

# Krebs Biochemicals & Industries Limited

CIN : L24110AP1991PLC103912



31<sup>st</sup> October, 2016

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

Kind Attention: Abhishek Gangadharan

Dear Sir,

**Sub: Compliance under Reg. 33(3) (E) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015- Balancing figures- reg**  
**Ref: Your mail dated 19<sup>th</sup> October 2015.**  
**Our letter dated 26<sup>th</sup> October 2016**

We refer to the above captioned subject, with regard to the difference in balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year 2015-16.

On our verification, we have observed the following clerical errors due to which the figures of quarter ending 31<sup>st</sup> March 2016 need to be corrected.

- a) Cost of material consumed for the quarter ended 31.03.2016 should be read as Rs. 5.68 lakhs instead of Rs. 24.73 lakhs. The difference is because the opening stock value of raw materials was mistakenly considered.
- b) Changes in inventories of work-in-progress and finished goods for the quarter ended 31<sup>st</sup> March 2016, should be read as Rs. 62.85 lakhs instead of Rs. 65.29 lakhs. The difference is because the opening stock value was mistakenly considered.
- c) Other manufacturing expenses to be read as Rs. 205.71 lakhs instead of Rs. 92.47 lakhs. Other manufacturing expenses head was regrouped during the audit and the same was not considered during the preparation of balancing figures for the 4<sup>th</sup> quarter i.e, 31<sup>st</sup> March 2016. Also the opening stock value of consumables was mistakenly considered and results in further difference of Rs. 1.63 lakhs in other manufacturing expenses.
- d) Other expenses should be read as Rs. -9.67 lakhs instead of Rs. 105.20 lakhs. Other expenses head was regrouped during the audit and the same was not considered during the preparation of balancing figures for the quarter ending 31<sup>st</sup> March 2016.
- e) The net effect of the above changes will result in decrease of loss for the quarter ended 31<sup>st</sup> March 2016 to the extent of Rs. 23.11 lakhs, from Rs. 624.13 lakhs to Rs. 601.02 lakhs.

The following financial statements submitted to the stock exchanges have to be corrected for the above mentioned errors:

1. For the quarter ended 31<sup>st</sup> March 2016, submitted on 28<sup>th</sup> May 2016

**Krebs Biochemicals & Industries Limited**



2. For the quarter ended 30<sup>th</sup> June 2016 submitted on 14<sup>th</sup> September 2016 (The figures of 31<sup>st</sup> March 2016 after complying with the Indian Accounting Standards)

We are herewith attaching the corrected financial statements that have been ratified by the Audit Committee and will be put up to the Board's approval in the forthcoming Board Meeting.

In addition to the above, the corrected financial results will be uploaded in the Company's website.

We shall comply with the requirement of publishing the corrected financial results in newspapers if the Exchange requires the Company to do so.

We regret the error caused in the financial results and we ensure you that utmost care shall be taken in future and avoid such kind of errors in declaring the financial results.

Thanking you,

Yours Faithfully,  
For Krebs Biochemicals & Industries Limited

  
C V R S N Kumar  
CFO



**KREBS BIOCHEMICALS & INDUSTRIES LIMITED**

CIN: L24110AP1991PLC103912

Regd. Office: Kothapalli (V), Kasimkota (M), Anakapalli, Vishakapatnam (D)- 531031  
Corp. Office: Plot No:38, 8-2-577/B, Maas Heights, Road No:8, Banjara Hills, Hyderabad -500034

