Proprietor

C.P. No.4239

Place: Hyderabad

Date: 13.08.2015

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

ANNEXURE 'A'

To,

The Members,

Krebs Biochemicals & Industries Limited

Plot No. 34, 8 – 2 – 577/B, Road No. 2,

Banjara Hills, Hyderabad – 500034

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

Sd/-

D S M Ram

Proprietor

C.P. No.4239

Place: Hyderabad

Date: 13.08.2015

ANNEXURE-II

Directors' Profile

Dr. R. T. Ravi

Dr. R.T. Ravi is the chief promoter of the Company and is a technocrat entrepreneur. He earned a doctorate in Bio-Chemistry from National Dairy Research Institute, Karnal. After getting experience in Applied Biochemical Research and Industrial experience, he ventured into the establishment of this Company.

Mr. Avinash Ravi

Mr. Avinash Ravi is a graduate in Bio-Process Engineering from the University of South Wales, Australia. He has done his project work in Fermentation and Laboratory Control from Suntroy Brewery, Queens Land, Australia and done his Student Exchange Program from University of Alberta, Canada. He is specially qualified and trained in production and purification of Bio-technology products like Monoclonal Anti Bodies, R-DNA products etc.,

Mr. G.V.L. Prasad

Mr. G.V.L. Prasad is a B.com and B.L. graduate from Andhra University. He is a fellow member of the Institute of Chartered Accountants of India. He is associated with various engineering and pharma companies in various capacities. He has over 25 years of experience in the corporate sector. He has been associated as Director and Chairman of the Audit Committee as well as Member of the Nomination & Remuneration Committee of the Company. He has been serving the Company for the last few years in Financial area.

Mrs. Tangirala Malati

Mrs. Tangirala Malati is Phd, FAMS, FAPS, FACBI by qualification and has nearly 42 years of experience in Academic, Research and general Administration in the field of Clinical Bio-chemistry, Immunochemistry and Biochemistry.

Mr. Satish Khivsara

Mr. Satish Khivasara, is a Fellow Member of the Institute of Chartered Accountants of India having over 40 years of experience in the field of Finance & Entrepreneurship. He started his career as a Secretary and Finance Manager with W. H. Deeth Limited in Mumbai.

After working in the Industry for 12 years, he established his own business of manufacturing textile auxiliaries. He, then set up his firm Mahaveer Chemicals in 1987 as a distributor of dyes and chemicals.

He is involved in a number of social and charitable activities and community programs. He is a trustee of Bhagwan Mahaveer Jain Relief Foundation Trust, which conducts more than 6000 dialysis for needy patients per month.

He is also a Trustee of Mahaveer Hospital and Director of Mahaveer Urban Co-Operative Bank Limited.

ANNEXURE-III

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

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

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

Note: The company has not entered into any contract/arrangement or transaction with any related party which could be considered as material within the meaning of Clause 49 VII C of Listing Agreement. Related Party transactions under AS-18 are disclosed in the notes to the financial statements.

On behalf of the Board of Directors

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Sd/-

Dr. R T Ravi
Director
(DIN- 00272977)

Place: Hyderabad

Date: 13.08.2015

ANNEXURE-IV
FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
AS ON 6MONTHS ENDED 31.03.2015
PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE
COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.

I. REGISTRATION AND OTHER DETAILS

1	CIN	L24110TG1991PLC013511
2	Registration Date	02.12.1991
3	Name of the Company	Krebs Biochemicals & Industries Limited
4	Category/Sub-Category of the Company	Public Company/ Limited by shares
5	Address of the Registered Office & Contact Details	8-2-577/B, Plot No.34, 3rd Floor, Maas Heights, Road No.8, Banjara Hills, Hyderabad- 500034. Tel: 040-6603777
6	Whether Listed Company	Yes
7	Name, Address & Contact Details of the Registrar & Share Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32 , Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana- 500032. Tel: 040-67161500

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

(e) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(f) Foreign Institutional Investors	0	1300	1300	0.01	0	1300	1300	0.01	0.01
(g) Foreign Venture Capital investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total- B(1)	142932	1300	144232	1.51	81738	1300	83038	0.87	-0.64
(2) Non-Institutions									
(a) Bodies Corporate	1591266	113501	1704767	17.92	3307479	113501	3420980	35.96	18.04
(b) Individuals									
(i) Individuals holding nominal share capital up to Rs. 1 lakh	1635656	166015	1801671	18.94	1435863	163115	1598978	16.81	-2.13
(ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	865756	230000	1095756	11.57	1083137	230000	1313137	13.80	2.23
(c) Others									
Directors and their relatives	0	150000	150000	1.58	0	150000	150000	1.58	
Clearing Members	3311	0	3311	0.03	2964	0	2964	0.03	
Non-Resident Indians	16409	0	16409	0.17	147049	0	147049	1.55	1.38
Sub-Total- B(2)	4112398	659516	4771914	50.14	5976492	656616	6633108	69.72	19.58
Total B= B(1)+B(2)	4255330	660816	4916146	51.67	6058230	657916	6716146	70.59	18.92
Total A+B	8789470	724816	9514286	100	8792370	721916	9514286	100	
(c) Shares held by custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	8789470	724816	9514286	100	8792370	721916	9514286	100	

ii) Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		No. of shares	% of the total shares of the company	% of shares pledged/ encumbered to total shares	% of shares pledged/ encumbered to total shares	No. of shares	% of the total shares of the company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Avinash Ravi	1698304	17.85	100.00	1548304	16.28	79.44	-1.58	
2	Adithya Ravi	1118320	11.75	92.75	8320	0.09	0.00	-11.66	
3	Hemalatha Ravi	894400	9.40	99.89	894400	9.40	99.89	0.00	
4	Ajay Ravi	632800	6.65	1000.00	92800	0.58	91.59	-6.07	
5	Sunkara Hari Ranga Rao	110400	1.16	0.00	110400	1.16	0.00	0.00	
6	Sunkara Lakshmi Parvathi	79416	0.83	0.00	79416	0.83	0.00	0.00	
7	Sambasiva Rao Ravi	25000	0.26	0.00	25000	0.26	0.00	0.00	
8	Dr. R T Ravi	22900	0.24	0.00	22900	0.24	0.00	0.00	
9	Mohd Vahidullah	10000	0.11	0.00	10000	0.11	0.00	0.00	
10	Jawaharial Jasthi	3500	0.04	0.00	3500	0.04	0.00	0.00	
11	Talasila Vijayalakshmi	2600	0.03	0.00	2600	0.03	0.00	0.00	
12	A. Ravi	500	0.01	0.00	500	0.01	0.00	0.00	
	Total	4598140	48.33		2798140	29.03		-19.31	

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

S. No.		Shareholding in the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	45,91,840	48.33%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Mr. Avinash Ravi, Mr. Ajay Ravi and Mr. Adithya Ravi have transferred 1,50,000, 540,500 and 11,09,500 shares respectively to M/s IPCA Laboratories Limited on 11th February, 2015	18.92%	27,98,140	29.41%
	At the end of the year	31.03.2015	----	27,98,140	29.42%

* on May 5th 2015 Mr. Sunkara Hari Ranga Rao and Mrs. Sunkara Lakshmi Parvathi have inter-se transferred 175,816 shares to Dr R.T. Ravi.

