

**KREBS BIOCHEMICALS &
INDUSTRIES LIMITED**



**25th Annual Report
2016 - 17**

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

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

Company Secretary & Compliance Officer

Ms. Haritha Varanasi (ACS 34293)

Registered Office

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

Statutory Auditors

M/s. Pavuluri & Co.,
Chartered Accountants
Firm Registration No. 012194S
105, First Block, 1st Floor,
Divyashakti Complex, Ameerpet,
Hyderabad- 500016.

Corporate Office

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

Secretarial Auditors

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

Plant Locations

Unit I : Regadichelika (V), Kodavalur (M)
Nellore (D), Andhra Pradesh–524316.
Unit II : Kothapalli (V), Kasimkota (M),
Anakapalli, Vishakapatnam (D),
Andhra Pradesh – 531031.

Registrars and Share Transfer Agents

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

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of M/s. Krebs Biochemicals & Industries Limited will be held on Tuesday, 26th September 2017 at 9:30 AM at S R Gardens, Kothapalli (Village), Kasimkota (Mandal), Anakapalli, Vishakapatnam (District), Andhra Pradesh - 531031 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March 2017 on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Manish Jain (holding DIN- 01856146), 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 2018.”

SPECIAL BUSINESS:

4. Approval for entering into related party transactions by the Company.

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

“RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) as applicable and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contracts/ transactions with M/s. Ipca Laboratories Limited, a related party, on such terms and conditions as may be mutually agreed upon, to purchase, sell or supply any materials, goods, plant & machineries or capital goods and also availing of / rendering of services like contract manufacturing services or loan license manufacturing services or provision of any other services, the value of which all taken together may exceed ten per cent of the turnover of the Company subject to however that the value of all the transactions aforesaid during any financial year shall not exceed in aggregate an amount of Rs.200 crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT pursuant to Regulation 23(8) of SEBI Regulations all existing material related party contracts or arrangements entered into by the Company prior to the



date of notification of the SEBI Regulations and which continue beyond such date and as provided in the explanatory statement annexed to the Notice convening this meeting be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary in this regard.”

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

Sd/-

Avinash Ravi

Managing Director
(DIN-01616152)

Place: Hyderabad
Date: 10.08.2017

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. Explanatory statement pursuant to Section 102 of the Companies Act 2013 in respect of the special business to be transacted at the Annual General Meeting as set out in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September 2017 to 26th September 2017 (Both days inclusive).
5. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to handover the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
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 2016-2017 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 2016-2017 is being sent in the permitted mode.
17. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Company's website www.krebsbiochem.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@krebsbiochem.com.
18. Voting through electronic means
 - i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulations 44 of SEBI (LODR) Regulations, 2015 the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting. ("Remote E-voting").
 - ii) The facility for voting through electronic voting system ("Insta Poll") shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through "Insta Poll".

- iii) The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- v) The Board of Directors of the Company has appointed Mrs. Jhansi Laxmi, Practicing Company Secretary, Hyderabad as scrutinizer to scrutinize the InstaPoll and remote e-voting process to ensure fairness and transparency.
- vi) Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member/beneficial owner (in the case of electronic shareholding) as on the cut-off date i.e., **18th September, 2017**.
- 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, **18th September 2017** only shall be entitled to avail the facility of remote e-voting / InstaPoll.
- viii) Any person who becomes a member of the Company after dispatch of the notice of the meeting and holding shares as on the cut-off date i.e, **18th September 2017** 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 : 09.00 AM (IST) on 23rd September 2017
End of remote e-voting : 05.00 PM (IST) on 25th September 2017
 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, 26th September 2017.
- xii) Instructions and other information relating to e-voting
- 1) A. A member receiving an e-mail from Karvy (For members whose e-mail addresses are registered with the Company/Depository Participant(s):
 - a) Launch internet browser by typing the URL : <https://evoting.karvy.com>
 - b) Enter the log in credentials (i.e USER ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID.
However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c) After entering these details appropriately, Click on "LOGIN".
 - d) You will now reach password change menu wherein you are required to mandatorily change password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character(@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential
 - e) You need to log in again with the new credentials.
 - f) On successful log in, the system will prompt you to select the E-Voting Event Number for Krebs Biochemicals& Industries Limited.
 - g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k) A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen

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

- B) In case a member receives physical copy of the notice by post (For members whose email addresses are not registered with the Company/Depository Participant(s).
- 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>.
19. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

Name of the Director	Mr. Manish Jain
Date of Birth	18.10.1974
Date of Appointment	12.02.2016
Expertise in specific functional areas	Expertise in Business Development includes new product development, in-licensing of products and technology, heading contract research and manufacturing Services in Ipca Laboratories Limited. He is also acting as Secretary to the Whistle Blower Committee and Member of the Risk Management Committee of Ipca Laboratories Limited. He has also conducted statutory audits, tax audits, and financial reporting packages at Deloitte Haskins & Sells.
Qualifications	Chartered Accountant, Executive MBA in General Management
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil
Inter se relationship among Directors	He is not related to any of the Directors of the Company.

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

Sd/-

Avinash Ravi

Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 10.08.2017

EXPLANATORY STATEMENT

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

The Companies Act, 2013, under Section 188, inter-alia, provides that no contract or arrangement or transactions for sale, purchase or supply of any goods or materials exceeding ten per cent of the turnover of the Company or Rs. 100 crores whichever is lower or availing/rendering of any services exceeding ten per cent of the turnover of the Company or Rs.50 crores whichever is lower shall be entered into by the Company except with the prior approval of the shareholders by a resolution.

The Regulation 23 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations), inter alia, provides that all existing material related party contracts or arrangements entered into prior to the date of notification of the said SEBI Regulations and which continue beyond such date shall be placed for approval of the shareholders in the first general meeting subsequent to notification of those regulations.

It is proposed to enter into contracts/transactions for purchase/supply of materials, goods or providing of loan license / contract manufacturing services in the ordinary course of Company's business with M/s. Ipca Laboratories Limited, a related party within the definition under the Companies Act, 2013 and SEBI Regulations.

The aggregate value of all such contracts/transactions for purchase or supply of materials, goods or rendering or availing of services is likely to exceed the limits under Section 188 of the Act read with Rules made thereunder. Therefore, the transactions of the Company with M/s. Ipca Laboratories Ltd. would be material transaction in terms of Regulation 23 (1) of the SEBI Regulations. It is, therefore, proposed to obtain approval of the members to enter into such transactions with M/s. Ipca Laboratories Ltd. under Section 188 of the Companies Act, 2013 and Regulation 23 (4) of the said SEBI Regulations by way of an Ordinary Resolution.

The Company also has certain existing material related party contracts/arrangements with M/s. Ipca Laboratories Ltd. which were entered into prior to 2nd September, 2015, the date of notification of SEBI Regulations and still continuing. These contracts also require approval of shareholders as required under Regulation 23(8) of the SEBI Regulations.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the related party	M/s Ipca Laboratories Limited
Name of the Director or Key Managerial Personnel who is related	Mr. Manish Jain, Mr. E J Babu
Nature of relationship	Ipca Laboratories Limited belongs to promoter group of the company
Monetary value	Estimated aggregate contract value for the matters proposed in the resolution will not exceed Rs. 200 crores in any financial year.
Nature, material terms and particulars of arrangement	<ul style="list-style-type: none"> i. Purchase/sale of materials, capital goods, plant & machineries, packaging materials etc., at a market determined price that would be generally agreed by the trade/industry for similar nature of transaction. ii. Availing of/rendering of services at a price that would be generally charged in the trade/industry for that particular type of service. iii. Provision of common services at proportionate cost.
Period of contract	Continuous transactions on an ongoing basis.

The aggregate value of such contracts/ transactions with M/s. Ipca Laboratories Ltd. should not exceed Rs.200 crores in any financial year.

The memorandum of terms and conditions of the transactions to be entered/entered into with M/s. Ipca Laboratories Ltd. is available for inspection on all working days at the Corporate Office of the Company except on Saturday and Sunday.

All entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to the particular transaction or not.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Manish Jain & Mr. E J Babu is concerned or interested, financially or otherwise, in this resolution set out at Item No. 4.

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

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

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place : Hyderabad

Date : 10.08.2017

DIRECTORS' REPORT

To,
The Members,

The directors submit annual report of Krebs Biochemicals & Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March 2017.

1. Financial Results

(Rs. in lakhs)

Particulars	2016-17	2015-16
Net Sales	197.02	17.79
Other Income	163.53	226.11
Total Income	360.55	243.90
Expenditure	1153.02	1381.19
P(L)BDIT	(792.47)	(1137.29)
PBDIT(After Extra Ordinary Items)	(792.47)	(1137.29)
Finance Charges	348.85	73.88
Depreciation	423.37	448.62
Profit/(Loss) Before Tax	(1564.69)	(1659.79)
Exceptional Items	(40.24)	27.75
Deferred Tax Asset	Nil	Nil
Taxes of earlier years	Nil	Nil
Net profit/(Loss) after Tax	(1604.93)	(1632.04)
Prior Period Adjustments	Nil	Nil
Profit/(Loss) after prior period adjustments	(1604.93)	(1632.04)
Add: balance brought Forward	(7079.51)	(5447.47)
Less: Depreciation	Nil	Nil
Add: Transferred from Profit & Loss Account	(1604.93)	(1632.04)
Balance Carried to Balance Sheet	(8684.44)	(7079.51)

2. Financial Performance

During the year under review, the Company has posted net sales of Rs. 197.02 lakhs and Rs. 163.53 lakhs as other income. For the year ended 31st March 2017 the company has incurred a loss of Rs. 1604.93 lakhs as against Rs. 1632.04 lakhs of the previous year ended 31st March 2016.

3. Change in nature of business, if any:

During the year under review and as on the date of Directors' Report there was no change in the nature of business.

4. Dividend

On account of losses during the year, no dividend is proposed to be declared for the financial year 2016-17.

5. Operations

During the year under review, product process validations have been completed in both the plants. The commercial manufacturing will be commenced once the marketing and regulatory requirements are met. Commercial manufacturing on a small scale has commenced during the year.

Further product pipelines are being planned for commercialisation in the future. The results of their development are expected to achieve fruition from the current financial year.

6. Disclosures under Section 134(3)(l) of the Companies Act, 2013

There have been no material changes, commitments affecting the financial position of the company which occurred during the financial year to which financial statements relate and the date of this report.

7. Issue of Equity Shares

During the year under review, the company has allotted 680,000 equity shares to Mrs. Hemalata Ravi pursuant to conversion of warrants which were allotted to Mrs. Hemalata Ravi at the Board Meeting held on 3rd October 2015. As a result of this, the issued, subscribed and paid-up capital of the company has increased from Rs. 13.06 crores to 13.74 crores in the financial year 2016-17.

Apart from the 680,000 shares allotted pursuant to conversion of share warrants to Mrs. Hemalata Ravi, the Company has not issued any other securities during the year.

8. Shifting of Registered office

The Board of Directors at their meeting held on 3rd October 2015 had approved the shifting of registered office and obtained the approval of members by postal ballot. The postal ballot results were submitted to the Board by the scrutinizer Mrs. Jhansi Laxmi, and the resolution was declared as passed with requisite majority by the Chairman of the Board.

The Company had filed petition with the Central Government for the proposed shifting of the registered office and the Central Government, represented by the Regional Director (South East Region) on its Order dated 14th July 2016, has allowed the shifting of registered office from the State of Telangana to the State of Andhra Pradesh.

9. Change in Accounting policies

During the year, the accounting practices were migrated to Indian Accounting Standards from Indian GAAP. According to Rule 4 (ii) (c) of the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs on 16th February 2015, your company is required to comply with the Indian Accounting Standards.

10. Statutory Auditors

The members at their 22nd Annual General 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 2017-18 is included at Item No.3 of the notice convening the Annual General Meeting.

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- II to the Board's Report. There are few qualifications in the Secretarial Audit Report.

- a) 100% of promoters holding in demat form: As the holding of Dr R T Ravi of 19400 shares and Mrs. Hemalata Ravi of 1000 shares are under legal dispute, the said shares are in physical form and the same are not dematerialized.
- b) Listing and Trading Approvals: The Company is yet to obtain listing and trading approvals for the shares allotted on 3rd October 2015 & 26th May 2016 from the Exchanges. The company has filed the listing application with Exchange and the approval for the same is awaited.