**CORRECTED STAND ALONE FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31ST MARCH 2016**

(Rs. In lacs)

|                | Particulars   | Quarter Ended             |                           |                           | Current Year Ended (12 Months) | Previous Year Ended (6 Months) |
|----------------|---|---------------------------|---------------------------|---------------------------|--------------------------------|--------------------------------|
|                |   | 31.03.2016<br>(Unaudited) | 31.12.2015<br>(Unaudited) | 31.03.2015<br>(Unaudited) | 31.03.2016<br>(Audited)        | 31.03.2015<br>(Audited)        |
|                | <b>PART - 1</b>   |                           |                           |                           |                                |                                |
| <b>1</b>       | <b>Income from Operations</b>   |                           |                           |                           |                                |                                |
|                | a) Net Sales / Income from Operations (Net of Excise Duty)  | -                         | -                         | -                         | 15.85                          | -                              |
|                | b) Other Operating Income   | 37.46                     | 40.27                     | -                         | 111.94                         | -                              |
|                | <b>Total Income from operations (net)</b>   | <b>37.46</b>              | <b>40.27</b>              | <b>-</b>                  | <b>127.79</b>                  | <b>-</b>                       |
| <b>2</b>       | <b>Expenses</b>   |                           |                           |                           |                                |                                |
|                | a. Cost of Material Consumed  | 5.68                      | (8.48)                    | -                         | 177.26                         | -                              |
|                | b. Changes in inventories of finished goods, work-in-progress and stock -in-trade                                   | 62.85                     | 18.85                     | -                         | (162.69)                       | -                              |
|                | c. Employee benefits expense  | 198.08                    | 120.83                    | 117.74                    | 566.52                         | 185.67                         |
|                | d. Depreciation and Amortisation expense  | 162.00                    | 95.54                     | 187.13                    | 448.62                         | 187.13                         |
|                | e. Other Manufacturing Expenses   | 205.71                    | 82.70                     | 65.94                     | 449.13                         | 90.76                          |
|                | f. Other Expenses   | (9.67)                    | 60.07                     | 166.77                    | 327.74                         | 213.82                         |
|                | <b>Total Expenses</b>   | <b>624.65</b>             | <b>369.51</b>             | <b>537.58</b>             | <b>1,806.58</b>                | <b>677.38</b>                  |
| <b>3</b>       | <b>Profit / (Loss) from Operations before other income, finance costs and exceptional items (1 - 2)</b>             | <b>(587.19)</b>           | <b>(329.24)</b>           | <b>(537.58)</b>           | <b>(1,678.79)</b>              | <b>(677.38)</b>                |
| <b>4</b>       | <b>Other Income</b>   | <b>28.99</b>              | <b>2.38</b>               | <b>1.12</b>               | <b>92.88</b>                   | <b>1.12</b>                    |
| <b>5</b>       | <b>Profit / (Loss) from ordinary activities before finance costs &amp; exceptional Items (3 ± 4)</b>                | <b>(558.20)</b>           | <b>(326.86)</b>           | <b>(536.46)</b>           | <b>(1,585.91)</b>              | <b>(676.26)</b>                |
| <b>6</b>       | <b>Finance Costs</b>  | <b>48.72</b>              | <b>20.90</b>              | <b>402.60</b>             | <b>73.88</b>                   | <b>402.85</b>                  |
| <b>7</b>       | <b>Profit / (Loss) from Ordinary Activities after Finance Costs but before exceptional items (5 ± 6)</b>            | <b>(606.92)</b>           | <b>(347.76)</b>           | <b>(939.06)</b>           | <b>(1,659.79)</b>              | <b>(1,079.11)</b>              |
| <b>8</b>       | <b>Exceptional Items:</b>   |                           |                           |                           |                                |                                |