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

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

S. No.	For each of the Top 10 shareholders	Shareholding in the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IPCA Laboratories Limited				
	At the beginning of the year	0	0.00		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	11.02.2015- Mr. Avinash Ravi, Mr. Ajay Ravi and Mr. Adithya Ravi have transferred 1,50,000, 540,500 and 11,09,500 shares	18.92%	18,00,000	18.92%
	At the end of the year	31.03.2015	---	18,00,000	18.92%
2.	Ranbaxy Laboratories Limited (Now Sun Pharmaceutical Industries Limited)				
	At the beginning of the year	10,50,000	11.04%	10,50,000	11.04%
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%		
	At the end of the year	31.03.2015	--	10,50,000	11.04%

3.	Edelweiss Asset Reconstruction Company				
	At the beginning of the year	150,000	1.58%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	150,000	1.58%
	At the end of the year	31.03.2015	--	150,000	1.58%
4.	Vivena Sri Financial Services Private Limited				
	At the beginning of the year	1,10,200	1.16%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	1,10,200	1.16%
	At the end of the year	31.03.2015	--	1,10,200	1.16%
5.	G V L Prasad				
	At the beginning of the year	10,00,00	1.05%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	10,00,00	1.05%
	At the end of the year	31.03.2015	--	10,00,00	1.05%
6.	Gandhi Kantheti				
	At the beginning of the year	84,941	0.89%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Purchase of 6103 shares	0.06%	91,044	0.96%
	At the end of the year	31.03.2015	--	91,044	0.96%
7.	United India Insurance Company Limited				
	At the beginning of the year	81,216	0.85%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	81,216	0.85%
	At the end of the year	31.03.2015	--	81,216	0.85%

8.	B H Nagaraju				
	At the beginning of the year	80,000	0.84%	80,000	0.84%
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%		
	At the end of the year	31.03.2015	--	80,000	0.84
9.	Murthy Raju				
	At the beginning of the year	80,000	0.84%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	80,000	0.84%
	At the end of the year	31.03.2015	--	80,000	0.84
10.	Sunidhi Securities & Finance Limited				
	At the beginning of the year	0	0.00		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Purchased 75,239 shares	0.79%	75,239	0.79%
	At the end of the year	31.03.2015	--	75,239	0.79%

v) Shareholding of Directors & KMP

S. No.	For each of the Top 10 shareholders	Shareholding in the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr R T Ravi				
	At the beginning of the year	22900	0.24%	22,900	0.24%
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%		
	At the end of the year	31.03.2015	--	22900	0.24%
2.	Avinash Ravi				
	At the beginning of the year	16,98,304	17.85%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	11/02/2015- Transferred 150,000 shares to M/s IPCA Laboratories Limited	1.58%	15,48,304	16.27%
	At the end of the year	31.03.2015	--	15,48,304	16.27%

3.	G V L Prasad				
	At the beginning of the year	1,00,000	1.05%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%	1,00,000	1.05%
	At the end of the year	31.03.2015	--	1,00,000	1.05%
4.	Tangirala Malati				
	At the beginning of the year	0	0.00%		
	Date wise increase/Decrease in promoters shareholding during the year specifying reasons for increase/decrease(eg: Allotment/transfer/bonus/sweat equity)	Nil	0.00%		
	At the end of the year	31.03.2015	--	0	0.00%

v. Indebtedness

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	8420.61	893.25	0.00	9313.86
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	8420.61	893.25	0.00	9313.86
Change in indebtedness during the year				
Additions	0.00	3598.02	0.00	
Reduction	6820.61	0.00	0.00	
Net change	6820.61	3598.02	0.00	
Indebtedness at the end of the year				
i) Principal Amount	1600	4491.27	0.00	6091.27
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1600	4491.27	0.00	6091.27

vi. Remuneration of Directors and Key Managerial Personnel

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

S.No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1.	Gross Salary	Managing Director	Whole-Time Director	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,00,000	5,59,680	11,59,680
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,25,000	75,600	3,00,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	0.00
2	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4	Commission as % of profit	0	0	0
5	Others (please Specify)	0	0	0
	Total (A)	8,25,000	6,35,280	14,60,280
	Ceiling As per the Limit	8,25,000	6,35,280	14,60,280

B. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Name of the Directors			Total Amount
	Independent Directors	G V L Prasad	R.Ch.Satyanarayana	T. Malathi	
	a) Fee for attending Board Meetings	20,000	10,000	10,000	40,000
	b) Commission	Nil	Nil	Nil	Nil
	c) Others, Please specify	Nil	Nil	Nil	Nil
	Total (1)	20,000	10,000	10,000	40,000

C. Remuneration to Key Managerial Personnel Other than MD/WTD/Manager:

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

vii. Penalties/ Punishment/Compounding of Offences:

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

ANNEXURE-V

Management Discussion & Analysis Report

Economy

The continuing global economic crisis is adding another layer of complexity to an already challenging market environment. India's economic growth began slowing because of a tight monetary policy, intended to address persistent inflation, and a decline in investment caused by investor pessimism about domestic economic reforms and the global situation.

Industry Structure and Developments:

Global Pharmaceutical Industry is estimated now to be US \$ 1 trillion and is growing at a rate of 4-5% per annum. Pharmaceutical industry is facing many challenges and uncertainties. This is putting pressure on the companies to focus on ways to increase the productivity and streamline the significant overheads. The industry continues to grow modestly, while adapting to unparalleled changes. A number of Big Generics based Pharmaceutical companies have emerged in India over the past decade and are driving the growth in the Pharmaceutical sector in India. India's own requirement of pharmaceuticals is seeing a steady and significantly higher than world average growth. This is the very reason large Pharma companies are eyeing the Indian market and trying to grab a slice of the pie by way of acquisitions and large marketing outlays.

The differentiation of Quality and Regulatory expertise is no longer valid in the Bulk Pharmaceuticals manufacturing. Only two differentiators are in force that can drive growth. Firstly Market outreach and ability to create partnerships and lastly technologies used in the manufacture of Bulk Pharmaceuticals.

We see that one of the above differentiators or a combination of the two will increasingly determine the sustainable growth and future of bulk pharmaceuticals manufacturing in India. High reliability on China for the Basic chemicals will be a significant risk in the short and medium term. We see that China is catching up on the Quality and Regulatory Aspects though the Intellectual Property worries are moving customers to India.

Strengths & Opportunities:

Our attempt to differentiate based on technology is seeing some success by way of attracting a good customer base which will lead to further business in the future. Our Infrastructure and Skill sets along with the Partnerships being built should put the company in growth mode. Moreover the successful completion of USFDA (United States of Food and Drug administration) audit and its approval for Unit-I is an added advantage for the Company to attract good customers.

The relatively smaller operations size allows us to be flexible with customer's changing requirements. We are one of the very few players having capabilities in Fermentation, Biocatalysis and Organic Synthesis allowing us to grab the opportunities requiring combination of these Skills.

Risks & Concerns:

The weak financial position of the Company coupled with adverse affect of Indian economy is a hurdle in delivering the timely completion of projects. Driving the company in success path by passing all the barricades is a major challenge for the Company in future years.

Company infrastructure:

Krebs operates from its Headquarters and Registered Office at Hyderabad. The company has two multi-purpose manufacturing facilities, Unit – I in Nellore and Unit – II in Anakapally (Vizag)

with all support infrastructures like Utilities, environment management and safety systems.

Product Wise Performance

During the year under review your company didn't record turnover during the period under review on account of closure of both the manufacturing plants. Unit-I reported no revenues during the period under review compared on account of closure of the plant. As mentioned earlier Lovastain and Simvastatin manufacturing has been stopped at Unit-II due to Power Shortage in Andhra Pradesh. A detailed strategy to revive the operations by way financial restructuring followed by a complete product strategy for both the plants is being worked out as part of the rescue package.

Internal Control Systems and their adequacy:

The company has well defined internal control system that is adequate and commensurate with the size and nature of its business. Adequate internal controls are established to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly. The company monitors progress on the internal control audit reports and reviews progress through Audit committee Meetings regularly. Further the Management is proactive in implementing the recommendations made by the independent Audit Committee.

Discussion on Financial Performance with respect to Operational Performance:

The Financial statements are prepared under the Historical Cost Convention in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the Provisions of the Company's Act, 1956 and as per the Accounting Standards issued by the Institute of Chartered Accountants of India. All Incomes and Expenditure having a material bearing on the financial statements are recognized on accrual basis. The management accepts responsibility for the integrity and other objectivity of these financial statements as well as various estimates and judgments used therein

Capital:

The Authorized Share Capital of the company is Rs. 20.00 crores divided in to Two Crore equity shares of Rs.10.00 each of which issued, subscribed and paid up capital is Rs.12.41 crores divided in to 1,24,14,286 Equity shares of Rs.10/- each. There is no other class of shares.

Reserves:

The reserves of the company decreased from Rs. (591.24) lacs to Rs.(1407.92) lacs due to increased losses during the year.

Secured Loans:

The existing secured loans of United Bank of India are assigned to M/s Pinky Ventures Pvt. Ltd during the current accounting period together with all the rights, title and interest, pledges and guarantees in respect of such loans.

The company has cleared the secured debts assigned by Syndicate Bank, Andhra Bank & J&K Bank and United Bank of India to M/s Pinky Ventures Pvt. Ltd. during the current accounting period through a Memorandum of Understanding.

The company has cleared the secured debt assigned by IDBI Bank to M/s Edelweiss Asset Reconstruction Co. Ltd. (EARC) during the current accounting period.

The company has entered in to an agreement with M/s Edelweiss Asset Reconstruction Co. Ltd. for repayment of the assigned debt by Exim Bank in instalments commencing from June, 2015.