12. Internal Auditors:

The Board of Directors based on the recommendation of Audit Committee has appointed M/s Suryanarayana & Suresh, Chartered Accountants, Hyderabad as Internal Auditors of the Company for the Financial Year 2017-18 at their meeting held on 10th August 2017.

13. Directors and Key Managerial Personnel

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

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

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr Manish Jain (DIN: 01856146), retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board recommends the re-appointment of Mr. Manish Jain. Items seeking your approval on the above are included in the Notice convening the AGM. Brief resumes of the directors being appointed / re-appointed form part of the Notice of the ensuing AGM Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are-

Mr. Avinash Ravi, Managing Director,
Mr. C V R S N Kumar – Chief Financial Officer and
Ms. Haritha Varanasi – Company Secretary

14. Board Meetings

During the financial year 2016-17, five (5) meetings of the Board were held. For details of the meetings of the board, please refer to the corporate governance report which forms part of this report.

15. Revocation of Suspension of trading in National Stock Exchange

During the year under review, suspension of trading of shares of the company in the National Stock Exchange has been revoked. The Exchange vide circular dated 19th October 2016 has revoked the suspension of trading of shares of the company and the trading of the equity shares of the company has been resumed in the National Stock Exchange with effect from 27th October 2016.

16. Corporate Social Responsibility

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

17. Quality Initiatives

The quality systems for CGMP (Good Manufacturing Practices) are being continuously updated and adequate training to the employees to meet the regulatory and customer expectations is an ongoing process. The robustness of the quality practices ensure not only a strong confidence on the quality of the products sold by company but also enables access to lucrative markets.

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

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

19. Board Evaluation

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

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

The performance evaluation of the individual directors was done by the Nomination and Remuneration Committee during the year.

20. Independent Directors Meeting

The company has duly complied with the provisions of conducting Independent Directors Meeting.

21. Internal Financial Control Systems and their adequacy

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

22. Audit Committee

The company has constituted Audit Committee in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The members of the committee are:

- | | |
|-----------------------|------------|
| Mr. G V L Prasad | - Chairman |
| Mr. Satish Khivsara | - Member |
| Mrs. Tangirala Malati | - Member |

The details pertaining to meetings of Audit Committee held during the year, attendance of the Audit Committee meetings, policy and terms of reference of the committee are included in the Corporate Governance Report, which forms part of this report.

23. Stakeholders Relationship Committee

The company has constituted Stakeholders Relationship Committee in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The members of the committee are:

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

The details pertaining to meetings of Stakeholders Relationship Committee held during the year, attendance, policy and terms of reference of the committee are included in the Corporate Governance Report which forms part of this report.

24. Nomination and Remuneration Committee

The company has constituted Nomination and Remuneration Committee in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The members of the committee are:

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

The details pertaining to meetings of Nomination and Remuneration Committee held during the year, attendance, policy and terms of reference of the committee are included in the Corporate Governance Report which forms part of this report.

25. Transactions with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website atkrebsbiochem.com.

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

26. 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.

27. Extract of Annual Return:

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

28. Directors' Responsibility Statement

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

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

29. Disclosure Requirements

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

30. Details of significant material orders passed by regulators, courts, tribunals impacting the going concern basis of the company.

There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.

31. Prevention of Insider Trading

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

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

32. Health and Safety

The Company provides a safe and healthy workplace for its employees by establishing the right safety culture across the organization. The management is fully committed to the ultimate goal of zero injury to its employees and all stakeholders who are associated with the Company's operations.

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

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



34. Acknowledgments

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

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

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

Sd/-

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

Sd/-

Avinash Ravi
Managing Director
(DIN-01616152)

Place: Hyderabad

Date: 10.08.2017

ANNEXURE-I

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

As required under the provisions of Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company is drawing salary of more than Rs.1.04 crores (Rupees One Crore Four Lakhs) per financial year or Rs. 8.5 lakhs (Eight Lakh Fifty Thousand) per month, as the case may be for the year ended 31st March 2017.

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

S.No.	Name of the Director/ Key Managerial Personnel	Remuneration of Director/KMP for the FY 2016-17 (Amount in Rs.)	% increase/ (Decrease) in remuneration in the FY 2016-17	Ratio of remuneration of each director/ KMP to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1.	Avinash Ravi (Managing Director)	42,22,000	37.34%	7.21%	The company is in continuing losses for the past financial years and during the year the company posted a net loss of Rs. 1632.04 lakhs
2.	Haritha Varanasi (Company Secretary)	5,49,996	96.43%	0.94%	Please refer to the note above.
3.	C V R S N Kumar (CF0)	7,80,000	50%	1.33%	

- b. The median remuneration of the employees of the company during the financial year was Rs. 5,85,750/-
- c. The percentage increase in the median remuneration of employees in the financial year: 13.37%.
- d. There were 362 Regular employees and 89 contract employees as on 31st March 2017.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration: None
- f. Affirmation that the remuneration is as per the remuneration policy of the company

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

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

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

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

Place: Hyderabad
Date: 10.08.2017

ANNEXURE II
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

[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
Kothapalli Village, Kasimkota Mandal,
Anakapalli, Visakhapatnam – 531031

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

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

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

There has been a delay in making the necessary disclosures to the Stock Exchanges where the Equity Shares of the Company are listed with regard to allotment of 680,000 Equity Shares upon conversion of 680,000 Warrants.

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

During the period the Company has converted 680,000 Warrants allotted to Mrs. Hemalatha Ravi into 680,000 Equity Shares of Rs.10/- each on 28th May, 2016. The warrants were allotted on 3rd October, 2015 after obtaining the approval of members in the Extra Ordinary General Meeting held on 11th March, 2015.

- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefit Schemes) Regulations, 2014;

During the period of our audit the Company has not issued any securities under these regulations and also does not have an ESOP plan. Hence the reporting of compliance under these regulations does not arise.

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

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

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

- a. Pharmacy Act, 1948;
- b. Drugs and Cosmetics Act, 1940;
- c. Indian Boilers Act, 1923
- d. Factories Act, 1948
- e. Water (Prevention and Control of Pollution) Act, 1974
- f. Air (Prevention and Control of Pollution) Act, 1981
- g. The Trade Union Act, 1926
- h. Industrial Disputes Act, 1947
- i. Minimum Wages Act, 1946
- j. Payment of Bonus Act, 1965

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

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

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

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

- Not complying with the requirement of maintaining 100% of promoters holding in demat form.
- Not obtaining the listing and trading approvals for the allotments made to Mrs. Hemalatha Ravi on 03.10.2015 for 6,50,000 Equity Shares and conversion of 680,000 Warrants into 680,000 Equity Shares done on 28th May, 2016 from National Stock Exchange of India Limited.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review. The Company has proper balance of Executive Directors, Non-Executive Directors and Independent Directors at the end of the year.

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

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

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

We further report that during the audit period the Company has

- i. Allotted 680,000 Equity shares of Rs.10/- each on 28th May, 2016 upon conversion of 680,000 Warrants earlier allotted to Mrs. Hemalatha Ravi on preferential basis for which the approval of its members was obtained in the Extra Ordinary General Meeting held on 11th March, 2015.



- ii. Obtained the order from the Regional Director, South East Region confirming the shifting of the Registered Office of the Company from the State of Telangana to the State of Andhra Pradesh vide order dated 14th July, 2016.
- iii. The National Stock Exchange Limited vide its circular dated 19th October, 2016 had removed the suspension on trading Equity Shares of the Company. The trading in the Equity Shares of the Company was resumed on 27th October, 2016.
- iv. The following creditors have filed Winding up Petitions under the provisions of Section 433 of the Companies Act, 1956 with the Hon'ble High Court at Hyderabad having jurisdiction over the States of Andhra Pradesh & Telangana for non-payment of their dues:
 - Niram Chemicals
 - Bharat Jyoti Impex
 - Sparchem
 - Agarwal Coal Corporation Private Limited
 - Aurobindo Pharma Limited
 - Trident Chemphar Limited
 - Om Sai Professional Detective Security
- v. The winding up petition filed by Gayatri Bio Organics Limited has been withdrawn vide the order of Hon'ble High Court dated 28th February, 2017

For DSMR & Associates
Company Secretaries

Place: Hyderabad

Date: 07.08.2017

Sd/-

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

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



ANNEXURE 'A'

To,
The Members,
Krebs Biochemicals & Industries Limited
Kothapalli Village, Kasimkota Mandal,
Anakapalli, Visakhapatnam – 531031

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

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

For **DSMR & Associates**
Company Secretaries

Place: Hyderabad

Date: 07.08.2017

sd/-
D S M Ram
C. P. No. 4239
Proprietor

ANNEXURE-III
FORM AOC-2

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]

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:

Name of the related party	Ipca Laboratories Limited
Nature of contract/arrangements/ transactions	Lease of manufacturing unit
Duration of the contracts or arrangements or transactions	5 years
Salient terms of the contracts or arrangements or transactions including the value, if any.	Leasing the manufacturing unit situated at Nellore.
Date of approval by the Board	26.09.2014
Amount paid as advances, if any	Not Applicable

Note: All related party transactions that were entered during the financial year were on arm's length basis and is according to the policy of related party transactions adopted by the Company.

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

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

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

Place: Hyderabad

Date: 10.08.2017



**ANNEXURE-IV
FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
AS ON 31.03.2017**

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC code of the product/service	% to total turnover of the Company
1	Lovastatin	29420090	Nil
2.	Simvastatin	29420090	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of shareholders	No. of shares at the beginning of the period			No. of shares held at the end of the period			% change during the period	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individuals/HUF	2764341	670400	3434741	26.29%	2764341	1350400	4114741	29.94%
b) Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%
c) Bodies Corporate	4100100	0	4100100	31.39%	4100100	0	4100100	29.83%
d) Financial Institutions/Banks	0	0	0	0.00%	0	0	0	0.00%
e) Others	0	0	0	0.00%	0	0	0	0.00%
Sub-Total A(1)	6864141	670400	7534541	57.68%	6864441	1350400	8214841	59.77%
2) Foreign								
a) Indian (NRIs/Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%
b) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
c) Institutions	0	0	0	0.00%	0	0	0	0.00%
d) Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%
e) Others	0	0	0	0.00%	0	0	0	0.00%
Sub-Total A(2)	0	0	0	0.00%	0	0	0	0.00%
Total A = A(1)+A(2)	6864141	670400	7534541	57.68%	6864441	1350400	8214841	59.77%
(B) Public Shareholding								
1) Institutions								
(a) Mutual Funds/UTI	0	0	0	0.00%	0	0	0	0.00%
(b) Financial Institutions/ Banks	522	0	522	0.00%	522	0	522	0.00%
(c) Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%
(d) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%

(e) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0.00%
(f) Foreign Institutional Investors	0	1300	1300	0	0	1300	1300	0	0	1300	1300	0.01%	1300	0.01%	0.00%
(g) Foreign Venture Capital investors	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0.00%
(h) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0.00%
(i) Others	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0.00%
Sub-Total- B(1)	522	1300	1822	1822	522	1300	1822	1300	522	1300	1822	0.01%	1822	0.01%	0.00%
(2) Non-Institutions															
(a) Bodies Corporate	1986963	113501	2100464	1980719	113501	113501	2094220	113501	1980719	113501	2094220	16.08%	113501	15.24%	-0.84%
(b) Individuals															
(i) Individuals holding nominal share capital up to Rs. 2 lakhs	1600872	159865	1760737	1587366	1587366	158265	1745631	158265	1587366	158265	1745631	13.48%	158265	12.70%	-0.78%
(ii) Individuals holding nominal share capital in excess of Rs. 2 lakhs	1033479	380000	1413479	1010153	1010153	380000	1390153	380000	1010153	380000	1390153	10.82%	380000	10.11%	-0.71%
(c) Others															
Non Resident Individuals	250565	0	250565	258526	258526	0	258526	0	258526	0	258526	1.92%	0	1.88%	-0.07%
Clearing Members	2264	0	2264	39093	39093	0	39093	0	39093	0	39093	0.01%	0	0.28%	0.27%
NBFCs Registered with RBI	414	0	414	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0.00%
Sub-Total- B(2)	4874557	653366	5527923	4875857	4875857	651766	5527623	651766	4875857	651766	5527623	42.31%	651766	40.21%	-2.1%
Total B= B(1)+B(2)	4875079	654666	5529745	4876379	4876379	653066	5529445	653066	4876379	653066	5529445	42.32%	653066	40.23%	-2.09%
Total A+B	11739220	1325066	13064286	11740820	11740820	2003466	13744286	2003466	11740820	2003466	13744286	100%	2003466	100%	
(c) Shares held by custodians, against which Depository Receipts have been issued															
(1) Promoter and Promoter group	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	
(2) Public	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	
Grand Total (A+B+C)	11739220	1325066	13064286	11740820	11740820	2003466	13744286	2003466	11740820	2003466	13744286	100%	2003466	100%	