|                | a) Debit balances written off   | (0.93)                    | -                         | (692.16)                  | (0.93)                         | (692.16)                       |
|                | b) Waiver of Principal of Bank Loans & Others   | -                         | -                         | 3,625.17                  | -                              | 3,625.17                       |
|                | c) Depletion in Value of Inventory  | -                         | -                         | (2,637.91)                | (126.93)                       | (2,637.91)                     |
|                | d) Amounts Written Back   | 6.83                      | 19.56                     | -                         | 96.49                          | -                              |
|                | e) Profit on Sale of Food Division's Immovable Assets   | -                         | -                         | -                         | 59.12                          | -                              |
|                | f) Excess Provision of Earlier Period Written Back  | -                         | -                         | -                         | -                              | -                              |
| <b>9</b>       | <b>Profit / (Loss) from Ordinary activities before tax (7 ± 8)</b>  | <b>(601.02)</b>           | <b>(328.20)</b>           | <b>(643.96)</b>           | <b>(1,632.04)</b>              | <b>(784.01)</b>                |
| <b>10</b>      | <b>Tax Expense</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                       | <b>-</b>                       |
| <b>11</b>      | <b>Net Profit / (Loss) from ordinary activities after Tax (9 ± 10)</b>  | <b>(601.02)</b>           | <b>(328.20)</b>           | <b>(643.96)</b>           | <b>(1,632.04)</b>              | <b>(784.01)</b>                |
| <b>12</b>      | <b>Extra Ordinary Items</b>   | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                       | <b>-</b>                       |
| <b>13</b>      | <b>Net Profit / (Loss) for the period (11 ± 12)</b>   | <b>(601.02)</b>           | <b>(328.20)</b>           | <b>(643.96)</b>           | <b>(1,632.04)</b>              | <b>(784.01)</b>                |
| <b>14</b>      | <b>Share of Profit / (Loss) of Associates</b>   | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                       | <b>-</b>                       |
| <b>15</b>      | <b>Minority Interest</b>  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                       | <b>-</b>                       |
| <b>16</b>      | <b>Net Profit / (Loss) after Taxes, minority Interest &amp; Share of Profit/ (Loss) of Associates (13 ± 14± 15)</b> | <b>(601.02)</b>           | <b>(328.20)</b>           | <b>(643.96)</b>           | <b>(1,632.04)</b>              | <b>(784.01)</b>                |
| <b>17</b>      | <b>Paid-up Equity Share Capital (Face Value Rs. 10/- each)</b>  | <b>1306.43</b>            | <b>1306.43</b>            | <b>951.43</b>             | <b>1306.43</b>                 | <b>951.43</b>                  |
| <b>18</b>      | <b>Reserve Excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>                      | <b>NA</b>                 | <b>NA</b>                 | <b>NA</b>                 | <b>(1,477.97)</b>              | <b>(1,407.92)</b>              |
| <b>19 (i)</b>  | <b>Earning Per Share (before extraordinary Items) (of Rs.10/- each) (not Annualised)</b>                            |                           |                           |                           |                                |                                |
|                | (a) Basic   | (4.87)                    | (2.66)                    | (6.77)                    | (13.24)                        | (8.24)                         |
|                | (b) Diluted   | (4.62)                    | (2.52)                    | (6.77)                    | (12.54)                        | (8.24)                         |
| <b>19 (ii)</b> | <b>Earning Per Share (after extraordinary Items) (of Rs.10/- each) (not Annualised)</b>                             |                           |                           |                           |                                |                                |
|                | (a) Basic   | (4.87)                    | (2.66)                    | (6.77)                    | (13.24)                        | (8.24)                         |
|                | (b) Diluted   | (4.62)                    | (2.52)                    | (6.77)                    | (12.54)                        | (8.24)                         |