Investments:

No investments were undertaken during the year under review.

Inventories:

The value of inventories stood at Rs. 545.30 lacs at the end of the period i.e., as on 31st March, 2015 after providing for diminution in value of inventory on account of quality reduction and evaporation due to closure of the plants for almost two years amounting to Rs. 2,737.91 lacs. The Raw Materials, Stores and spares are valued at cost and related inward transport and handling charges. Work in progress is valued at cost incurred up to the stage of manufacture. Cost of Finished Goods includes all direct costs and an appropriate portion of overheads as per accepted principles of accounting.

Sundry Debtors:

During the period under review, the recovery from the debtors was continuous in spite of no material change in the turnover and the same was reflected as reduction from Rs. 2,221.57 lacs to Rs. 2,227.28 lacs. Sundry debtors outstanding for more than six months as on the balance sheet date were accumulated over a period and the recovery action was initiated.

Fixed Assets:

The net additions made during the period under review, amounted to Rs. 259.25 Lacs which takes the total gross block to Rs.16,684.17 lacs as on 31.03.2015 against Rs.16,424.92 lacs as on 30.09.2014.

Depreciation:

Depreciation has been calculated on straight-line method at the rates specified in Schedule II to the Companies Act, 2013 for the 6 months ending 31st March 2015 amounting to Rs. 187.13 lacs based on the useful life of the assets is as per schedule II of the Companies Act, 2013.

Raw Material:

A comprehensive sourcing strategy and inventory control will be put in place up on revival of operations.

Finance Charges:

The Financial Charges during the period amounted to Rs. 402.85 lacs as against Rs.8.41 lacs during the previous year. This is on account of settlement agreements entered in to with M/s. Pinky Ventures Pvt. Ltd in respect of the assigned debts by the secured lenders.

Overheads:

The Other Overheads stood at Rs.304.57 Lacs as against Rs.349.24 Lacs during the previous year and is on account of revival of operations during the current accounting period.

Dividend:

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

Human Resources:

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

Safety and Environment:

The operations of the company's plants are in conformity with good industrial safety practices. Regular Hazards and Risks Analysis were conducted at both the plants as part of the ongoing 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. These steps will continue up on revival of the operations.

Cautionary Statement

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

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

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

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 13.08.2015

ANNEXURE-VI
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

No steps were taken as the plants were closed during the period under review.

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

No steps were taken as the plants were closed during the period under review.

iii) The capital investment on energy conservation equipments.

During the period under review, no capital investment on energy conservation equipment was made, as the plants were closed.

B) Technology Absorption

i) Efforts made towards technology absorption

No efforts were made on the technology absorption as the plant was closed during the period under review.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

No benefits were derived as the plant was closed during the period under review.

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology imported	Nil
b) Year of Import	NA
c) Has technology been fully absorbed	NA
d) If not fully absorbed, areas	NA

where this has not taken place, reasons therefore and future plans of action

iv) Expenditure Incurred on Research and Development:

No expenditure was incurred on the Research and Development as there were no operation during the period under review.

C) Foreign Exchange Earnings and Outgo:

Total Foreign Exchange	Rs. in lakhs
Used	Nil
Earned	Nil

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

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Sd/-

Dr. R T Ravi
Director
(DIN-00272977)

Place: Hyderabad

Date: 13.08.2015

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), the report containing the details of Corporate Governance systems and processes at Krebs Biochemicals & Industries Limited for the 6 months period ended 31st March, 2015 is as follows:

Corporate Governance Philosophy

Effective Corporate Governance practices constitute the strong foundations on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large. Effective corporate governance practices are being adopted to bring transparency, accountability and fairness in business practices.

Your Company is in compliance with the requirements stipulated under the Clause 49 of the Listing Agreement entered with the stock exchanges with regard to corporate governance. The board is collectively responsible for pursuing this purpose and corporate governance processes are structured to direct the company's actions, assets and agents to achieve this purpose while complying with the Code of Governance and the Company's own policies.

BOARD OF DIRECTORS

Size of the Board:

The composition of the Board is in consonance with the requirements of Clause 49 of the Listing Agreement. As at 31st March, 2015 the Board of the Company consisted of the following members

Name of the Directors	Category	Designation	No. of shares held in the company
Dr. R.T. Ravi*	Promoter & Executive Chairman	Managing Director	22900
Mr. Avinash Ravi*	Executive Director	Whole-time Director	1548304
Mr. G.V.L. Prasad	Independent Non-Executive Director	Director	100000
Mrs. Tangirala Malathi	Independent Non-Executive Director	Director	Nil

* w.e.f 13th August, 2015 Dr. R T Ravi has resigned as Managing Director and the Board of Directors has appointed Mr. Avinash Ravi as Managing Director. A resolution seeking the consent of the members for the appointment and remuneration of Mr. Avinash Ravi as Managing Director is included in Item No.5 to the notice convening the Annual General Meeting.

Details of Attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship/membership of Board/Committees in other Companies are as under:

Name	Attendance at the AGM held on 31st December, 2014	Attendance in Board Meetings		Other	
		Held	Present	Directorships	Committee Memberships
Dr. R.T. Ravi	Yes	4	2	Nil	Nil
Mr. Avinash Ravi	Yes	4	4	Nil	Nil
Mr. G.V.L. Prasad	Yes	4	4	2	Nil
Mrs. Tangirala Malathi*	NA	4	2	Nil	Nil
Mr. R. Ch. Satyanarayana\$	NA	4	1	Nil	Nil

* Appointed as Director w.e.f. 13.02.2015

\$ Mr. R. Ch. Satyanarayana ceased to be director w.e.f. 13.12.2014.

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all public Limited companies (excluding Krebs Biochemicals & Industries Limited) has been considered.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors.

None of the Directors serve as an Independent Director in more than seven listed companies.

Dates of Board Meetings

The Board met 4 times during the period under review on the following dates, with a gap not exceeding 4 months between any two meetings:

28.11.2014	13.12.2014	13.02.2015	31.03.2015
------------	------------	------------	------------

Committees of the Board

Currently, there are three Board Committees - Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee comprising of two Independent Directors and one Executive Director, constituted in accordance with Clause 49 of the Listing Agreement entered with Stock Exchanges and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Clause 49 and Section 177 of the Companies Act, 2013 and acts in terms of reference and directions if any given by the Board from time to time.

Details on composition of the Audit Committee and the attendance by each member of the Audit Committee are as under:

Name of the Director	Category	No. of meetings held during the Period	No. of meetings attended
Mr. G.V.L. Prasad	Chairman	2	2
Mr. R. Ch. Satyanarayana(\$)	Member	2	1
Mrs. Tangirala Malathi*	Member	2	1
Dr. R T Ravi	Member	2	2

\$- Resigned w.e.f. 13.12.2014

* Appointed w.e.f 13.02.2015

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management.

Meetings of the Audit Committee:

28.11.2014	13.02.2015
------------	------------

Terms of reference:

The terms of reference of the Audit Committee include a review of the following:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of Statutory auditors, Internal Auditors and Cost Auditors and fixation of audit fee and also approval for payment for any other services.
- Discussion with Statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements and
 7. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, Statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been formed in compliance of Clause 49 of the Listing Agreement and pursuant to Section 178 of the Companies Act, 2013 comprising of 2 Independent Directors and 1 Executive Director.

Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Nomination and Remuneration Committee are as under:

Name of the Director	Category	No. of meetings held during the Period	No. of meetings attended
Mrs. Tangirala Malathi*	Chairman	1	0
Mr. G.V.L. Prasad	Member	1	1
Mr. R.T. Ravi	Member	1	1

* Appointed w.e.f. 13.02.2015

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

Terms of Reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

Remuneration Policy :

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

The details of remuneration paid to the Executive and Non Executive Directors for the financial year 2014-2015 are given below:

Dr. R. T. Ravi (Managing Director) has drawn a remuneration of Rs. 7,25,000/- for the 6 months ended 31.03.2015 and Mr. Avinash Ravi (Whole-time Director) has drawn a remuneration of Rs. 6,36,000/- for the 6 months period ended 31.03.2015.

The details of sitting fees paid to Independent Directors are as follows:

Mr. G V L Prasad : Rs. 20,000

Mr. R. Ch. Satyanarayana : Rs. 10,000

Mrs. Malati Tangirala : Rs. 10,000

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been formed in compliance of Clause 49 of the Listing agreement and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 directors of whom Chairman is an Independent Director.