Note: The % of holding at the beginning of the year is calculated on the number of shares as on 1st April, 2016 i.e., 1,30,64,286 shares and at the end of the year is calculated on the number of shares as on 31st March, 2017 i.e., 1,37,44,286 shares. The % change in shareholding of the promoters is calculated on the shareholding as on 31st March, 2017.

ii) Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of the total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of the total shares of the company	% of shares pledged/ encumbered to total shares	
1	Dr R T Ravi	198716	1.52%	0.00%	198716	1.44%	0.00%	0.00%
2	Avinash Ravi	1589505	12.17%	1.53%	1589505	11.56%	1.45%	0.00%
3	Ipca Laboratories Limited	4100100	31.38%	0.00%	4100100	29.83%	0.00%	0.00%
4	Hemalata Ravi	1544400	11.82%	1.53%	2224400	16.18%	1.45%	4.95%
5	Aditya Ravi	8820	0.07%	0.00%	8820	0.06%	0.00%	0.00%
6	Ajay Ravi	93300	0.71%	0.00%	93300	0.68%	0.00%	0.00%
	Total	7534541	57.67%	3.06%	8214841	59.77%	2.9%	4.95%

Note: The % of holding of the promoters at the beginning of the year is calculated on the number of shares as on 1st April, 2016 i.e., 1,30,64,286 shares and at the end of the year is calculated on the number of shares as on 31st March, 2017 i.e., 1,37,44,286 shares.

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

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr R T Ravi	198716	1.52%	NA	NA	0	0.00%	198716	1.44%
2.	Mr. Avinash Ravi	1589505	12.17%	NA	NA	0	0.00%	1589505	11.56%
3.	Mrs. Hemalata Ravi	1544400	11.82%						
				28.05.2016	Allotment of 680,000 equity shares on conversion of warrants allotted on preferential basis	680,000	4.95% (% is calculated on the total shares post allotment (i.e 13064286 shares)	2224400	16.18%
4.	Ipca Laboratories Limited	4100100	31.38%	NA	NA	0	0.00%	4100100	29.83%
5.	Aditya Ravi	8820	0.07%	Nil	Nil	Nil	0.00%	8820	0.06%
6.	Ajay Ravi	93300	0.71%	Nil	Nil	Nil	0.00%	93300	0.68%

Note: % of holding at the beginning of the year is calculated on the number of shares as on 01st April 2016 i.e 1,30,64,786 shares and % of holding at the end of the year is calculated on the number of shares as on 31st March 2017 i.e 1,37,44,286 shares.



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

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sun Pharmaceutical Industries Limited	10,50,000	8.04%	N.A	Nil	Nil	10,50,000	7.64%	
2.	Pinky Ventures Private Limited	600000	4.59%	NA	0	0.00%	600000	4.36%	
3.	K. Satish	215000	1.64%						
4.	Shaaaji Palliyath	216716	1.66	NA	0	0.00%	215000	1.56%	
				07.04.2016	Sale	716	0.00%	200000	1.45%
				06.03.2017	Sale	3884	0.03%		
				07.03.2017	Sale	12116	0.09%		
						16716	0.12%		

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

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	Gandhi Kanteti	140784	1.08 %	N.A	N.A	Nil	Nil	140784	1.02%
6.	Edehweiss Asset Reconstruction Company Limited	150000	1.15%						
7.	Rachanadevi Raju Agarwal	79517	0.61 %						
				15-06-2016	Market	1369	0.01%	130785	0.95%
				17-06-2016	Purchase	2000	0.01%		
				21-06-2016		1899	0.01%		
				22-06-2016		758	0.01%		
				24-06-2016		5592	0.04%		
				08-07-2016		830	0.01%		
				12-07-2016		9742	0.07%		
				14-07-2016		26328	0.19%		
				04-08-2016		2750	0.02%		
8.	G V L Prasad	100000	0.76 %						
				N.A	N.A	Nil	Nil	100000	0.73%
9.	Arihant Capital Markets Limited	80000	0.84 %						
				N.A	N.A	Nil	Nil	80000	0.61%
10	B H Nagaraju	80000	0.61 %						
				N.A	N.A	Nil	Nil	80000	0.58%

Note: % of holding at the beginning of the year is calculated on the number of shares as on 01st April 2016 i.e 1,30,64,786 shares and % of holding at the end of the year is calculated on the number of shares as on 31st March 2017 i.e 1,37,44,286 shares.

v) Shareholding of Directors & KMP

S. No.	Name of the shareholder	Shareholding in the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr R T Ravi (Non- Executive Director & Chairman)	198716	1.52%	NA	NA	NA	NA	198716	1.44%
2.	Avinash Ravi (Managing Director)	1589505	12.17						
3.	G V L Prasad (Independent Director)	100000	0.76%	Nil	Nil	Nil	Nil	100000	0.73%
4.	Malati Tangirala (Independent Director)	Nil	0.00%	Nil	Nil	Nil	Nil	0	0.00%
5.	Satish Khivsara (Independent Director)	0	0.00%					0	0.00%
6.	Manish Jain (Nominee Director)	0	0.00%	19.09.2016	Market Purchase	50	0.00%	50	0.00%
7.	E J Babu (Nominee Director)	0	0.00%	20.09.2016	Market Purchase	100	0.00%	100	0.00%
8.	Raj Kamal Prasad Verma (Independent Director)	0	0.00%	20.09.2016	Market Purchase	50	0.00%	50	0.00%
9.	Haritha Varanasi (Company Secretary)	0	0.00%	21.09.2016	Market Purchase	100	0.00%	100	0.00%
10.	C V R S N Kumar (CFO)	0	0.00%	20.09.2016	Market Purchase	5	0.00%	5	0.00%
		0	0.00%	10.08.2016	Market Purchase	150	0.00%	150	0.00%

Note: % of holding at the beginning of the year is calculated on the number of shares as on 01st April 2016 i.e 1,30,64,786 shares and % of holding at the end of the year is calculated on the number of shares as on 31st March 2017 i.e 1,37,44,286 shares.

v. Indebtedness

(Rs.in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	1400	6156.9	0.00	7556.9
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)	1400	6156.9	0.00	7556.9
Change in indebtedness during the year				
Additions	0.00	2304.32	0.00	2304.32
Reduction	400.00	0.00	0.00	(400.00)
Net change	400.00	2304.32	0.00	1904.32
Indebtedness at the end of the year				
i) Principal Amount	1000.00	8461.22	0.00	9461.22
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1000.00	8461.22	0.00	9461.22

vi. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director: Mr. Avinash Ravi (DIN : 01616152)

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

B. Remuneration to Other Directors

(Rs.in lakhs)

Particulars of Remuneration	Name of the Directors							Total Amount
	Dr R T Ravi	G V L Prasad	Malati Tangirala	Satish Khivsara	Manish Jain	E J Babu	Raj Kamal Prasad Verma	
Independent and/or Non- Executive Directors								
a) Fee for attending Board Meetings	65000	115000	60000	115000	50000	30000	50000	485000
b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others, Please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	65000	115000	60000	115000	50000	30000	50000	485000

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

S.No.	Particulars of Remuneration	Ms. Haritha Varanasi Company Secretary (Membership No. A34293)	Mr. C V R S N Kumar Chief Financial Officer (PAN-ADLPC8075D)	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4.96	7.80	12.76
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil
5	Others (please Specify)	Nil	Nil	Nil
	Total (A)	4.96	7.80	12.76
Ceiling As per the Limit				

vii. Penalties/ Punishment/Compounding of Offences:

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

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

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

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

Place: Hyderabad
 Date: 10.08.2017

ANNEXURE-V

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

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

A. Conservation of Energy:

i) Steps taken or impact on conservation of energy

Particulars	Unit I (Nellore)	Unit II (Vizag)
Energy conservation Initiatives carried	<ul style="list-style-type: none"> a. Insulation work done for steam, chilled, brine and hot water lines in 80% of the existing line by which 40% of energy saved. b. A Freon gas recovery system is developed for reload from compressors to cylinder. c. Transformer welding machine is replaced with welding rectifier resulting in 30% power saving. d. VFDs are installed to 5 reactors with 50HP as required to adjust the speed resulting in 7% energy saving. 	<ul style="list-style-type: none"> a. Temperature controller arranged to system of cooling tower. b. Process raw water pump is replaced from 20HP to 15HP. c. Nitrogen plant CT water pump limes are modified for 5HP instead of 25HP. d. Reactor vessels lamps are replaced from 60W GLS lamps to 4W LED lamps. e. Blocks lighting 160W failure lamps are replaced with 20W LED lamps.
Energy Initiatives Planned	<ul style="list-style-type: none"> a. Implementation of steam condensate recovery system all over the plant is being planned. b. Metering section for all PCC panels for monitoring of power. c. Auto power factor control panel installation. d. Installation temperature controllers, pressure switches wherever damaged, to increase the efficiency of chilling units. e. Proposal to verify and install HVLP (High volume low pressure) compressors to reduce power consumption. f. By continuous monitoring the air and steam leakages 20-40% of power can be saved. 	<ul style="list-style-type: none"> a. Temperature controllers' installation is being planned to cooling tower fans. b. Water drain systems for air receivers are to be provided. c. Blocks lighting is being replaced from 160W & 36 W CFL lamps to 20W LED lamps. d. Lighting control of all blocks is being rectified. e. Reactor vessel lamps to be replaced from 60W GLS lamps to 4W LED lamps.

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

B. Technology Absorption

Research & Development

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

C.

Foreign Exchange Earnings and Outgo	Rs. in lakhs
Used	30.19
Earned	34.19

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

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

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

Place: Hyderabad
Date: 10.08.2017

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

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

The governance practices followed by your company are continuously reviewed and the same are bench marked to the best governance practices.

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

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

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

II. Board Diversity

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

III. Board of Directors

- i. Your Company's selection and appointment of directors is based on various criteria laid down in policy on Board diversity. The criteria interalia include aspects like professional qualifications, proven track record in one or more skills such as managerial, finance, accounting, technical operations. There were no changes in the composition of Board during the year.
- ii. As on 31st March 2017, the Company has eight directors. Of the eight directors seven (i.e 87.5%) are non-executive directors and four (i.e 50%) are independent directors. The composition of board is in conformity with Regulation 17 of the listing regulations and Section 149 of the Act.
- iii. None of the directors on the company's Board hold directorships in more than 10 public companies. Furthermore, none of them is a member of more than ten committees or chairman of more than 5 committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2017 have been made by the Directors.

- iv. Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the listing regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the listing regulations read with Section 149(6) of the Act.
- v. The names and categories of the Directors on the Board, their attendance, board meetings held during the year and number of directorships and committee chairmanships/ memberships held by them in other public companies as on 31st March 2017 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act, Chairmanships/ memberships of board committees shall only include audit committee and stakeholders' relationship committee.