1 The above results have been reviewed by the Audit Committee at its meeting held on 28th May, 2016 and approved by the Board of Directors of the Company at its meeting held on 28th May, 2016.

2 The Company is operating in one segment only hence no segment results have been disclosed.

3 Figures have been regrouped, rearranged wherever necessary.

4 The figures for the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between the audited figures in respect of the full financial year and the un audited third quarter published year to date figures, which are subjected to a Limited Review.

**NOTES FOR CORRECTIONS**

5 The figures of the quarter ended 31.03.2016 have been corrected for minor clerical errors and regrouping involving

i ) Cost of Materials consumed to read as Rs. 5.68 lacs instead of Rs. 24.73 lacs

ii ) Changes in inventories of finished Goods, WIP and Stock in Trade to read as Rs. 62.85 lacs instead of Rs. 65.29 lacs

iii) Other manufacturing expenses to read as Rs. 205.71 lacs instead of Rs. 92.47 lacs

iv ) Other expenses to read as Rs. (9.67) lacs instead of Rs. 105.20 lacs

v ) The correction is primarily due to clerical errors in accounting the opening balance of stock value in quarter ended 31.03.2016 and regrouping of some of the expenses.


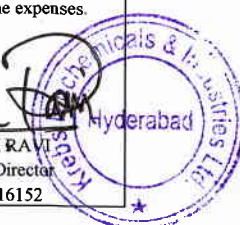
This lead to change of items at Sl. No:3, 5, 7, 9, 11, 13, 16, 19(i) and 19(ii) and no other changes are made.

vi) The net effect of the above changes will result in decrease if loss for the quarter ended 31st March 2016 to the extent of Rs. 23.11 lacs

vii ) Corrections have been ratified by the Audit Committee in its meeting dated 31.10.2016

Place : Hyderabad

Date : 31.10.2016

  
**AVINASH RAVI**  
 Managing Director  
 DIN: 01616152  




**KREBS BIOCHEMICALS & INDUSTRIES LIMITED**

CIN:L24110AP1991PLC103912

Registered Office: Kothapalli Village, Kasimkota Mandal, Ankapalli, Visakhapatnam, Andhra Pradesh - 531 031

Corporate Office: 8-2-577/B, Plot No:34, 3rd Floor, Maas Heights, Road No:8, Banjara Hills, Hyderabad - 500 034

**CORRECTED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / PERIOD ENDED 30TH JUNE 2016**

(Rs. In lacs)