The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee are as under :

Name of the Director	Category	No. of meetings held during the Period	No. of meetings attended
Mr. G.V.L. Prasad	Chairman	2	2
Mr. Avinash Ravi	Member	2	2
Mr. R.T. Ravi	Member	2	2

The Stakeholders Relationship Committee met four times during the previous year. The said committee met on the following dates:

28.11.2014	13.02.2015
------------	------------

The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Director Mr. Avinash Ravi, to approve share transfers / transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2015.

Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

- i) Redressal of grievances of shareholders and other security holders
- ii) Transfer and transmission of securities

- iii) Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- iv) Issuance of duplicate shares certificates
- v) Review of dematerialization of shares and related matters
- vi) Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock

Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Share Transfer Agents i.e., M/s. Karvy Computershare Pvt. Ltd., to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Compliance Officer of the Company.

The Committee, along with the Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by M/s. DSMR & Associates, Practicing Company Secretaries. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2015, 87,92,370 Equity Shares of Rs. 10/- each representing 92.41% of the total no. of shares are in dematerialized form.

Familiarization Programme:

The Company has formulated policy of familiarization programme to the Independent Directors and the details of the familiarization programme conducted to the Independent Directors will be posted in the Website of the Company www.krebsbiochem.com as and when it is conducted.

General Body Meetings

The details of the Annual General Meetings of the preceding three years are as under:

For the Financial year ended	Date, Day and Time	Venue	Special Resolutions passed at the AGMs by the members
2013-14 C(15 months ended 30.09.2014)	31st December, 2014, Wednesday, 11:00 AM	KLN Prasad Auditorium, FAPPCI, 11-6-841, Red Hills, Hyderabad- 500004	1. Re-appointment of Mr. Avinash Ravi as Whole-time Director and fixing his remuneration.
2012-13 (15 months ended 30.06.2013)	21st December, 2013, Saturday, 11:00 AM	10-1-124, Ivory Room, Golconda Hotel, Masab Tank, Hyderabad- 500028.	No Special Resolutions were passed in the AGM.
2011-12	26th September, 2012, Wednesday, 11:00 AM	10-1-124, Ivory Room, Golconda Hotel, Masab Tank, Hyderabad- 500028	1. Alteration of the Articles of Association by inserting new Articles 75A and 127A.

During the period, Postal ballot has been conducted to obtain the approval of shareholders for the following items:

1. Increase in Authorized Share Capital of the Company from Rs. 10 Crores to Rs. 20 Crores.
2. To alter the Memorandum of Association of the Company.
3. To alter the Articles of Association of the Company.

The Board has appointed Mrs. K. Jhansi Laxmi, Practicing Company Secretary as scrutinizer for the process of Postal Ballot and the Scrutinizer had submitted report on the postal ballot on 4th February, 2015.

During the period, an Extra-Ordinary General Meeting of the members of the Company was held on 11th March, 2015 to obtain the approval of members of the Company for the following items:

1. To allot 650,000 Equity Shares and 680,000 warrants convertible into Equity Shares to Mrs. Hemalatha Ravi on Preferential basis.
2. To allot 23,00,000 Equity Shares to M/s IPCA Laboratories Limited on preferential basis.
3. To allot 600,000 equity shares to M/s Pinky Ventures Private Limited on Preferential basis.
4. To appoint Mrs. Tangirala Malathi as Independent Director of the Company.

Means of Communication:

The financial results of the Company are published in newspapers within 48 hours from the conclusion of the Board meeting.

Financial results and other information will be displayed in the company's website www.krebsbiochem.com.

GENERAL SHAREHOLDER INFORMATION

The 23rd Annual General Meeting of the Company will be held on 29th of September, 2015 at 03:00 PM at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad, Telangana- 500004.

- Financial Calendar : 01st April, 2015 to 31st March, 2016 (the Financial year has been aligned with the provisions of the Companies Act, 2013 April to March. The financial results were declared for 15 months ended 30.09.2014 for the year 2013-14 and for the FY 2014-15 for 6 months period from 01-10-2014 to 31-03-2015)

- Results for the Quarter ending
 - 30th June, 2015 : First/Second Week of August, 2015
 - 30th September, 2015 : First/Second Week of November, 2015
 - 31st December, 2015 : First/Second Week of February, 2016
 - 31st March, 2015 : Third/Fourth Week of May, 2016.

- Date of Book Closure : 25th September, 2015 to 29th September, 2015 (both days inclusive)

- Listing on Stock Exchanges : 1) BSE Limited (Stock Code : 524518) P J Towers, Dalal Street, Fort, Mumbai-400001.
2) National Stock Exchange of India Ltd (Stock Code: KREBSBIO) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051.

- Dematerialization of shares and Liquidity : The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. 92.4% of the Company's shares are dematerialized as on 31.03.2015

- Plant Locations : **Unit I**
Regadichelika, Talamanchi Panchayat, Racharlapadu Post, Nellore Dist.-524316
Unit-II
Kothapalli Village, Verdurparthy Post, Kasimkota Mandal, Viakhapatnam Dist-531031

- Address for correspondence & query on Annual Report : The Company Secretary Krebs Biochemicals & Industries Ltd., Plot No.34, 8-2-577/B, Maas Heights, Road No.8, Banjara Hills, Hyderabad- 500034.
Tel:040-66037777, Email: com_sec@krebsbiochem.com

- Share Transfer Agents : Karvy Computershare Pvt Ltd., Karvy Selenium Tower B, Plot No 31,32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

- Contact Person : Mr. Srirama Murthy, Tel: 040-67161605

- Share Transfer System : The Share transfers are effected within one month from the date of lodgement for transfer, transmission, sub-division consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.

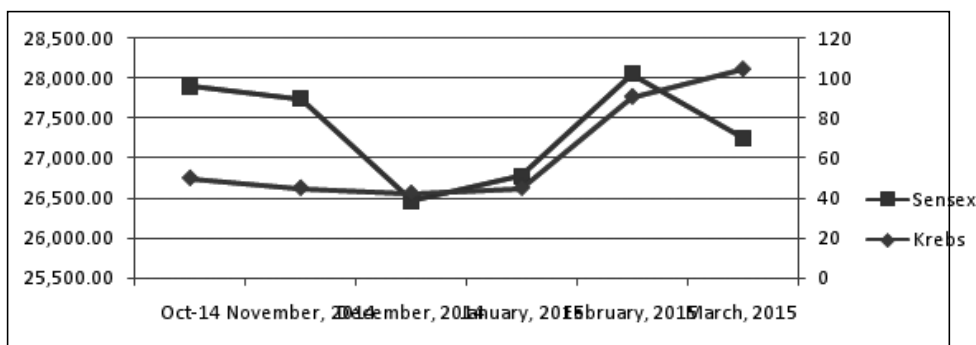
- Compliance Certificate : Certificate from the Statutory Auditors of the Company M/s Pavuluri & Co., Chartered Accountants confirming the compliance with the conditions of the Corporate Governance as Stipulated under Clause 49 of the Listing Agreement is attached to the Directors' Report and forms part of the 23rd Annual Report.

Market Price Data

High, low during each month and trading volumes of the Company's Equity shares during the period 01st October, 2014 to 31st March, 2015 at the BSE are as under :

Date	BSE Limited		
	High	Low	Traded Quantity
October 2014	49.90	33.30	92,118
November, 2014	44.95	34.80	89,480
December, 2014	42.30	32.00	97,831
January, 2015	45.00	31.80	1,98,879
February, 2015	90.80	33.00	12,40,114
March, 2015	104.55	80.00	5,01,927

Trading of equity shares of the Company in the National Stock Exchange Limited is under suspension. The Company is under process of taking necessary steps to revoke the suspension of trading in the National Stock Exchange.