Name	Attendance at the AGM held on 29th September, 2016	Attendance in Board Meetings		Number of directorships in other public companies		Number of committee positions held in other public companies	
		Held	Present	Chairman	Director	Chairman	Member
Dr. R.T. Ravi	Yes	5	5	Nil	Nil	Nil	Nil
Mr. Avinash Ravi	Yes	5	5	Nil	Nil	Nil	Nil
Mr. G.V.L. Prasad	Yes	5	5	Nil	Nil	Nil	Nil
Mrs. Tangirala Malati	No	5	3	Nil	Nil	Nil	Nil
Mr. Satish Khivsara	Yes	5	5	Nil	Nil	Nil	Nil
Mr. Manish Jain	Yes	5	5	Nil	Nil	Nil	Nil
Mr. E.J. Babu	Yes	5	3	Nil	1	Nil	Nil
Mr. Raj Kamal Prasad Verma	Yes	5	5	Nil	Nil	Nil	Nil

- iv. Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the listing regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the listing regulations read with Section 149(6) of the Act.
- vi. Five board meetings were held during the year and gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meeting were held: 28th May 2016; 12th August 2016, 14th September 2016, 7th December 2016, 9th February 2017.
- The necessary quorum was present for all the meetings.
- vii. During the year 2016-17, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board.
- viii. The terms and conditions of appointment of the Independent Directors are disclosed in the website of the company.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarisation programme are available in the website of the company.
- xi. Details of equity shares of the Company held by directors as on 31st March 2017 are given below:

Name	Category	Number of equity shares
Dr. R T Ravi	Non-Independent, Non-Executive	198716
Mr. Avinash Ravi	Non-Independent, Executive	1589505
Mr. G V L Prasad	Independent, Non-Executive	100000
Mr. Manish Jain	Non-Executive	100
Mr. E J Babu	Non-Executive	50
Mr. Raj Kamal Prasad Verma	Independent, Non-Executive	100
Mr. Satish Khivsara	Independent, Non-Executive	50
Mrs. Tangirala Malati	Independent, Non-Executive	0

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

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

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

- Board Diversity Policy
- Policy on preservation of Documents
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Policy on Related Party Transactions
- Code of Conduct for Board of Directors and Senior Management Personnel
- Code of Independent Directors
- Policy on Materiality of Events / Information
- Code of Fair Disclosures and Insider Trading
- Policy on Board Evaluation

V. Committees of the Board

A. Audit Committee

i. The audit committee of the company is constituted in line with the provisions of Regulation 18 of Listing Regulations, read with Section 177 of the Companies Act, 2013.

ii. The terms of reference of the audit committee are broadly as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before the submission to the board for approval, with particular reference to:

- ★ Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Act.

- ★ Changes, if any, in accounting policies and practices and reasons for the same.
 - ★ Major accounting entries involving estimates based on the exercise of judgment of the management.
 - ★ Significant adjustments made in the financial statements arising out of audit findings.
 - ★ Compliance with listing and other legal requirements relating to financial statements.
 - ★ Disclosure of any related party transactions.
 - ★ Qualifications in the draft auditors' report.
- The audit committee shall review the information as required under the Listing Regulations and the Companies Act, 2013.
- iii. The audit committee invites such of the executives, as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the company was held on 29th September 2016 and was attended by Mr. G V L Prasad, Chairman of the Audit Committee.
- v. The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings during the financial year 2016-17	
		Held	Present
Mr. G V L Prasad (Chairman)	Independent, Non-Executive	5	5
Mrs. Tangirala Malati	Independent, Non-Executive	5	3
Mr. Satish Khivsara	Independent, Non-Executive	5	5

- vi. Five Audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:
28th May 2016, 12th August 2016, 14th September 2016, 7th December 2016, 9th February 2017.

The necessary quorum was present for all the meetings.

B. Stakeholders' Relationship Committee

- i. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178 of the Act.
- ii. The broad terms of reference of the Stakeholders' Relationship Committee are as under:
- Consider and resolve the grievances of shareholders of the Company including redressal of investor complaints such as transfer or credit of shares, non-receipt of dividend/notice/annual report etc and all other shareholders related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. Two meetings of Stakeholders Relationship Committee were held during the year on 28th May 2016 and 14th September 2016.

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

Name	Category	No. of meetings during the financial year 2016-17	
		Held	Present
Mr. G V L Prasad (Chairman)	Independent, Non-Executive	2	2
Dr R T Ravi	Independent, Non-Executive	2	2
Mr. Avinash Ravi	Non-Independent, Non-Executive	2	2
Mr. Satish Khivsara	Independent, Non-Executive	2	2

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

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

- vi. Details of investor complaints received and redressed during the year 2016-17

Opening Balance	Received during the year	Redressed during the year	Closing balance
1	2	1	1

C. Nomination & Remuneration Committee

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

Name	Category	No. of meetings during the financial year 2016-17	
		Held	Present
Mr. Satish Khivsara(Chairman)	Independent, Non-Executive	1	1
Dr R T Ravi	Non-Independent, Non-Executive	1	1
Mr. G V L Prasad	Independent, Non-Executive	1	1
Mrs. Tangirala Malati	Independent, Non-Executive	1	0

One nomination and remuneration committee meeting was held during the year on 14th September 2016.

- iv. The company doesn't have any employee stock option scheme.
- v. The performance evaluation criteria for independent directors is determined by the nomination and remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders and independence of behaviour and judgment.
- vi. Remuneration policy in the company is designed to create a high performance culture. It enables the company to attract and retain the employees and motivating them to achieve results.
- vii. During the year 2016-17, the Company paid sitting fees of Rs. 10,000 per board meeting to its non-executive directors to attend the meeting and Rs. 10,000 for audit committee meeting and Rs. 5000 for stakeholders' relationship committee and nomination and remuneration committee meetings respectively. The company also reimburses out of pocket expenses and travel expenses incurred by the directors to attend the meetings.
- viii. Details of remuneration for the year ended 31st March 2017

a) Non-Executive Directors

Name	Sitting Fees (Rs. In lakhs)
Dr. R T Ravi	0.65
Mr. G V L Prasad	1.15
Mrs. Tangirala Malati	0.60
Mr. Satish Khivsara	1.15
Mr. Manish Jain	0.50
Mr. E J Babu	0.40
Mr. Raj Kamal Prasad Verma	0.50

b) Executive Director

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

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

VI. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue
2013-14 (15 months ended 30.09.2014)	31-12-2014	11:00 AM	KLN Prasad Auditorium, FAPPCI, 11-6-841, Red Hills, Hyderabad- 500004
2014-15 (6 months ended 31-03-2015)	29.09.2015	03:00 PM	SuranaUdyog Auditorium, FAPPCI, 11-6-841, Red Hills, Hyderabad- 500004
2015-16 (year ended 31st March 2016)	29.09.2016	03:30PM	SR Gardens, Kothapalli(V), Kasimkota, Anakapalli, Vishakapatnam, Andhra Pradesh- 531031

b. Special Resolutions passed:

- At the 22nd Annual General Meeting held on 31st December 2014, the following special resolutions were passed:
 - To re-appoint and fix the remuneration of Mr. Avinash Ravi, Whole-time director.
 - To authorize the company to borrow sums of money as and when necessary which shall not exceed the aggregate paid up capital and free reserves by more than Rs. 200.00 crores.
 - To authorize the Board under section 180(1)(a) of the Companies Act, 2013 for creation of such mortgages, charges and hypothecation on all immovable properties of the Company.
- No Special resolutions were passed at the 23rd Annual General Meeting held on 29th September 2015.
- No Special resolutions were passed at the 24th Annual General Meeting held on 29th September 2016.

ii. Postal Ballot

No postal ballot was conducted during the year.

VII. Other Disclosures:

i. Related Party Transactions:

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

- ii. Details of non-compliance by the Company, penalties, strictures imposed on the company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil
- iii. The Company has adopted a whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of listing regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of Audit Committee. The said policy has been put up in the website of the company at the following link. <http://krebsbiochem.com/documents/c9dabd1a574888fd6b35cf450fd7c043.pdf>

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

v. Reconciliation of share capital audit:

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

vi. Preservation of documents policy

The Company has formulated Policy on Preservation of Documents as required under Regulation 9 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The policy provides for preservation of documents where preservation shall be of permanent nature and documents with preservation period of not less than 8 years. The policy can be accessed in the following link <http://krebsbiochem.com/documents/afb33a83fcb7ff4360986c54c84dcc47.pdf>

vii. Policy on disclosure of material events/information

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

The policy can be accessed in the following link

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

viii. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with code applicable to them during the year ended 31st March 2017. The annual report of the company contains a certificate by the managing director in terms of the Listing Regulations on the compliance declarations received from Independent Directors, Non-executive directors and senior management.

VIII. Means of Communication

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

IX. General Shareholder Information

i. Annual General Meeting for FY 2016-17

Date : 26th September 2017

Time : 9:30 AM
 Venue : S R Gardens,
 Kothapalli Village, Kasimkota Mandal,
 Vishakapatnam District, Andhra Pradesh - 531031

As required under Regulation 36(3) of listing regulations, particulars of directors seeking appointment at the forthcoming AGM are given herein in the annexure to the notice of the AGM to be held on Tuesday 26th September 2017 at 9:30 AM.

- ii. Financial Calendar : 1st April to 31st March
 AGM in : September
- iii. Date of Book Closure : As mentioned in the notice to AGM
 to be held on 26th September 2017
- iv. Listing on Stock Exchanges : BSE Limited ("BSE")
 P J Towers, Dalal Street, Fort, Mumbai- 400001.
 Stock code: 524518

National Stock Exchange of India Limited ("NSE")

Exchange Plaza, Bandra Kurla Complex,

Bandra (E), Mumbai- 400051.

Stock Code: KREBSBIO

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

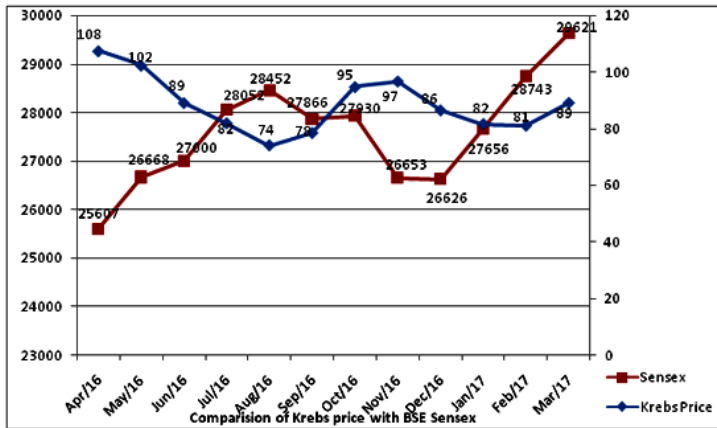
- v. Corporate Identity Number (CIN) of the Company : L24110AP1991PLC103912
- vi. Market price data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 in BSE & NSE

Month	BSE		NSE		No. of shares traded	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	BSE	NSE
April-2016	113.7	95.00	---	---	78080	---
May 2016	111.6	94.45	---	---	98620	---
June 2016	97.75	80.00	---	---	79269	---
July 2016	87.4	74.00	---	---	134972	---
August 2016	80.00	69.00	---	---	54969	---
September 2016	91.50	68.65	---	---	81308	---
October 2016	108.75	82.00	101.50	101.00	75132	188
November 2016	104.70	76.85	103.00	76.00	43074	5124
December 2016	92.00	78.00	92.00	79.00	32694	807
January 2017	89.45	77.20	88.20	77.60	27699	10167
February 2017	87.45	78.05	88.65	77.10	37115	2287
March 2017	100.15	74.15	90.00	73.50	281942	10288

The suspension of trading of shares of the company at National Stock Exchange of India was revoked and trading of company's shares in NSE resumed on 27th October 2016.

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



viii. Registrars and Share Transfer Agents

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

Telephone : 040-67161505

Fax : 040-67161500

E-mail : einward.ris@karvy.com

Website : www.karvycomputershare.com

ix. Share Transfer System:

85.42% of the equity shares of the company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the company. As regards transfer of shares held in physical form the transfer of shares can be lodged with Karvy Computershare Private Limited at the above mentioned address.