|                 | Quarter Ended   |                 |                 | For The         |                   |
|-----------------|---|-----------------|-----------------|-----------------|-------------------|
|                 |   |                 |                 | Year- Ending    |                   |
|                 | 30.06.2016  | 31.03.2016      | 30.06.2015      | 31.03.2016      |                   |
|                 | (Unaudited)   | (Unaudited)     | (Unaudited)     | (Audited)       |                   |
| <b>PART - 1</b> |   |                 |                 |                 |                   |
| <b>1</b>        | <b>Income from Operations</b>   |                 |                 |                 |                   |
| a)              | Net Sales / Income from Operations  | 7.14            | -               | 17.79           | 17.79             |
| b)              | Other Operating Income  | 39.00           | 39.01           | -               | 123.17            |
|                 | <b>Total Income from operations (net)</b>   | <b>46.14</b>    | <b>39.01</b>    | <b>17.79</b>    | <b>140.96</b>     |
| <b>2</b>        | <b>Expenses</b>   |                 |                 |                 |                   |
| a.              | Cost of Material Consumed   | 0.11            | 5.68            | 13.22           | 177.26            |
| b.              | Changes in inventories of finished goods, work-in-progress and stock-in-trade   | 4.07            | 62.85           | (2.75)          | (162.69)          |
| c.              | Employee benefits expense   | 123.93          | 198.08          | 138.53          | 566.52            |
| d.              | Depreciation and Amortisation expense   | 104.09          | 162.00          | 95.54           | 448.62            |
| e.              | Other Manufacturing Expenses  | 71.29           | 205.71          | 115.04          | 449.13            |
| f.              | Other Expenses  | 56.60           | (5.65)          | 65.07           | 350.97            |
|                 | <b>Total Expenses</b>   | <b>360.10</b>   | <b>628.67</b>   | <b>424.65</b>   | <b>1,829.81</b>   |
| <b>3</b>        | <b>Profit / (Loss) from Operations before other income, finance costs and exceptional items (1 - 2)</b>                           | <b>(313.97)</b> | <b>(589.66)</b> | <b>(406.86)</b> | <b>(1,688.85)</b> |
| 4               | Other Income  | 1.13            | 31.46           | 0.75            | 102.94            |
| <b>5</b>        | <b>Profit / (Loss) from ordinary activities before finance costs &amp; exceptional items (3 ± 4)</b>                              | <b>(312.84)</b> | <b>(558.20)</b> | <b>(406.11)</b> | <b>(1,585.91)</b> |
| 6               | Finance Costs   | 50.67           | 48.72           | 0.19            | 73.88             |
| <b>7</b>        | <b>Profit / (Loss) from Ordinary Activities after Finance Costs but before exceptional items (5 ± 6)</b>                          | <b>(363.51)</b> | <b>(606.92)</b> | <b>(406.30)</b> | <b>(1,659.79)</b> |
| <b>8</b>        | <b>Exceptional Items:</b>   |                 |                 |                 |                   |
| a)              | Debit balances written off  | -               | (0.93)          | -               | (0.93)            |
| b)              | Depletion in Value of Inventory   | (8.37)          | -               | -               | (126.93)          |
| c)              | Amounts Written Back  | -               | 6.83            | 52.03           | 96.49             |
| d)              | Profit on Sale of Food Division's Immovables  | -               | -               | 59.12           | 59.12             |
| <b>9</b>        | <b>Profit / (Loss) from ordinary activities before Tax (7 ± 8)</b>  | <b>(371.88)</b> | <b>(601.02)</b> | <b>(295.15)</b> | <b>(1,632.04)</b> |
| <b>10</b>       | <b>Tax Expense</b>  | -               | -               | -               | -                 |
| <b>11</b>       | <b>Net Profit / (Loss) after Tax (9 ± 10)</b>   | <b>(371.88)</b> | <b>(601.02)</b> | <b>(295.15)</b> | <b>(1,632.04)</b> |
| <b>12</b>       | <b>Extra Ordinary Items</b>   | -               | -               | -               | -                 |
| <b>13</b>       | <b>Net Profit / (Loss) for the period (11 ± 12)</b>   | <b>(371.88)</b> | <b>(601.02)</b> | <b>(295.15)</b> | <b>(1,632.04)</b> |
| <b>14</b>       | <b>Other Comprehensive Income</b>   | -               | -               | -               | -                 |
| <b>15</b>       | <b>Total Comprehensive Income after Tax(13 ± 14)<br/>(Comprising Profit (Loss) and other Comprehensive Income for the period)</b> | <b>(371.88)</b> | <b>(601.02)</b> | <b>(295.15)</b> | <b>(1,632.04)</b> |
| <b>16</b>       | <b>Paid-up Equity Share Capital (Face Value Rs. 10/- each)</b>  | 1,374.43        | 1,306.43        | 1,241.43        | 1,306.43          |
| <b>17</b>       | <b>Reserve Excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>                                    |                 |                 |                 | (372.26)          |
| <b>18 (i)</b>   | <b>Earning Per Share (before extraordinary Items) (of Rs.10/- each) (not Annualised)</b>  |                 |                 |                 |                   |
| (a)             | Basic   | (2.71)          | (4.87)          | (2.38)          | (13.24)           |
| (b)             | Diluted   | (2.79)          | (4.62)          | (2.38)          | (12.54)           |
| <b>(ii)</b>     | <b>Earning Per Share (after extraordinary Items) (of Rs.10/- each) (not Annualised)</b>   |                 |                 |                 |                   |
| (a)             | Basic   | (2.71)          | (4.87)          | (2.38)          | (13.24)           |
| (b)             | Diluted   | (2.79)          | (4.62)          | (2.38)          | (12.54)           |
|                 | <i>See accompanying notes to the Financial results</i>  |                 |                 |                 |                   |

1 The above results have been reviewed by the Audit Committee at its meeting held on 14th September 2016, and approved by the Board of Directors of the Company at its meeting held on 14th September 2016.

2 The Company is operating in one segment only hence no segment results have been disclosed.

3 Figures have been regrouped, rearranged wherever necessary.

**4 Transition to Ind-As**

The Company has adopted Ind-As with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April 2015 and all the periods presented have been restated accordingly.