Distribution Schedule:

S.No	Category	Cases	% of cases	Amount	% Amount
1	Up to 5000	5498	89.28	7507970.00	7.89
2	5001-10000	324	5.26	2586710.00	2.72
3	10001-20000	148	2.40	2206080.00	2.32
4	20001-30000	60	0.97	1580850.00	1.66
5	30001-40000	27	0.44	974240.00	1.02
6	40001-50000	23	0.37	1109110.00	1.17
7	50001-100000	29	0.47	2091450.00	2.20
8	100001 and above	49	0.80	77086450.00	81.02
	Total	6158	100.00	95142860.00	100

Shareholding pattern as on 31.03.2015

S. No.	Category of shareholding	No. of shareholders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares pledged otherwise encumbered
					As a % of (A+B)	As a % of (A+B+C)	
(A)	Promoter & Promoter Group						
1)	Indian						
a)	Individual/HUF	23	2798140	2734140	29.41	29.41	2208400
b)	Central government/ State Government(s)	0	0	0	0.00	0.00	0
c)	Bodies Corporate	0	0	0	0.00	0.00	0
d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0
e)	Others	0	0	0	0.00	0.00	0
	Sub-Total A(1)	23	2798140	2734140	29.41	29.41	2208400
2)	Foreign						
a)	Indian (NRIs)/Foreign Individuals	0	0	0	0.00	0.00	0
b)	Bodies Corporate	0	0	0	0.00	0.00	0
c)	Institutions	0	0	0	0.00	0.00	0
d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0
e)	Others	0	0	0	0.00	0.00	0
	Sub-Total A(2)	0	0	0	0.00	0.00	0
	Total A= A(1)+A(2)	23	2798140	2734140	29.41	29.41	2208400
(B)	Public Shareholding						
1)	Institutions						
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0
(b)	Financial Institutions/Banks	2	81738	81738	0.86	0.86	0
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0
(e)	Insurance Companies	0	0	0	0.00	0.00	0
(f)	Foreign Institutional Investors	3	1300	0	0.01	0.01	0

(g)	Foreign Venture Capital investors	0	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investors	0	0	0	0	0.00	0.00		
(i)	Others	0	0	0	0	0.00	0.00		
	Sub-Total- B(1)	5	83038	81738		0.87	0.87		
(2)	Non-Institutions								
(a)	Bodies Corporate	189	3420980	3307479		35.96	35.96		
(b)	Individuals								
	(i) Individuals holding nominal share capital up to Rs. 1 lakh	5860	1598978	1435863		16.81	16.81		
	(ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	25	1313137	1083137		13.80	13.80		
(c)	Others								
	Directors and their relatives	2	150000	0		1.58	1.58		
	Clearing Members	10	2964	2964		0.03	0.03		
	Non-Resident Indians	44	147049	147049		1.55	1.55		
	Sub-Total- B(2)	6130	6633108	5976492		69.72	69.72		
	Total B= B(1)+B(2)	6135	6716146	6058230		70.59	70.59		
	Total A+B	6147	9514286	8792370		100.00	100.00	2208400	23.21
(c)	Shares held by custodians, against which Depository Receipts have been issued								
(1)	Promoter and Promoter group	0	0	0		0.00	0.00	0	0.00
(2)	Public	0	0	0		0.00	0.00	0	0.00
	Grand Total (A+B+C)	6147	9514286	8792370		100.00	100.00	2208400	23.21

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE
FROM MANAGING DIRECTOR & DIRECTOR**

We, Avinash Ravi, Managing Director and R.T. Ravi, Director, to the best of our knowledge and belief certify that:

- a) We have reviewed the Financial Statements including Cash flow Statement for the 6 months period ended March 31, 2015 and to the best of our knowledge and belief:
 - I. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - I. There has not been significant changes in Internal Control over financial reporting during the period under review;
 - II. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements ; and
 - III. There are no instances during the year any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

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

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad
Date : 13.08.2015

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed the compliance with the Code of Conduct and Ethics for the year ended 31st March, 2015.

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

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad
Date : 13.08.2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Krebs Biochemicals & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Krebs Biochemicals & Industries Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pavuluri & Co.,
Chartered Accountants.
(Firm Regn No: 012194S)

Sd/-
(CA N. Rajesh)
Partner
M.No.223169

Place : Hyderabad
Date : 13.08. 2015

INDEPENDENT AUDITOR'S REPORT

To the members of
M/s.KREBS BIOCHEMICALS & INDUSTRIES LIMITED,

Report on the Financial Statements :

We have audited the accompanying financial statements of M/s. Krebs Biochemicals & Industries Ltd, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the period from 1st October, 2014 to 31st March, 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the company are 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

- (1) Reference is invited to Note 15 of the financial statements, The Company's Non Current Assets consist of Long Term Trade Receivables of Rs.2,169.80 lacs. We are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain

the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the loss of the period would have been higher by the said amount.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the loss for the period from 1st October, 2014 to 31st March, 2015; and
- c) In the case of the Cash Flow Statement, of the cash flows for the six months period ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the applicable accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There have been no occasions in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.

For **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No:012194S
Sd/-
(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 23/05/2015



ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (8) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 31.03.2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset;
 - (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the period and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets;
- (ii) (a) The inventories have not been physically verified by the management during the period due to closure of plants.
 - (b) Since the inventories have not been physically verified by the management during period, the point relating to reasonableness of physical verification procedures is not applicable to the company.
 - (c) The company has maintained proper records of inventories and the discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) In our opinion, the Company has neither granted nor taken any loans to/from companies, firms or other parties covered in the register maintained under section 189 of the companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- (vi) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth tax, Service Tax, Sales Tax, Duty of Customs, Excise Duty, Value added tax and Other material statutory as at March 31, 2015 for a period of more than six months from the date they became payable except ESI for Rs. 75,587/-.

 - (b) According to the information and explanations given to us, the following are disputed dues relating to Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.



Name of the Statue	Nature of the Dispute	Amount (Rs)	Period to which the amounts relate (F.Y)	Forum where the dispute is pending and amount deposited
Central Excise Act, 1944	Excise Duty	95,27,999	FY 2008-09	Central Excise and Service Tax Appellate Tribunal, Bangalore.
The A.P.VAT Act, 2005	VAT	1,00,28,066	From FY 2009-10 to FY 2011-12	ADC, Punjagutta Division, Hyderabad
The Central Sales Tax Act	CST	1,12,18,250	FY 2010-11 and F Y 2011-12	ADC, Punjagutta Division, Hyderabad
Income Tax Act, 1961	Income tax	3,15,52,734	From FY 2003-04 to FY 2005-06	AP High Court

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under have been transferred to such fund within time.
- (viii) The Company's accumulated losses during at the end of the financial year are more than fifty per cent of its net worth. Also it has incurred cash loss during the 6 months period covered by our audit and has incurred cash loss in the immediately preceding accounting period.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks and financial institution including interest and principal as on 31st March 2015.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks, and financial institutions
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No:012194S
Sd/-
(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 23/05/2015

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs in Lakhs)

PARTICULARS	Note	As at 31.03.2015		As at 30.09.2014	
I. EQUITY AND LIABILITIES					
(1) Shareholder's funds:					
Share capital	4	951.43		951.43	
Reserves and surplus	5	(1,407.92)		(591.24)	
Money received against share warrants		367.20		-	
			(89.29)		360.19
(2) Share application money pending allotment			1,917.00		-
(3) Non-current liabilities					
Long-term borrowings	6	5,708.71		2,231.93	
Long-term provisions	8	206.30		201.59	
			5,915.01		2,433.52
(4) Current liabilities					
Short-term borrowings	9	-		347.94	
Trade payables	10	1,654.27		1,979.17	
Other current liabilities	11	1,261.43		8,467.37	
Short-term provisions	12	185.50	3,101.20	189.89	10,984.37
TOTAL			10,843.92		13,778.08
II. ASSETS					
(1) Non-current assets					
Fixed assets					
(i) Tangible assets	13A	5,097.94		5,058.48	
(ii) Intangible assets under development	13B	746.28		712.61	
Deferred Tax asset (Net)	7	131.30		131.30	
Long-term loans and advances	14	1,211.82		1,835.05	
Other Non-current assets	15	2,169.80		2,159.65	
			9,357.15		9,897.09
(2) Current assets					
Inventories	16	545.30		3,082.44	
Trade receivables	17	37.28		61.92	
Cash and cash equivalents	18	630.94		35.61	
Short-term loans and advances	19	273.25		701.02	
			1,486.77		3,880.99
TOTAL			10,843.92		13,778.08
Notes forming part of financial statements	1-39				

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

Place : Hyderabad

Date : 23.05.2015

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI

Managing Director

DIN: 00272977

Sd/-

AVINASH RAVI

Director & COO

DIN: 01616152

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015.