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

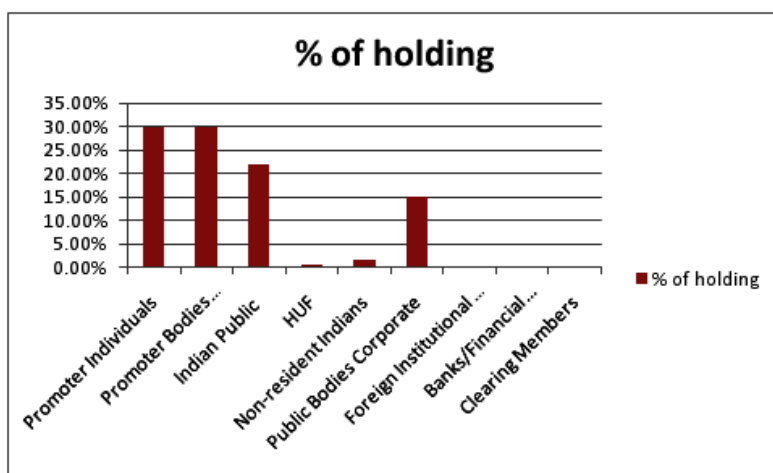
x. Shareholding as on 31st March 2017:

A. Distribution of shareholding as on 31st March 2017

Category (Amount)	No. of cases	% of cases	Total shares	Amount	% of amount
1-5000	5138	88.66%	700933	7009330	5.10%
5001-10000	326	5.63%	255403	2554030	1.86%
10001-20000	141	2.43%	196371	1963710	1.43%
20001-30000	63	1.09%	173134	1731340	1.26%
30001-40000	22	0.38%	97371	973710	0.71%
40001-50000	23	0.40%	100874	1008740	0.73%
50001-100000	32	0.55%	233844	2338440	1.70%
100001 & above	50	0.86%	11986356	119863560	87.21%
Grand Total	5795	100%	13744286	137442860	100%

B. Categories of equity shareholders as on 31st March 2017:

Category	No. of equity shares held	% of holding
Promoter Individuals	4114741	29.94%
Promoter Bodies Corporate	4100100	29.83%
Indian Public	3028926	22.04%
HUF	106858	0.78%
Non-resident Indians	258526	1.88%
Public Bodies Corporate	2094220	15.24%
Foreign Institutional Investors	1300	0.01%
Banks/Financial Institutions	522	0.00%
Clearing Members	39093	0.28%
Total	13744286	100%



C. Top ten equity shareholders of the company as on 31st March 2017:

S.No	Name of the equity shareholder	No. of equity shares held	% of holding
1.	Ipca Laboratories Limited	4100100	29.83%
2.	Hemalata Ravi	2224400	16.18%
3.	Avinash Ravi	1589505	11.56%
4.	Sun Pharmaceutical Industries Limited	1050000	7.64%
5.	Pinky Ventures Private Limited	600000	4.37%
6.	K Satish	215000	1.56%
7.	ShaajiPalliyath	200000	1.46%
8.	R T Ravi	198716	1.45%
9.	Edelweiss Asset Reconstruction Company Limited	150000	1.09%
10.	Rachnadevi Raju Agarwal	130785	0.95%

xi. Dematerialisation of shares and liquidity:

The company's shares are compulsorily traded in dematerialised form on BSE. Equity shares of the company representing 85.42% of the company's equity share capital are dematerialised as on 31st March 2017.

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

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

The Company has not issued any GDRs/ADRs in the past. The company has allotted 680,000 convertible warrants to Mrs. Hemalata Ravi, belonging to promoter group, at the board meeting held on 3rd October 2015 after obtaining necessary approvals from BSE and the shareholders of the company.

The said warrants are converted into equity shares and the shares were allotted to the allottee at the Board meeting held on 28th May 2016. As a result, the paid-up equity share capital of the company as on date is Rs. 13,74,42,860/- (Rupees Thirteen Crores Seventy Four Thousand Forty Two Thousand Eight Hundred and Sixty only).

xiii. Plant Locations:

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

Unit I:

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

Unit II:

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

xiv. Address for correspondence:

Registered Office:

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

Corporate Office:

Krebs Biochemicals & Industries Limited
Plot No. 34, 8-2-577/B,
3rd Floor, Maas Heights,
Road No.8, Banjara Hills,
Hyderabad, Telangana- 500034.
Phone: 040-66808040
Designated email id for investor services: investors@krebsbiochem.com
Website: www.krebsbiochem.com



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

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

I confirm that the Company has in respect of the year ended 31st March 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the code of conduct as applicable to them.

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

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

Place: Hyderabad

Date: 10.08.2017

MANAGING DIRECTOR CERTIFICATION

To the members of
Krebs Biochemicals & Industries Limited

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

- a) I have reviewed the audited financial results and the cash flow statements for the quarter and year ended 31st March 2017 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and audit committee, that there are no deficiencies in the design or operation of such internal controls, of which we are aware.
- d) I have indicated to the Auditors and Audit Committee :
 - 1) There are no significant changes in the internal control over financial reporting during the year;
 - 2) There are no significant changes in the accounting policies during the year other than the adoption of Indian Accounting Standards; and
 - 3) That there are no instances of significant fraud and the involvement therein of the management or an employee of the company having a significant role on the company's internal control system over financial reporting.

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

Place: Hyderabad

Date: 10.08.2017

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

To the members of

Krebs Biochemicals & Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Krebs Biochemicals & Industries Limited ("the Company"), for the year ended on 31st March, 2017, as stipulated in:
 - Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except sub-regulation 4 of Regulation 23 of the said regulations for the financial year 2016-17.
 - Regulations 17 to 27 (excluding 23(4)) and clauses (b) to (i) of regulation 46 (2) and Paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) for the financial year 2016-17.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March 2017.
5. We state that such compliance is neither an assurance as to the future viability of the Company of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

N. Rajesh
Partner
(M. No. F-223169)

Place: Hyderabad

Date: 10.08.2017

MANAGEMENT DISCUSSION AND ANALYSIS

Economy

Indian Economy has seen a positive kick start with the Government pushing forward the reform process and focusing on sustainable growth. India is expected to grow between 7.5% to 8%. World economy growth consisting of developed countries continues to be slow while with developing countries we see good to fair performance based on country specific issues.

Industry Structure and Developments:

Global:

Pharmaceutical Industry worldwide is undergoing huge transformations. Global supply chains with larger involvement of generic companies is driving lower cost health care in developed countries and making health care affordable in the rest of the world.

Lifestyle diseases, old age conditions along with developed markets expansion will drive the growth in pharmaceutical industry.

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

Indian Pharma Sector:

India has become third largest global generic API merchant market in 2016 with a 7.2 % market share. Indian pharma industry accounts for the second largest number of Abbreviated New Drug Applications (ANDAs). India has been the largest exporter of formulations in terms of volume with 14% market share and 12th in terms of export value.

Indian pharma industry is expected to grow over 15% per annum by 2020 and will outperform the global pharma industry which is set to grow at an annual rate of 5 %. Indian pharma market is expected to grow to USD 55 billion by 2020 and USD 100 billion by 2025.

The Government of India also amended FDI policy in pharma sector in order to allow FDI upto 100 % under the automatic route for manufacturing of medical devices.

The augment of pharmaceutical outsourcing, foreign direct investments joined with country's growing economy and improving health care facilities are expected to drive the market's growth.

Strengths & Opportunities:

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

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

Risks, Concerns & Threats:

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

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

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

Company infrastructure:

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

Performance of the company:

During the year under review your company recorded a net turnover of Rs.197.02 lakhs compared to Rs.15.85 lakhs in the previous financial year.

Internal Control Systems and their adequacy:

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

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

Discussion on Financial Performance with respect to Operational Performance:

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

Capital:

The Authorized Share Capital of the company is Rs. 20.00 crores divided in to 2,00,00,00,0 (Two Crore) equity shares of Rs.10.00 each of which issued, subscribed and paid up capital is Rs.13,74,42,860/- crores divided in to 1,37,44,286 Equity shares of Rs.10/- each. There is no other class of shares.

6,80,000 convertible warrants allotted on 3rd October 2015 to Mrs. Hemalata Ravi were converted into equity shares on 28th May 2016 and as on date, the issued, subscribed and paid up capital of the Company is Rs. 13,74,42,860/- crores divided into 1,37,44,286 equity shares of Rs. 10/- each.

Reserves:

The reserves of the company decreased from Rs. (372.27) lacs to Rs. (1226.74) lakhs due to increased losses during the year.

Secured Loans:

The secured loan with Edelweiss Asset Reconstruction Company Limited has been reduced by Rs. 400.00 lakhs, as the instalments have been paid as per the agreement entered. As on 31st March, 2017, the Secured loan stood at Rs.1000.00 lakhs compared to Rs. 1400.00 lakhs during the previous year.

Investments:

No investments were undertaken during the year under review.

Inventories:

The value of inventories stood at 545.49 lakhs as at the end of the period i.e as on 31st March, 2017 after providing for depletion in value of inventory on account of quality reduction and evaporation amounting to Rs.67.56 lakhs. The raw materials, stores and spares are valued at "AT COST" and related inward transport and handling charges. Work in progress is valued at cost incurred up to the stage of manufacturing. Cost of finished goods includes all direct costs and an appropriate portion of overheads as per accepted principles of accounting.

Sundry Debtors:

During the year under review, the recovery from the debtors was continuous in spite of no material change in the turnover and the same was reflected as reduction from Rs. 158.83 lacs to Rs.2.78 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 year under review, amounted to Rs.1099.54 Lacs respectively, which takes the total gross block to Rs.22,294.82lacs as on 31st March, 2017 as against Rs. 21,195.28 lacs as on 31st March, 2016.

Depreciation:

The Company has been calculating depreciation on straight line method at the rates specified in Schedule II of the Companies Act, 2013 amounting to Rs. 423.37 lakhs as on 31st March, 2017 as against Rs. 448.62 lakhs as on 31st March, 2016 based on the useful life of the assets as per Schedule II of the Companies Act, 2013.

Raw Material:

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

Finance Charges:

The finance charges during the year amounted to 348.85 lacs as against Rs.73.88 lacs during the previous year during which the interest was paid towards the Inter-corporate Deposit and other statutory payments.

Overheads:

The Other Overheads are Rs. 498.12 Lakhs for the FY 2016-17as against Rs.800.10 Lakhs for the F.Y2015-16, on account of revival of operations during the current accounting period.

Dividend:

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

Material developments in Human Resources:

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

Safety and Environment:

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

Cautionary Statement

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

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

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

Sd/-

Avinash Ravi
Managing Director

Place: Hyderabad
Date: 10.08.2017

INDEPENDENT AUDITOR'S REPORT

To the members of,

M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED,

Report on the Standalone Financial Statements:

We have audited the accompanying financial statements of M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period ended 31st March, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the

Ind AS, of the state of affairs of the Company as at March 31, 2017, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable accounting Standards specified under Section 133 of the Act, read with relevant rules there on;
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has pending litigations which will have an impact on its financial position in the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There have been no occasions in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.
 - iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 8 to the Standalone Ind AS Financial Statements.

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

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

Place : Hyderabad

Date :26/05/2017

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- v. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
 - 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
 - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
 - 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities though there has been slight delay in few cases.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
 - (c) According to the information and explanations given to us, the following are disputed dues relating to Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.