5 Result for the quarter ended 30th June 2016 are in compliance with Indian Accounting Standards (Ind-As) notified by the Ministry of Corporate Affairs, Consequently, result for the quarter ended 31st March 2016, 30th June 2015 and previous year ended 31st March 2016 have been restated to comply with Ind-As to make them comparable.

**Notes for Corrections:**

- 6 a. These corrections are for incorporation of corrected figures for the quarter ended 31.03.2016 that have been made in the corrected stand alone financial results for the quarter ended 31st March 2016 dt 31.10.2016 and these have been restated to comply with Ind-As.  
b. Column heading of quarter ended 31.03.2016 to read as "Unaudited" instead of Audited.  
c. Corrections have been ratified by the Audit Committee in its meeting dt.31.10.2016.

Place : Hyderabad

Date : 31.10.2016

  
**AVINASH RAVI**  
 Managing Director  
 DIN: 01616152



**KREBS BIOCHEMICALS & INDUSTRIES LIMITED**  
**CORRECTED RECONCILIATION OF PROFIT AND RESERVE BETWEEN INDAS AND PREVIOUS INDIAN GAAP FOR EARLIER PERIOD AND AS AT MARCH 31, 2016**

|      |   | Profit reconciliation |                               |                              | Reserve reconciliation     |                       |
|------|---|-----------------------|-------------------------------|------------------------------|----------------------------|-----------------------|
| SI # | Nature of adjustments   | Note ref.             | Quarter ended 31st March 2016 | Quarter ended 30th June 2015 | Year ended 31st March 2016 | As at 31st March 2016 |
|      | <b>Net Profit / Reserves as per Previous Indian GAAP</b>        |                       | (601.02)                      | (295.16)                     | (1,632.04)                 | (1,477.97)            |
| 1    | Fair valuation as deemed cost for Property, Plant and Equipment | 1                     |                               |                              |                            | 4,743.25              |
| 2    | Fair valuation of Intangible Assets                             | 2                     |                               |                              |                            | (379.28)              |
| 3    | Fair Valuation of for Financial Assets                          | 3                     |                               |                              |                            | (3,126.96)            |
| 4    | Defered Tax   | 4                     |                               |                              |                            | (131.30)              |
|      | <b>Sub Total</b>  |                       | -                             | -                            | -                          | <b>1,105.71</b>       |
|      | <b>Net profit/ Reserves as per Ind As</b>                       |                       | <b>(601.02)</b>               | <b>(295.16)</b>              | <b>(1,632.04)</b>          | <b>(372.26)</b>       |

**Notes:**

**1 Fair valuation as deemed cost for Property, Plant and Equipment**

Considered fair value for property, viz land admeasuring 110.7 acres, situated in Andhra Pradesh in India, with impact of Rs.4743.25 lakhs in accordance with stipulations of Ind AS 101 (see Ind As 16) with the resultant impact being accounted for in the reserves.

**2 Fair Valuation of Intangible Assets**

Considered fair value of Intangible Assets based on expected future economic benefits using reasonable and supportable assumptions in accordance with stipulations of Ind As 38 with the resultant impact being accounted for in the reserves.

**3 Fair valuation for Financial Assets**

The Company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

**4 Defered Tax**

The Impact of transition adjustments together with Ind As mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

5 The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their resepective meetings held on 14th September 2016. The Statutory Auditors of the Company have carried out a Limited Review of the results for the current quarter.

**6 Notes for Corrections:**

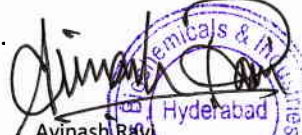
a) These corrections are for incorporation of corrected figures for the quarter ended 31.03.2016 that have been made in the corrected stand alone financial results for the quarter ended 31st march 2016 dt.31.10.2016.

b. Correction in Net Profit/Reserves as per previous Indian GAAP to read as (601.02) instead of (624.13).

c) Correction in Net Profit/Reserves as per Ind As to read as (601.02) instead of (624.13).

Place: Hyderabad

Date: 31.10.2016

  
 Avinash Rayi  
 Managing Director  
 DIN: 01616152