(Rs in Lakhs)

PARTICULARS	Note.	6 months ended 31.03.2015	15 months ended 30.09.2014
I INCOME :			
Other income	20	1.12	17.68
Total Revenue		<u>1.12</u>	<u>17.68</u>
II EXPENDITURE :			
Cost of material consumed	21	-	-
Changes in inventories of finished goods Work-in-progress and Stock-in-trade	22	-	-
Employee benefits expense	23	185.68	54.64
Finance costs	24	402.85	8.41
Depreciation	13A	187.13	-
Other expenses	25	304.57	349.24
Total Expenses		<u>1,080.23</u>	<u>412.29</u>
III Profit before extra - ordinary items & tax (I - II)		<u>(1,079.11)</u>	<u>(394.61)</u>
IV Exceptional Items:			
Diminution in Inventory		(2,637.91)	-
Waiver of Principal of Bank Loans & Others		3,625.17	-
Debit balances written off		(692.16)	-
		<u>(784.01)</u>	<u>(394.61)</u>
V Tax expenses:			
Current tax		-	-
Deffered tax Asset / (Liability)		-	(39.99)
VI Profit/(Loss) for the period (III-IV)		<u>(784.01)</u>	<u>(434.60)</u>
VII Earnings per equity share of par value Rs 10/- each			
Basic		(8.24)	(4.57)
Diluted		(8.24)	(4.57)
VIII No.of shares used in computing earnings per share			
Basic		9,514,286	9,514,286
Diluted		9,514,286	9,514,286
Notes forming part of financial statements	1-39		

per our report of even date

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

Sd/-

CA N.RajeshPartner
M.NO.223169

Place : Hyderabad

Date : 23.05.2015

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI

Managing Director

DIN: 00272977

Sd/-

AVINASH RAVI

Director & COO

DIN: 01616152

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
Cash Flow Statement for the six months ended 31.03.2015

(Rs in lacs)

PARTICULARS	6 months ended 31st March, 2015	15 months ended 30th Sep, 2014
Net Profit before tax and extraordinary items	(1079.11)	(410.16)
Adjustments for:		
Depreciation	187.13	0.00
Financial Charges	402.85	8.41
Exceptional Items	295.10	15.55
Interest received /Other Income	(1.12)	(2.13)
Operating Profit before Working Capital Changes	(195.16)	(388.33)
Changes in Working Capital	-	-
(Increase)/Decrease in Trade Receivables	14.49	29.85
(Increase)/Decrease in Inventories	2537.13	-
(increase)/Decrease in Long Term Loans & Advances	623.34	(21.92)
(increase)/Decrease in Short Term Loans & Advances	427.78	(67.33)
(increase)/Decrease in Other Current Assets	-	1.76
Increase/(Decrease) in Long Term Provisions	4.70	2.07
Increase/(Decrease) in Short Term Provisions	(4.39)	166.32
Increase/(Decrease) in Trade Payables	(324.90)	4.30
Increase/(Decrease) in Other Current Liabilities	(7,205.93)	5,349.57
Cash generated from Operations	(3,927.79)	5,464.62
Financial Charges paid	(402.85)	(152.69)
Direct Taxes paid	(0.11)	-
Net Cash provided/(Used) from operating activities	(4,525.91)	4,923.60
(Increase) / Decrease of Fixed Assets	(292.92)	4.73
(Increase) / Decrease of Capital Work-in-Progress	-	-
Interest Received/Other Income	1.12	2.13
Net Cash used in Investing Activities	(291.80)	6.86
Proceeds from long term borrowings	3,476.78	(3,402.65)
Increase/(Decrease) in Utilisation of Working Capital Loans	(347.94)	(1,525.05)
Increase/(Decrease) in Share Capital	1,917.00	-
Increase/(Decrease) in Share Premium	-	-
Increase/(Decrease) in Share Warrants	367.20	-
Net Cash provided/(Used) from financing activities	5,413.04	(4,927.71)
Net Increase in Cash and Cash equivalents	595.33	2.76
Cash and Cash equivalents as at the commencement of the year	35.62	32.86
Cash and Cash equivalents as at the close of the year	630.95	35.62

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

Place : Hyderabad

Date : 23.05.2015

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVI

Managing Director

DIN: 00272977

Sd/-

AVINASH RAVI

Director & COO

DIN: 01616152

NOTES to the Financial Statements for the 6 months ended 31st March, 2015

1 Corporate information

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

2 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

3 Significant accounting policies

3.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

3.2 Inventories

As per AS-2, Raw Materials, Work-In-Progress and Finished Goods are valued at lower of the cost or net realisable value.

3.3 Depreciation and amortisation

Depreciation has been calculated on straight-line method at the rates specified in Schedule II to the Companies Act, 2013 for the 6 months ending 31st March 2015. The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 and 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
Bioreactors	20 years	Furnitures & Fixtures	10 years
Electrical Installations	20 years	Vehicles	8 years
D G Sets	20 years	Computers	3 years
Effluent Treatment Plant	20 years		

3.4 Revenue recognition

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

3.5 Expenditure

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

3.6 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed

assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

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.

3.7 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. Final amount of loan will be arrived at only on completion of sales tax assessments.

3.8 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 the revised Accounting Standard 11 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.

3.9 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

3.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential

dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.11 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

3.12 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

3.13 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.

3.14 R & D Expenditure

Expenditure in the nature of capital items is debited to respective fixed assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the year in which they are incurred.

3.15 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.

3.16 Excise Duty

Excise Duty on closing stock of Finished Goods has been provided in the accounts and corresponding increase in closing stock valuation has been given effect.

NOTE - 4

Share Capital

(All the figures are in lacs unless otherwise stated)

	As at 31.03.2015		As at 30.09.2014	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised: Equity shares of Rs 10 each with voting rights	200.00	2,000.00	100.00	1,000.00
II. Issued,Subscribed and Paid up: Equity shares of Rs 10 each with voting rights	95.14	951.43	95.14	951.43
	95.14	951.43	95.14	951.43

a) Terms/ rights attached to equity shares

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. The dividends recommended by the Board of Directors, if any are subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of shares held.

b) Reconciliation of shares outstanding at the end of the reporting period

	As at 31.03.2015		As at 30.09.2014	
	No.of Shares	Amount	No.of Shares	Amount
Equity shares with voting rights:-				
Opening Balance	95.14	951.43	95.14	951.43
Preferential Allotment (*)	-	-	-	-
Closing Balance	95.14	951.43	95.14	951.43

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

Names of share holders	As at 31.03.2015		As at 30.09.2014	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Avinash Ravi	15.48	16.27%	16.98	17.85%
Aditya Ravi	0.08	0.09%	11.18	11.75%
Hemalatha Ravi	8.94	9.40%	8.94	9.40%
Ajay Ravi	0.93	0.98%	6.33	6.65%
Ranbaxy Laboratories Ltd	10.50	11.04%	10.50	11.04%
Ipca Laboratories Ltd	18.00	18.91%	-	-
	53.94	56.69%	53.94	56.69%

Notes : (1) During the year the company has received share application money of Rs.19.17 Crores towards allotment of 35.50 lacs of equity shares of Rs.10/- each with a premium of Rs.44/-

(2) During the year the company has received share warrants application money of Rs.3.67 Crores towards 6.80 lacs of share warrants of Rs.10/- each with a premium of Rs.44/-

NOTE - 5

Reserves and Surplus

(Rs. in Lacs)

	As at 31.03.2015		As at 30.09.2014	
Share Premium Account				
As at Commencement of the Year	4,000.17		4,000.17	
Add : Received on further issue of shares	-	4,000.17	-	4,000.17
State Subsidy				
As at Commencement of the Year	39.38		39.38	
Add : Additions during the year	-	39.38	-	39.38
Profit and Loss Account				
As at Commencement of the Year	(4,630.79)		(4,196.19)	
Depreciation as per Companies Act 2013	(32.66)		-	
Add : Transferred from Profit & Loss Account	(784.01)	(5,447.47)	(434.60)	(4,630.79)
		(1,407.92)		(591.24)

NOTE - 6

Long Term Borrowings

(Rs. in Lacs)