Name of the Statute	Nature of the Dispute	Amount (Rs)	Period to which the amounts relate (F.Y)	Forum where the dispute is pending and amount deposited
8 Central Excise Act, 1944	Excise Duty & Service Tax	1,46,99,599	FY 2008-09 & FY 2003-04	Central Excise and Service Tax Appellate Tribunal, Hyderabad.
Income Tax Act, 1961	Income tax	3,58,44,000	From FY 2003-04 to FY 2005-06 & FY 2015-16	AP and Telangana High Court

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

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

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

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

Place : Hyderabad
Date :26/05/2017

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KREBS BIOCHEMICALS & INDUSTRIES LIMITED

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

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

We have audited the internal financial controls over financial reporting of KREBS BIOCHEMICALS & INDUSTRIES LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Hyderabad

Date :26/05/2017

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
BALANCE SHEET AS AT 31ST MARCH 2017

(Rs in Lakhs)

PARTICULARS	Note	As at 31.03.2017 Audited	As at 31.03.2016 Audited	As at 01.04.2015 Audited
ASSETS				
1. Non Current Assets				
(a) Property, Plant and Equipment	3	9,857.34	9,181.17	9,841.19
(b) Capital Work in Progress	3	350.31	1,054.19	-
(c) Other Intangible Assets	4	359.88	128.94	367.00
(d) Financial Assets	5	65.44	54.90	53.23
(e) Other Non Current Assets	6	255.88	283.74	205.46
		10,888.85	10,702.94	10,466.88
2. Current Assets				
(a) Inventories	7	545.49	563.56	545.30
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	8	158.83	2.78	33.25
(iii) Cash & Cash Equivalents	9	11.71	26.81	630.94
(iv) Loans		-	-	-
(c) Others	5	602.79	345.80	273.25
		1,318.82	938.95	1,482.74
Total Assets		12,207.67	11,641.89	11,949.62
EQUITY AND LIABILITIES				
1. Equity				
(a) Equity Share Capital	10	1,374.43	1,306.43	951.43
(b) Money Received Against Share Warrants		-	367.20	367.20
(c) Share Application Money Pending Allotment		-	-	1,917.00
(d) Other Equity	11	(1,226.74)	(372.27)	(302.21)
Total Equity		147.69	1,301.36	2,933.42
Liabilities				
1. Non Current Liabilities				
(a) Financial Liabilities				
(i) Long Term Borrowings	12	4,278.74	2,530.96	1,764.71
(b) Provisions	13	282.32	357.11	206.30
(c) Other Non Current Liabilities	14	4,327.27	4,500.00	3,944.00
		8,888.33	7,388.07	5,915.01
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables	15	1,099.30	1,236.65	1,654.27
(iii) Other Financial Liabilities		-	-	-
(b) Other Current Liabilities	16	1,985.53	1,634.23	1,261.43
(c) Provisions	13	86.79	81.57	185.50
		3,171.62	2,952.45	3,101.19
Total Equity and Liabilities		12,207.67	11,641.89	11,949.62

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss.
per our report of even date for and on behalf of the Board of Directors

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

Place : Hyderabad

Date : 26.05.2017

Sd/-

DR. R.T. RAVI

Chairman

DIN: 00272977

Sd/-

HARITHA VARANASI

Company Secretary

Sd/-

AVINASH RAVI

Managing Director

DIN: 01616152

Sd/-

C.V.R.S.N.KUMAR

C F O

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs in Lakhs)

PARTICULARS	Note	Year ended 31.03.2017	Year ended 31.03.2016
I Revenue From Operations	17	353.02	140.96
II Other Income	18	7.53	102.94
III Total Income (I+II)		360.54	243.90
IV Expenses			
Cost of Materials Consumed	19	133.99	177.26
Changes in Inventories of Finished Goods and Work-In-Progress	20	(41.68)	(162.69)
Employee Benefits Expense	21	562.59	566.52
Finance Costs	22	348.85	73.88
Depreciation and Amortization expense	3	423.37	448.62
Other Manufacturing Expenses	23	176.80	449.13
Other Expenses	24	321.32	350.97
Total Expenses (IV)		1,925.24	1,903.69
V Profit/(Loss) Before Exceptional and extraordinary items and Tax (III-IV)		(1,564.69)	(1,659.79)
VI Exceptional Items			
a) Debit balances written off		-	(0.93)
b) Diminution in Value of Inventory		(67.56)	(126.93)
c) Amounts Written Back		31.66	96.49
d) Profit on Sale of Food Division's Immovable Assets		-	59.12
e) Prior period Income		7.46	-
f) Prior period Expenditure		(11.80)	-
Total Exceptional Items (VI)		(40.24)	27.75
VII Profit/ (Loss) Before extraordinary items and Tax (V-VI)		(1,604.93)	(1,632.04)
VIII Extraordinary Items		-	-
IX Profit/ (Loss) before Tax (VII-VIII)		(1,604.93)	(1,632.04)
X Tax Expense:			
(1) Current Tax		-	-
(2) Short/(excess) provision for earlier years		-	-
(3) Deferred Tax		-	-
XI Profit/ (Loss) for the Period From Continuing Operations (IX-X)		(1,604.93)	(1,632.04)
XII Profit/ (Loss) from Discontinued Operations		-	-
XIII Tax Expense of Discontinued Operations		-	-
XIV Profit/ (Loss) from Discontinued Operations (After Tax) (X-XI)		-	-
XV Profit/(Loss) for The Period (XIV+XI)		(1,604.93)	(1,632.04)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		72.05	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		379.21	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive income for the year, net of tax		451.26	-
Total Comprehensive income for the year		(1,153.67)	(1,632.04)
XVI Earning per Equity Share (For Continuing Operation):			
(1) Basic		(8.39)	(13.24)
(2) Diluted		(8.46)	(12.54)

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

As per our report of even date attached

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

Sd/-

CA N.RajeshPartner
M.NO.223169Place : Hyderabad
Date : 26.05.2017

for and on behalf of the Board of Directors

Sd/-

DR. R.T. RAVIChairman
DIN: 00272977

Sd/-

HARITHA VARANASI
Company Secretary

Sd/-

AVINASH RAVIManaging Director
DIN: 01616152

Sd/-

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

KREBS BIOCHEMICALS & INDUSTRIES LTD, HYDERABAD
Cash Flow Statement for the Year Ended 31.03.2017

PARTICULARS	(Rs in lacs)	
	Year Ended 31.03.2017	Year ended 31.03.2016
A. Cash Flow from Operating Activities		
1) Net Profit before tax and extraordinary items	(1564.70)	(1,659.79)
Adjustments for:		
Depreciation	423.37	448.62
Financial Charges	348.85	73.88
Exceptional Items	(40.24)	27.75
Interest received /Other Income	(156.73)	(204.82)
Other Comprehensive Income	451.26	-
2) Operating Profit before Working Capital Changes	(538.19)	(1,314.36)
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(156.05)	30.47
(Increase)/Decrease in Inventories	18.07	(18.26)
(Increase)/Decrease in Other Non Current Assets	27.86	(79.95)
(Increase)/Decrease in Other Financial Assets	(267.53)	(72.55)
Increase/(Decrease) in Non Current Provisions	(74.79)	150.81
Increase/(Decrease) in Current Provisions	5.22	(103.93)
Increase/(Decrease) in Trade Payables	(137.36)	(417.61)
Increase/(Decrease) in Other Current Liabilities	351.30	372.80
3) Cash generated from Operations	(233.28)	(138.22)
Financial Charges paid	(348.85)	(73.88)
Net Cash provided/(Used) from operating activities	(1,120.32)	(1,526.46)
B. Cash Flow from Investing Activities		
(Increase) / Decrease of Property, Plant & Equipment	(1,099.54)	232.14
(Increase) / Decrease of Capital Work-in-Progress	703.88	(1,054.19)
Interest Received/Other Income	156.73	204.82
(Increase) / Decrease of Intangible Assets	(230.90)	217.30
Net Cash used in Investing Activities	(469.83)	(399.93)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	1,747.78	766.25
Increase/(Decrease) in Share Capital	68.00	355.00
Increase/(Decrease) in Share Premium	299.20	1,562.00
Increase/(Decrease) in Share Warrants	(367.20)	(1,917.00)
Increase/(Decrease) in Other Non Current Liabilities	(172.73)	556.00
Net Cash provided/(Used) from financing activities	1,575.05	1,322.25
Net Increase in Cash and Cash equivalents (A+B+C)	(15.09)	(604.15)
Cash and Cash equivalents as at the commencement of the year	26.81	630.95
Cash and Cash equivalents as at the close of the year	11.71	26.81

As per our report of even date attached

for and on behalf of the Board

For PAVULURI & CO

Chartered Accountants

Firm's Reg No : 012194S

Sd/-

CA N.Rajesh

Partner

M.NO.223169

Place : Hyderabad

Date : 26.05.2017

Sd/-

DR. R.T. RAVI

Chairman

DIN: 00272977

Sd/-

HARITHA VARANASI

Company Secretary

Sd/-

AVINASH RAVI

Managing Director

DIN: 01616152

Sd/-

C.V.R.S.N.KUMAR

C F O

NOTES to the Financial Statements for the Year Ended 31st March, 2017

1 Corporate information

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

Significant Accounting Policies

2 Basis of accounting and preparation of financial statements

"The financial statements of the Company have been prepared to comply with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and other relevant provisions of the Act. "The financial statements upto year ended 31.03.2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act and were restated as per IND AS."These financial statements are the first financial statements under IND AS."

2.1 Historical Cost Convention

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

Use of Estimates

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

2.2 Inventories

Raw Materials, Work-In-Progress and Finished Goods are valued at lower of the cost or net realisable value. Cost of raw materials comprises cost of purchase. Cost of WIP and finished goods comprises direct materials, direct labour and an appropriate proportion of fixed and variable overhead expenditures. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3 Depreciation and amortisation

"Free hold land were revalued as on 01.04.2015 . All other items of property, plant and equipments are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. "Subsequent costs are included in the assets carrying amount only when it is probable that the future economic benefits associated with the item will flow into the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period when they are incurred."On transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01.04.2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. "Depreciation has been calculated on straight-line method to allocate their cost, net of their residual values, over their estimated lives 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	Furniture & Fixtures	10 years
Electrical Installations	20 years	Vehicles	8 years
D G Sets	20 years	Computers	3 years
Effluent Treatment Plant	20 years		

2.4 Revenue recognition

"Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances and rebates. "Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. This coincides with the passing of possession to the buyer. "

2.5 Expenditure

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

2.6 Intangible fixed assets

"Development costs that are directly attributable to development and testing of new products are recognised as intangible assets when the expenditure attributable to the product during its development can be reliably measured. "On transition to IND AS, the group has elected to continue with the carrying value of intangible assets recognised as at 01.04.2015 measured as per IND AS and use that carrying amount as the deemed cost of intangible assets."

Capital work-in-progress:

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

2.7 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. The liability is measured at its fair value considering the discounting rate as 8% and is shown at its fair value in statement of assets and liabilities and the gain/(loss) is accounted as Other Comprehensive Income.

2.8 Foreign Exchange Transaction:

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/ loss on settlement/ negotiation during the year is recognised in the Statement of Profit and Loss. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the Statement of Profit and Loss. Non Monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

2.9 Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.10 Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.11 Taxes on income

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

2.12 Impairment of assets

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

2.13 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.

2.14 R & D Expenditure

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

2.15 Dividends

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

2.16 Excise Duty

The excise duty expenses are bifurcated into two components: excise duty expenses related to sales and the un-recovered excise duty is recognized under other expenses and excise duty relating to the difference between the closing and opening stock of finished goods is recognized in the material cost and inventory adjustments. CENVAT / Service Tax credit utilised during the year is accounted in excise duty and unutilised CENVAT / Service Tax credit at the year end is considered as duties and taxes refundable.

Note 3 : Property, Plant & Equipment

(Rs. in Lacs)

Particulars	Land	Wells	Buildings - Factory	Buildings - Non Factory	Plant & Machinery - Pharma Divisions	Plant & Machinery - Power Plant	Boilers	Electrical Installations	D.G.Set	Effluent Treatment Plant	Factory Equipment	Lab Equipment	Research & Dev. Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work in Progress	
Year Ended 31.03.2016																				
Gross Carrying Amount	4,899.02	23.38	1,827.64	132.05	10,609.38	1,204.36	97.47	719.51	350.93	653.34	152.23	375.38	104.15	47.79	50.35	118.16	62.28	21,427.42	-	-
Deemed Cost as on 01.04.2015		0.55												1.73	7.88		11.05	21.21	1,054.19	
Additions																			253.35	
Disposals	60.52	0.57	167.98	24.28																
Closing Gross Carrying Amount	4,838.50	23.36	1,659.66	107.77	10,609.38	1,204.36	97.47	719.51	350.93	653.34	152.23	375.38	104.15	49.52	58.23	118.16	73.33	21,195.28	1,054.19	
Accumulated Depreciation																				
Depreciation charge for the Year			727.44	24.03	8,057.93	901.48	97.47	475.42	344.95	590.57	132.03	311.45	90.73	46.51	46.05	105.88	62.17	12,014.11		
Closing Accumulated Depreciation			727.44	24.03	8,057.93	901.48	97.47	475.42	344.95	590.57	132.03	311.45	90.73	46.51	46.05	105.88	62.17	12,014.11		
Closing Net Carrying Amount	4,838.50	23.36	932.22	83.74	2,551.45	302.88		244.09	5.98	62.77	20.20	63.93	13.42	3.01	12.18	12.28	11.16	9,181.17	1,054.19	
Year Ended 31.03.2017																				
Gross Carrying Amount	4,838.50	23.36	1,659.66	107.77	10,609.38	1,204.36	97.47	719.51	350.93	653.34	152.23	375.38	104.15	49.52	58.23	118.16	73.33	21,195.28	1,054.19	
Deemed Cost as on 01.04.2015		0.65	135.93		697.73			36.56		16.98	73.97	132.31		0.60			0.82	1,099.54	391.66	
Additions	4.00																			
Disposals																				
Closing Gross Carrying Amount	4,842.50	24.01	1,795.59	107.77	11,307.11	1,204.36	97.47	756.07	350.93	670.32	226.20	507.69	104.15	50.12	58.23	118.16	74.15	22,294.82	350.31	
Opening Accumulated Depreciation			727.44	24.03	8,057.93	901.48	97.47	475.42	344.95	590.57	132.03	311.45	90.73	46.51	46.05	105.88	62.17	12,014.11		
Depreciation charge for the Year			63.73	1.78	261.70	9.31		49.92	0.63	6.40	3.25	8.28	1.94	0.58	1.45	3.88	10.54	423.37		
Closing Accumulated Depreciation			791.17	25.81	8,319.63	910.79	97.47	525.34	345.58	596.97	135.28	319.73	92.67	47.09	47.50	109.76	72.71	12,437.48		
Closing Net Carrying Amount	4,842.50	24.01	1,004.42	81.96	2,987.48	293.57		230.73	5.35	73.35	90.92	187.96	11.48	3.03	10.73	8.40	1.44	9,857.34	350.31	