	As at 31.03.2015	As at 30.09.2014
A) Secured Loans		
Long Term Loans - From Banks		
(i) Edelweiss Asset Reconstruction Company Ltd	1,400.00	1,500.00
	1,400.00	1,500.00
B) Unsecured Loans		
Long Term Loans - Others		
(i) Sainor Labs Pvt. Ltd - ICD	-	310.00
(ii) Deposit:		
Lease Deposit	3,944.00	-
(iii) Interest Free Sales Tax Loan	364.71	421.93
	4,308.71	731.93
Total Long Term Borrowings	5,708.71	2,231.93
Current maturities (Shown under Current liabilities)		
Secured Loans		
(i) United Bank of India	-	340.21
(ii) Edelweiss Asset Reconstruction Company Ltd	200.00	2,180.42
(iii) Pinky Ventures Pvt. Ltd	-	4,052.04
	200.00	6,572.67
Unsecured Loans		
(iv) Cholamandalam DBS Finance Ltd	-	0.55
(v) HDFC Bank	-	1.15
(vi) Arthemis Biotech	35.72	70.00
(vii) Interest Free Sales Tax Loan	146.84	89.62
	182.56	161.32
Total current maturities of Long Term Borrowings	382.56	6,733.99
a) All the installments falling due within 12 months from the date of Balance Sheet have been classified as current liabilities, the aggregate of which is shown as 'current maturities of long-term borrowings' under Note - 11, 'Other Current Liabilities'.		
b) A total amount of Rs.16.00 Crores is payable to EARC. Out of which Rs.2.00 Crore is payable before March, 2016 and is classified as current maturities of Long Term Borrowings. The remaining balance of Rs.14.00 Crores is payable in quarterly installments of Rs.1.00 crore each ending with 30.09.2019.		
c) The company has entered into long term lease agreement with M/s IPCA Laboratories Ltd and received an interest free refundable lease deposit of Rs.39.44 crores during the accounting period. The following are the terms of lease agreement.		
(i) Lease period is for 5 years		
(ii) Lease rental is Rs 2.40 crores p.a.		

NOTE - 7**Net Deferred Tax Liability / (Asset)****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
On Depreciation (Difference of as per Books & as Per Income Tax Act)	(128.77)	(128.77)
On Accrued compensation to employees	(2.53)	(2.53)
	(131.30)	(131.30)

NOTE - 8**Long Term Provisions****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Provision for employee benefits		
- Provision for Gratuity (net)	206.30	201.59
	206.30	201.59

NOTE - 9**Short Term Borrowings****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Working Capital Loans - From Banks		
---- United Bank of India	-	347.94
	-	347.94

NOTE - 10**Trade Payables****(Rs. in Lacs)**

	As at 31.03.2015		As at 30.09.2014	
Dues to other than Micro and Small Enterprises	1,580.14		1,910.16	
Creditors for Materials	74.13		69.01	
Creditors for Services		1,654.27		1,979.17
		1,654.27		1,979.17

NOTE - 11**Other Current Liabilities****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Current maturities of long term borrowings (Refer Note 5)	382.56	6,733.99
Statutory remittances	63.92	345.90
Payables on purchase of fixed assets	24.08	54.04
Payables for expenses	543.81	688.47
Salaries Payable	187.69	576.75
Audit Fees Payable	8.33	13.60
Directors Remuneration Payable	33.36	36.93
Advance from customers	17.68	17.68
	1,261.43	8,467.37

NOTE - 12**Short Term Provisions :****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Provision for Bonus	8.93	13.32
Other Provisions	176.57	176.57
	185.50	189.89

NOTE- 13 : Fixed Assets

(Rs. in Lacs)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 October, 2014	Additions/ (Deletions)	Balance as at 31 March, 2015	Balance as at 1 October, 2014	Depreciation charge for the period	Adjustment against retained earnings on account of Companies Act 2013	Balance as at 31 March, 2015	Balance as at 30 September, 2014
A								
Tangible Assets								
Land	155.77	-	155.77	-	-	-	155.77	155.77
Wells	23.38	-	23.38	-	-	-	23.38	23.38
Buildings - Factory	1,827.64	-	1,827.64	639.38	34.78	-	1,153.48	1,188.26
Buildings - Non Factory	132.05	-	132.05	22.05	1.05	-	108.94	109.99
Plant and Machinery - Pharma Divisions	10,358.28	251.10	10,609.38	8,571.84	114.56	-	2,810.56	2,674.02
Plant and Machinery - Power Plant	1,204.36	-	1,204.36	-	4.58	-	312.20	316.77
Boilers	97.47	-	97.47	97.47	-	-	(0.00)	-
Electrical Installations	719.51	-	719.51	378.14	28.95	4.49	411.58	341.37
D.G.Set	350.93	-	350.93	344.02	0.29	-	344.32	6.91
Effluent Treatment Plant	653.34	-	653.34	581.33	2.97	-	69.04	72.01
Factory Equipment	152.23	-	152.23	127.83	1.18	-	23.22	24.40
Lab Equipment	375.38	-	375.38	302.14	2.99	-	70.25	73.24
Research&Dev.Equipment	104.15	-	104.15	87.91	0.88	-	15.36	16.25
Office Equipment	47.79	-	47.79	37.18	(9.48)	7.30	35.00	10.61
Furniture and Fixtures	48.76	1.59	50.35	37.54	0.38	7.34	45.25	11.22
Vehicles	112.68	5.48	118.16	79.84	3.26	13.53	96.63	32.85
Computers	61.20	1.08	62.28	59.77	0.72	-	1.79	1.43
SUB TOTAL (A)	16,424.92	259.25	16,684.17	11,366.44	187.13	32.66	5,097.94	5,058.48
B								
Intangible assets under Development								
Product Development Expenses	707.40	38.88	746.28	-	-	-	746.28	690.32
ERP Software Set up Cost	5.21	(5.21)	-	-	-	-	-	5.21
SUB TOTAL (B)	712.61	33.67	746.28	-	-	-	746.28	695.53
Total [A + B](Current Year)	17,137.53	292.92	17,430.45	11,366.44	187.13	-	5,844.22	5,754.01
(Previous Year)	17,082.55	60.56	17,143.11	10,539.66	827.64	-	5,775.81	6,542.89

NOTE- 14**Long-Term Loans and advances****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Unsecured, Considered Good :		
Capital advances	924.73	1,088.14
Electricity Deposits	48.00	120.61
Rent Deposits	5.22	7.59
Telephone Deposits	-	0.80
Deposit with Central Excise Dept	20.00	20.00
Advance Income Taxes	36.37	36.26
Other Loans and advances	177.50	561.65
	1,211.82	1,835.05

NOTE- 15**Other Non Current Assets****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Long Term Trade Recievables		
Unsecured, Considered Good :	2,169.80	2,159.65
	2,169.80	2,159.65

Note : The recovery of above Long Term Trade Receivables of Rs.2,169.80 Lakhs is doubtful. However, the management is of the opinion that no provision is necessary during the year against the above amount as the company is pursuing the matter and the amount may be recovered.

NOTE- 16**Inventories****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Raw Material	221.28	943.54
Work-in-Progress	239.40	1,961.36
Finished Goods	24.64	63.93
Stores and Spares	59.99	113.60
	545.30	3,082.44

NOTE- 17**Trade Receivables****(Rs. in Lacs)**

	As at 31.03.2015	As at 30.09.2014
Unsecured, Considered good		
Debtors outstanding for a period exceeding six months	37.28	61.92
Other Debtors	-	-
	37.28	61.92

NOTE- 18**Cash & Bank Balances****(Rs. in Lacs)**

	As at 31.03.2015		As at 30.09.2014	
Cash in Hand		3.98		0.57
Balance with noted Banks :				
In Current Accounts	605.46		3.44	
In Margin Money Accounts	21.50	626.96	31.60	35.04
		630.94		35.61

NOTE- 19**Short-term Loans & Advances**

(Rs. in Lacs)

	As at 31.03.2015		As at 30.09.2014	
Unsecured Advances-Considered good				
(i) Loans and advances to employees		5.00		268.27
(ii) Prepaid Expenses		4.49		0.35
(iii) Balances with Govt Authorities				
- CENVAT credit receivable	51.84		39.24	
- VAT credit receivable	99.12		93.22	
- Service Tax credit receivable	58.12	209.08	27.48	159.94
(iv) Others				
- Advance for Materials	43.75		269.52	
- Interest accrued on deposits	1.01		-	
- Other advances	9.92	54.68	2.94	272.46
		273.25		701.02

NOTE- 20**Other Incomes**

(Rs. in Lacs)

	6 Months ended 31.03.2015	15 Months ended 30.09.2014
Interest Income	1.12	-
Miscellaneous Income	-	0.38
Prior Period Income	-	15.55
Foreign Exchange Gain	-	1.75
	1.12	17.68

NOTE- 21**Cost of Materials Consumed**

(Rs. in Lacs)