Note 4: Other Intangible Assets

(Rs. in Lacs)

Particulars	Product Development Expenses	Total
Year Ended 31.03.2016		
Gross Carrying Amount		
Deemed Cost as on 01.04.2015	128.94	128.94
Additions	-	-
Closing Gross Carrying Amount	128.94	128.94
Accumulated Amortisation		
Amortisation charge for the Year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount	128.94	128.94
Year Ended 31.03.2017		
Gross Carrying Amount		
Deemed Cost as on 01.04.2016	128.94	128.94
Additions	230.94	230.94
Closing Gross Carrying Amount	359.88	359.88
Opening Accumulated Amortisation	-	-
Amortisation charge for the Year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount	359.88	359.88

a) Additions in the current year 2016-17 of Rs. 230.94 lakhs include expenses incurred on Product Development.

Note 5: Financial Assets

(Rs. in Lacs)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Security Deposits	-	65.44	-	54.90	-	53.23
Balances with Govt Authorities	417.44	-	327.33	-	209.08	-
Prepaid Expenses	14.13	-	5.03	-	4.49	-
Advances for Materials	9.70	-	4.41	-	43.75	-
Advances to Employees	4.39	-	4.97	-	5.00	-
Other Advances	157.14	-	1.17	-	9.92	-
Interest Accrued	-	-	2.89	-	1.01	-
Total Other Financial Assets	602.79	65.44	345.80	54.90	273.25	53.23

Note 6: Other Non Current Assets

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Capital Advances (unsecured, considered good)	32.84	82.24	149.09
Advances other than capital advances			
TDS Receivable	81.71	60.17	36.37
Cenvat Deposit Receivable	20.00	20.00	20.00
Other Advances (unsecured, considered good)	121.33	121.33	-
Total Other Non Current Assets	255.88	283.74	205.46

Note 7: Inventories

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Raw Materials	104.96	110.53	221.28
Work in Progress	279.71	376.96	239.40
Finished Goods	98.80	17.43	24.64
Stores, Spares & Consumables	62.02	58.64	59.99
Total Inventories	545.49	563.56	545.30

Note 8: Trade Receivables

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Trade Receivables	158.83	2.78	33.25
Receivable from Related Parties	-	-	-
Less : Allowance for Doubtful Debts	-	-	-
Total Receivables	158.83	2.78	33.25
Current Portion	158.83	2.78	33.25
Non Current Portion	-	-	-

Breakup of Security Details

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Secured, Considered Good	-	-	-
Unsecured, Considered Good	158.83	2.78	33.25
Doubtful	-	-	-
Total	158.83	2.78	33.25
Allowance for Doubtful Debts	-	-	-
Total Trade Receivables	158.83	2.78	33.25

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

Note 9 : Cash & Cash Equivalents

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Balances with Banks			
- in current accounts	11.18	5.09	605.46
- in Margin Money accounts	-	21.50	21.50
Deposits with Maturity Less than three months	-	-	-
Cash on Hand	0.53	0.22	3.98
Total Cash & Cash Equivalents	11.71	26.81	630.94

Disclosure of Specified Bank Notes (SBN)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 30, 2017 of Specified Bank Note (SBN) held and transacted during the period November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification is given below

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	21,000	37,295	58,295
Add : Permitted Receipts		626,355	626,355
Less : Permitted Payments		564,109	564,109
Less : Amount deposited in Banks	21,000	-	21,000
Closing Cash in hand as on 30.12.2016	-	99,541	99,541

Note 10 : Equity Share Capital**a) Authorised Equity Share Capital**

(Rs. in Lacs)

Particulars	No. of Shares	Amount (Rs)
As at 01.04.2015	200.00	2,000.00
Increase during the year	-	-
As at 31.03.2016	200.00	2,000.00
Increase during the year	-	-
As at 31.03.2017	200.00	2,000.00

b) Movements in Equity Share Capital

(Rs. in Lacs)

Particulars	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2015	95.14	951.43
Preferential Allotment	35.50	355.00
As at 31.03.2016	130.64	1,306.43
Warrants Converted	6.80	68.00
As at 31.03.2017	137.44	1,374.43

- c) 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.
- d) During the year, 6.80 lacs share warrants issued to Mrs. Hemalatha Ravi were converted into one equity share of Rs.10/-.

Note 11: Other Equity

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Securities Premium Account	5,861.37	5,562.17
State Subsidy	39.38	39.38
Retained Earnings	(7,127.49)	(5,973.82)
Total Reserves & Surplus	(1,226.74)	(372.27)

a) Securities Premium Reserve

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Opening Balance	5,562.17	4,000.17
Received on Preferential Allotment	-	1,562.00
Received on Warrants Conversion	299.20	-
Closing Balance	5,861.37	5,562.17

b) State Subsidy

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Opening Balance	39.38	39.38
Additions	-	-
Closing Balance	39.38	39.38

c) Retained Earnings

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Opening Balance	(5,973.82)	(4,341.77)
Net profit for the period	(1,153.67)	(1,632.04)
Items of Other Comprehensive Income recognised directly in retained earnings	-	-
Closing Balance	(7,127.49)	(5,973.82)

Note : Financial Liabilities
Note 12 : a) Non Current Borrowings

Particulars	Maturity Date	Terms of Repayment	Interest Rate / Coupon Rate	31.03.2017		31.03.2016		01.04.2015	
				Current Portion	Non Current Portion	Current Portion	Non Current Portion	Current Portion	Non Current Portion
Secured									
Term Loans From FI (EARC)	30.09.2019	Quarterly in Ten Equal Installments	12.00%	355.39	502.61	400.00	1,000.00	200.00	1,400.00
From Associate Company			11.50%	.	3,496.50	.	1,140.00	.	.
Unsecured									
Term Loans From Govt (Interest Free Sales Tax Loan)	31.03.2025	Annually once	8.00%	120.61	179.63	125.94	290.96	146.84	364.71
From Directors			12.00%	.	100.00	.	100.00	.	.
From Others								35.72	.
Total				476.00	4,278.74	525.94	2,530.96	382.56	1,764.71

- 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'.
- b) Borrowing from EARC is measured at fair value considering the discounting rate of 12%. Fair value of Rs. 858 lakhs is payable to EARC as on 31.03.2017.
- c) The sales tax collected on domestic sales of Company's products is treated as interest free sales tax loan from the AP State Government in accordance with the State Government incentive scheme. The amount credited to the loan account is based on the amounts collected as sales tax. During the year the company has paid interest free sales tax Loan of Rs. 52.18 lakhs for its pharma division unit at Kothapalli. The interest free sales tax loan so far stood at Rs. 300.24 lakhs after remeasuring the liability at fair value at a discounting rate of 8%.
- d) IPCA Laboratories Ltd, the associate company of Krebs, has advanced the company an amount of Rs. 2356.50 lakhs as inter corporate deposit during the year. Closing balance as on 31.03.2017 stood at Rs. 3496.50 lakhs.

Note 13 : Provisions

(Rs. in Lacs)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Current	Non Current	Current	Non Current	Current	Non Current
Provision for Gratuity	56.13	105.75	56.98	180.54	-	206.30
Provision for Bonus	30.66	-	24.59	-	8.93	-
Other Provisions	-	176.57	-	176.57	176.57	-
Total Provisions	86.79	282.32	81.57	357.11	185.50	206.30

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

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

The Gratuity plan is a non funded plan. The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

Particulars	31.03.2017	31.03.2016
Expenses recognised in Statement of Profit & Loss		
Current Service cost	1,298,433	-
Interest Expense	1,753,469	-
Expected return on Plan Assets	-	-
Net Actuarial Gain / (Loss) recognized for the period	(10,257,210)	-
Expense recognized in statement of P&L a/c	-	-
Expenses recognised in Other Comprehensive Income		
Return on plan assets (Greater)/ Less than Discount rate	-	-
Actuarial (Gain)/ Loss due to experience on DBO	(7,205,308)	-
Total	(7,205,308)	-
Present Value of funded defined benefit obligation	16,187,856	-
Fair value of Plan Assets	-	-
Funded Status	-	-
Net defined benefit (Asset)/ Liability	16,187,856	-
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	23,739,900	-
Current Service cost	1,298,433	-
Interest Expense	1,765,585	-
Actuarial (Gain)/ Loss	(10,257,210)	-
Benefit paid	(145,090)	-
Present value of defined benefit obligation at the end of the year	16,401,618	-
Movements in fair value of the plan assets are as follows.		
Opening fair value of plan assets	23,739,900	-
Expenses as above	7,205,308	-
Contribution paid	(145,090)	-
Benefit paid but pending claim	-	-
Closing fair value of the plan asset	16,187,856	-
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (Gain)/ Loss arising from experience adjustments	7,205,308	-
Actuarial (Gain)/Loss on plan Assets	-	-
Total Actuarial (Gain)/ Loss included in OCI	7,205,308	-

NOTE- 14 Other Non Current Liabilities

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Interest Free Lease Deposit	3,123.50	4,500.00	3,944.00
Rent Received in Advance	1,203.77	-	-
Total Other Non Current Liabilities	4,327.27	4,500.00	3,944.00

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

Note 15 : Trade Payables

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Trade Payables			
For Materials	1,054.02	1,188.07	1,580.14
For Services	45.27	48.58	74.13
Total outstanding dues of Micro and small enterprises others	-	-	-
Total Trade Payables	1,099.30	1,236.65	1,654.27

Note 16 : Other Current Liabilities

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Current Maturities of Borrowings	476.00	525.94	382.56
Statutory Remittances	184.70	62.57	63.92
Payables for Capital Works	236.78	242.35	24.08
Payables for Other Expenses	842.11	598.74	543.81
Salaries Payable	172.80	137.98	187.69
Audit Fees Payable	11.65	9.40	8.33
Directors Remuneration Payable	43.81	39.04	33.36
Advance from Customers	17.69	18.21	17.68
Total Other Current Liabilities	1,985.53	1,634.23	1,261.43

Note 17 : Revenue from Operations

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Sale from Operations (Incl Excise Duty)	197.02	17.79
Other Operating Income	156.00	123.17
Others	-	-
Total Operating Revenue	353.02	140.96

Note 18 : Other Income

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Sale of Scrap & RM	6.79	94.33
Interest Income	0.73	8.61
Total Other Income	7.53	102.94

Note 19 : Cost of Materials consumed

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Raw Materials at the beginning of the year	110.53	221.28
Add : Purchases (net of discount)	160.88	161.11
Less : Diminution in value of inventory	11.17	94.60
Less : Self Consumption	21.30	-
Less : Closing Stock at the end of the year	104.96	110.53
Total Cost of Materials Consumed	133.99	177.26

Note 20 : Changes in Inventories

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Opening Stock		
Work in Progress	376.96	239.40
Finished Goods	17.43	24.63
Total Opening Stock	394.39	264.03
Less : Diminution in value of inventory	56.39	32.33
Less : Self Consumption	1.17	-
Closing Stock		
Work in Progress	279.71	376.96
Finished Goods	98.80	17.43
Total Closing Stock	378.51	394.39
Total Changes in Inventories	(41.68)	(162.69)