	6 Months ended 31.03.2015		15 Months ended 30.09.2014	
Raw Material Consumed				
Opening Stock	943.54		943.54	
Add :Purchases				
Raw Material	100.78		-	
	1,044.32		943.54	
Less : Diminution in Inventory		221.28		943.54
Less : Closing Stock		221.28		943.54
Raw Material Consumed		0.00		0.00
B) Stores and Spares and Consumables				
Opening Stock		58.37		58.37
Less : Closing Stock		58.37		58.37
Consumption		-		-
Total Cost of Material Consumed		0.00		0.00

NOTE- 22**Changes in Inventory**

(Rs. in Lacs)

	6 Months ended 31.03.2015	15 Months ended 30.09.2014
Closing Stock of :		
Work-in-Progress	239.40	1,961.36
Finished Goods	24.64	63.93
Total (A)	264.03	2,025.30
Opening Stock of :		
Work-in-Progress	1,961.36	1,961.36
Finished Goods	63.93	63.93
Less : Diminution in Inventory	(1,761.26)	-
Total (B)	264.03	2,025.30
Increase/(Decrease) in Stock (A-B)	-	-

NOTE- 23**Employee Benefit expense****(Rs. in Lacs)**

	6 Months ended 31.03.2015	15 Months ended 30.09.2014
Salary, Wages, Allowances & other Benefits	159.58	0.68
Gratuity	4.70	28.10
P. F. Contribution	9.24	24.92
Staff Welfare Expenses	12.16	0.94
	185.68	54.64

NOTE- 24**Financial Cost****(Rs. in Lacs)**

	6 Months ended 31.03.2015	15 Months ended 30.09.2014
Bank Charges	0.86	0.37
Other Interest	401.99	8.04
	402.85	8.41

NOTE- 25**Other Expenses****(Rs. in Lacs)**

	6 Months ended 31.03.2015	15 Months ended 30.09.2014
A) Selling & Distribution Expenses		
Business Promotion Expenses	1.11	0.52
B) Operating, Administrative & Other Expenses		
Rent	8.04	20.87
Rates & Taxes	18.06	24.42
Insurance	0.49	0.68
Printing & Stationary	2.49	0.27
Postage, Telegrams & Telephones	3.98	3.36
Consultancy & Legal Exp.	7.77	9.06
General Expenses	140.92	42.48
Directors Sitting fees	0.40	0.10
Directors Remuneration	14.60	35.61
Auditors Remuneration		
For Statutory Audit	1.00	1.00
For Tax Audit	1.00	1.00
For Certification and Other Services	0.50	0.50
	2.50	2.50
Travelling & Conveyance	6.22	6.09
Directors Travelling	2.28	5.25
Office Maintenance	4.70	3.38
Donations	0.25	-
Loss on Sale of Asset	-	3.41
Carriage Inward	-	0.22
Power and Fuel	28.31	186.95
Lab Expenditure	3.11	2.21
Repairs & Maintenance	59.28	1.86
Effluent Treatment Plant Maintenance	0.06	-
	304.57	349.24

NOTE- 26

In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

NOTE- 27

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 28

During the year, the company has made one time settlement with M/s Pinky Ventures Pvt Ltd and has paid an amount of Rs.34.80 crores as full and final settlement and got a principal waiver of Rs 31.92 crores. The principal waiver was credited to Statement of Profit and Loss.

NOTE- 29**Interest Free Sales Tax :**

- (i) During the year the company has availed interest free sales tax Loan of Rs. NIL for its pharma division unit at Kothapalli. The interest free sales tax loan availed by the unit so far stood at Rs. 451.76 lakhs (previous Year Rs. 451.76 lakhs).
- (ii) During the year the company has paid interest free sales tax Loan of Rs. Nil for its pharma division unit at Regadichelika. The interest free sales tax loan outstanding is Rs. 59.80 lakhs (previous Year Rs. 59.80 lakhs).

NOTE- 30**Contingent Liabilities :**

The following contingent liabilities are not provided for.

- (i) Sales Tax: There are various demands raised by the sales tax authorities amounting to Rs.212.46 lakhs (Previous year Rs. 220.30 lakhs) for which the company preferred appeals with higher authorities. Pending disposal of appeals, the company has deposited an amount of Rs NIL (Previous Year Rs NIL).
- (ii) Excise Duty: There are various demands raised by the Excise authorities amounting to Rs.115.28 lakhs (Previous Year Rs.3.34 lakhs) for which the company preferred appeals with higher authorities. Pending disposal of appeals, the company has deposited an amount of Rs 20.00 lacs (Previous Year Rs NIL) based on interim directions.
- (iii) Income Tax: There are various demands raised by the Income Tax authorities amounting to Rs.315.53 lakhs for which the company preferred appeals with Honourable High Court of Judicature at Hyderabad for the States of Telangana and Andhra Pradesh.

NOTE- 31

The Expenditure incurred on 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.

NOTE- 32**Managerial Remuneration :**

Particulars	For 6 months Period 31st March 2015	For 15 months period 30th September, 2014
Managing Director		
Remuneration	6.00	15.00
Perquisites –(HRA)	2.25	5.63
Director		
Remuneration	5.60	13.99
Perquisites	0.36	
LTA	0.40	0.99
Total	14.61	35.61

Due to inadequate profits during the Financial year, the company has paid only the minimum remuneration by way of Salary & Perquisites to Managing Director.

NOTE- 33**Related party disclosures :**

a) Name of the related parties:

Key Management Personnel : Dr.R.T.Ravi, Managing Director.
Mr. Avinash Ravi, Whole Time Director
Relatives of Key Management Personnel : Mrs. Hemalata Ravi w/o Dr.R.T.Ravi

b) Aggregated Related party disclosures for the year 2014-15

Particulars	Key Management	Relatives of Key Management	Total
Remuneration	14.61	-	14.61
Rent	-	2.25	2.25
Total	14.61	2.25	16.86

NOTE- 34

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

NOTE- 35**Calculation of earnings per share :**

Particulars	For 6 months Period 31st March 2015	For 15 months period 30th September, 2014
Profit attributable to Share Holders	(784.01)	(434.60)
No. of Equity Shares Outstanding	9,514,286	9,514,286
Weighted No. of Equity Shares	9,514,286	9,514,286
Nominal Value of Equity Share	10.00	10.00
Basic and diluted EPS	(8.24)	(4.57)

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 not made provision for gratuity on actuarial valuation.

NOTE- 39

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Also previous year figures are not comparable since they represent 15 months where as current period represent 6 months.

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

for and on behalf of the Board of directors

Sd/-

DR. R.T. RAVI

Managing Director

DIN: 00272977

Sd/-

AVINASH RAVI

Director & COO

DIN: 01616152

Place : Hyderabad

Date : 23.05.2015



**Form No. MGT-11
Proxy form**

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

CIN : L24110TG1991PLC013511
Name of the company : Krebs Biochemicals & Industries Limited
Registered office : Plot No.34, 8-2-577/B, Maas Heights, Road No.8, Banjara Hills, Hyderabad- 500034.

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

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

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address :

E-mail Id :

Signature:, or failing him

3. Name :

Address :

E-mail Id :

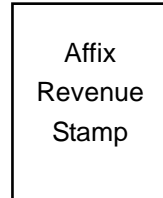
Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Tuesday, 29th day of September, 2015 at 03:00 PM at Surana Udyog Auditorium, FTAPCCI, Red Hills, Hyderabad- 500004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the period ended 31.03.2015.
2. To re-appoint Dr R T Ravi as Director, who retires by rotation and being eligible offers himself or re-appointment.
3. Re-appointment of statutory auditors and fixation of their remuneration.
4. Appointment of Mr. Satish Khivsara as an Independent Director.
5. Appointment of Mr. Avinash Ravi as Managing Director and approve his remuneration.

Signed this day of..... 2015



Signature of shareholder

Signature of Proxy holder(s)

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

KREBS BIOCHEMICALS & INDUSTRIES LIMITED

Plot No.34, 8-2-577/B, Maas Heights, Road No.8, Banjara Hills,
Hyderabad , Telangana - 500034

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 23rd Annual General Meeting of the members of the company to be held on Tuesday, 29th of September, 2015 at 03:00 PM at Surana Udyog Auditorium, FTAPCCI, Red Hills, Hyderabad- 500004 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

Folio No./ Client ID _____

No. of shares held _____

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

**BOOK-POST
UNDER CERTIFICATE POSTING**

If undelivered return to :

Krebs Biochemicals & Industries Limited

Plot No. 34, 8-2-577/B, Maas Heights,

Road No. 8, Banjara Hills,

Hyderabad-500 034.