Note 21 : Employee Benefits

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Salaries, Wages & Benefits	542.23	539.65
Staff Welfare	20.36	26.87
Total Employee Benefits	562.59	566.52

Note 22 : Finance Costs

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Interest and Finance Charges on Financial Liabilities not a fair value through P&L	250.79	73.17
Interest - Others	97.75	-
Bank Charges	0.31	0.71
Total Finance Costs	348.85	73.88

Note 23 : Other Manufacturing Expenses

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Power & Fuel	69.54	286.93
Research & Development	5.53	-
Lab Expenditure	23.26	22.45
Repairs & Maintenance	77.58	138.37
ETP Maintenance	0.89	1.38
Total Other Manufacturing Expenses	176.80	449.13

Note 24 : Other Expenses

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016
Rent	21.11	16.79
Rates & Taxes	19.31	94.06
Insurance	5.60	3.55
Printing & Stationary	6.59	8.58
Communication Expenses	15.36	15.70
Consultancy & Legal Exp.	42.11	36.77
General Expenses	10.44	15.31
Security Service Charges	33.01	40.56
Directors Sitting fees	4.85	2.40
Directors Remuneration	52.52	40.53
Auditors' Remuneration	2.50	2.50
Travelling & Conveyance	22.71	30.15
Directors Travelling	5.53	6.26
Office Maintainance	14.41	8.55
Carriage Outward	1.31	0.04
Business Promotion Expenditure	0.60	-
Sales Tax	3.43	3.58
Excise Duty	27.48	12.00
Service Tax	15.58	11.23
Donations	0.97	1.18
Prior Period Expenses	-	1.23
Penalties	15.89	-
Total Other Expenses	321.32	350.97

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

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

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
i) Profit After Tax	(115,367,244.72)	(163,204,282.00)
ii) Closing equity shares outstanding (Nos.)	13,744,286.00	13,064,286.00
Opening equity shares outstanding (Nos.)	13,064,286.00	9,514,300.00
Add: Issued during the year (Nos.)	680,000.00	3,549,986.00
Closing equity shares outstanding (Nos.)	13,744,286.00	13,064,286.00
iii) Weighted avg no. of shares outstanding (Nos.) (Basic)	13,744,286.00	13,064,286.00
iv) Weighted avg no. of shares outstanding (Nos.) (Diluted)	13,638,000.00	12,329,628.00
v) Nominal value of euity share (Rs.)	10.00	10.00
vi) Basic EPS (i/ iv) (Rs.)	(8.39)	(13.24)
vii) Diluted EPS (i/ iv) (Rs.)	(8.46)	(12.54)

Other Comprehensive Income

(Rs. in Lacs)

Particulars	Note No	Year ended 31.03.2017	Year ended 31.03.2016
Items that may be reclassified to profit or loss			
Change in Fair Value of FVOCI Debt Instruments		-	-
Change in Fair Value of FVOCI Financial Liabilities		379.21	-
Deferred gains/ (losses) on cash flow hedges		-	-
Deferred costs of hedging		-	-
Exchange differences on translation of foreign operations		-	-
Net investment hedge gain		-	-
Income tax relating to these items		-	-
Sub Total (A)		379.21	-
Items that may not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		-	-
Deferred gains/ (losses) on cash flow hedges		-	-
Deferred costs of hedging		-	-
Remeasurement of post employment benefit obligations		72.05	-
Income tax relating to these items		-	-
Sub Total (B)		72.05	-
Other Comprehensive Income for the Year		451.26	-

NOTE- 25

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 / N V R Co-Operative Sugar Factory.

NOTE- 26

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

NOTE- 27

Managerial Remuneration :

Rs. in Lacs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Managing Director		
Avinash Ravi		
---- Remuneration	42.22	26.65
---- Perquisites	3.30	0.57
---- LTA	3.50	2.22
---- Holiday Passage	3.50	2.22
Dr.R.T.Ravi	-	-
---- Remuneration	-	2.19
---- Perquisites	-	1.65
Director & COO		
Avinash Ravi (up to 12.08.2015)		
---- Remuneration	-	4.09
---- Perquisites	-	0.95
---- LTA	-	-
Total	52.52	40.54

NOTE- 28

Related party disclosures :

a) Name of the related parties:

Promoters / Promoters Group	:	Dr.R.T.Ravi - Chairman. Mr. Avinash Ravi - Managing Director Mrs. Hemalata Ravi w/o Dr.R.T.Ravi M/s Ipca Laboratories Ltd
Directors	:	Dr.R.T.Ravi - Chairman. Mr. Avinash Ravi - Managing Director Mr. E.J.Babu - Director Mr. Manish Jain - Director
Key Management Personnel	:	Mr. C.V.R.S.N.Kumar - CFO Ms.Haritha Varanasi - Company Secretary

b) Aggregated Related party disclosures for the financial year 2016-17

i) Particulars of transactions during the year

(Rs. In lacs)

Nature of Transaction	For the year ended 31st March 2017	For the year ended 31st March 2016
Remuneration to Promoters / Promoters Group	42.22	32.93
Rent paid to Promoters / Promoters Group	-	1.65
Perquisites paid to Promoters / Promoters Group	10.30	5.96
Sitting Fees paid to Directors	4.85	0.40
Remuneration to Key Managerial Persons	12.76	8.00
TOTAL	70.13	48.94

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

(Rs. In lacs)

Nature of Transaction	As at 31st March, 2017	As at 31st March, 2016
a) Amounts due to related parties		
Ipca Laboratories - Lease Deposit	3,123.50	4500.00
Ipca Laboratories - Lease Deposit	1,203.77	0.00
Ipca Laboratories - ICD	3,496.50	1140.00
Ipca Laboratoreis Ltd - Creditor	125.69	166.09
Interest Payable on ICD to IPCA	286.46	58.43
Avinash Ravi - Loan	100.00	100.00
Interest Payable on Loan to Avinash Ravi	13.66	2.86
Remuneration Payable to Directors	43.81	39.04
Rent Payable to Hemalatha Ravi	18.02	18.02
Advances received from Key Managerial Persons	105.58	105.42
Advances received from Hemalatha Ravi	21.43	21.43
TOTAL	8,538.44	6,151.29

NOTE- 29**Contingent Liabilities :**

The following contingent liabilities are not provided for.

(i) Excise Duty & Service Tax: There are various demands raised by the Excise authorities amounting to Rs.146.99 lakhs (Previous Year Rs.125.30 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 20.00 lacs) based on interim directions.

(ii) Income Tax: There are various demands raised by the Income Tax authorities amounting to Rs. 358.44 lakhs (Previous Year Rs.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

- (iii) Employee Provident Fund: Damages u/s 14B amounting to Rs. 129.93 lakhs (Rs. 76.07 lakhs for Vizag Unit and Rs. 53.86 lakhs for Nellore Unit respectively) were raised by PF authorities. Company has preferred to appeal against the damages.
- (iv) Arbitration with Mylan Laboratories Ltd : Mylan Laboratories Limited has raised a claim of Rs. 2.47 crores and conversely the Company has raised a claim of Rs. 1.30 crores along with future demurrage charges of Rs. 4.72 lacs per month.

NOTE- 30

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

NOTE - 31**First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

A. Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company has elected to apply the exemption for deemed cost of property, plant and equipment contained in D7AA of Ind AS 101 by considering the previous GAAP carrying values as deemed costs. Accordingly the Net block as at March 31, 2015 as per the previous GAAP have been considered as the deemed cost as at April 1, 2015 and are being depreciated over the residual useful life on a straight line basis.

Reconciliation between previous GAAP and Ind AS

A. Effect of Ind AS adoption on the Balance Sheet as on 31.03.2016 and 01.04.2015

Particulars	As at 31.03.2016 (End of last period represented under previous GAAP)			As at 01.04.2015 (Date of Transition)		
	Previous GAAP	Effect of Transition to Ind AS	31.03.2016	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Non Current Assets						
Property, Plant and Equipment	4437.92	4,743.25	9181.17	5,097.94	4,743.25	9,841.19
Capital Work in Progress	1054.19	-	1054.19	-	-	-
Other Intangible Assets	508.22	(379.28)	128.94	746.28	(379.28)	367.00
Deferred Tax Assets	131.3	(131.30)	-	131.30	(131.30)	-
Current Tax Assets	-	-	-	-	-	-
Other Non Current Assets	3465.59	(3,126.97)	338.63	3,381.62	(3,122.94)	258.68
Total Non Current Assets	9,597.22	1,105.70	10,702.93	9,357.15	1,109.73	10,466.88
Current Assets						
Inventories	563.56	-	563.56	545.30	-	545.30
Financial Assets						
Trade Receivables	2.78	-	2.78	37.28	(4.03)	33.25
Cash & Cash Equivalents	26.81	-	26.81	630.94	-	630.94
Loans	-	-	-	-	-	-
Others	345.80	-	345.80	273.25	-	273.25
Total Current Assets	938.95	-	938.95	1,486.77	(4.03)	1,482.74
Total Assets	10,536.17	1,105.70	11,641.89	10,843.91	1,105.70	11,949.62
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	1306.43	-	1,306.43	951.43	-	951.43
Money Received Against Share Warrants	367.2	-	367.20	367.20	-	367.20
Share application money pending allotment	-	-	-	1,917.00	-	1,917.00
Other Equity	-1477.97	1,105.70	-372.26	(1,407.91)	1,105.70	(302.21)
Total Equity	195.66	1,105.70	1,301.37	1,827.72	1,105.70	2,933.42
Liabilities						
Non Current Liabilities						
Financial Liabilities						
Long Term Borrowings	2604.72	-	2,604.72	1,764.71	-	1,764.71
Provisions	414.09	-	414.09	206.30	-	206.30
Other Non Current Liabilities	4500	-	4,500.00	3,944.00	-	3,944.00
Total Non Current Liabilities	7,518.81	-	7,518.81	5,915.01	-	5,915.01
Current Liabilities						
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	1236.65	-	1236.65	1,654.27	-	1,654.27
Other Financial Liabilities	0	-	0	-	-	-
Other Current Liabilities	1560.46	-	1560.46	1,261.43	-	1,261.43
Provisions	24.59	-	24.59	185.50	-	185.50
Total Current Liabilities	2,821.70	-	2,821.70	3,101.19	-	3,101.19
Total Equity and Liabilities	10,536.17	1,105.70	11,641.89	10,843.91	1,105.70	11,949.62

NOTE- 32

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- 33

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

NOTE- 34

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.

per our report of even date

For PAVULURI & CO

Chartered Accountants
Firm's Reg No : 012194S

CA N.Rajesh

Partner
M.NO.223169

Place : Hyderabad
Date : 26.05.2017

for and on behalf of the Board of Directors

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

Sd/-
HARITHA VARANASI
Company Secretary

Sd/-
AVINASH RAVI
Managing Director
DIN: 01616152

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



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

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

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

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

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

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address :

E-mail Id :

Signature:, or failing him

3. Name :

Address :

E-mail Id :

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Tuesday, 26th Day of September, 2017 at 9:30 AM at S R Gardens, Kothapalli (V), Kasimkota(M), Anakapalli, Vishakapatnam(D), Andhra Pradesh - 531031 and at any adjournment thereof in respect of such resolutions as are indicated below:



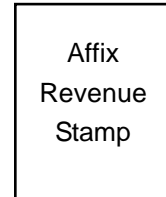
Resolution No.

1. Approval of financial statements for the year ended 31.03.2017
2. To re-appoint Mr. Manish Jain 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. Approval for entering into related party transactions by the company.

Signed this day of..... 2017

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

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

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 25th Annual General Meeting of the members of the company to be held on Tuesday, 26th of September, 2017 at 9:30 AM at S R Gardens, Kothapalli (V), Kasimkota(M), Anakapalli, Vishakapatnam(D), Andhra Pradesh – 531031 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature_____

Shareholders/Proxy's full name_____

(In block letters)

Folio No./ Client ID_____

No. of shares held _____

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

**BOOK-POST
UNDER CERTIFICATE POSTING**

If undelivered return to :

Krebs Biochemicals & Industries Limited

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

Road No. 8, Banjara Hills,

Hyderabad-500 034.