

## KREBS BIOCHEMICALS &amp; INDUSTRIES LIMITED

CIN:L24110AP1991PLC103912

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

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

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In lacs)

Sl.No	Particulars	Quarter Ended			Year Ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
	<b>PART - 1</b>					
1	Revenue from Operations					
	a) Net Sales / Income from Operations	622.00	1,578.50	188.43	2,538.24	197.02
	b) Other Operating Income	398.55	363.12	39.00	839.67	156.00
2	Other Income	15.43	1.15	0.94	20.61	7.52
3	<b>Total Income from operations (1+2)</b>	<b>1,035.98</b>	<b>1,942.77</b>	<b>228.37</b>	<b>3,398.52</b>	<b>360.54</b>
4	<b>Expenses</b>					
	a) Cost of Material Consumed	534.07	963.41	133.16	1,712.36	133.99
	b) Changes in Inventories of Finished goods, Work-In-Progress	(171.30)	(224.60)	(40.84)	(441.83)	(41.68)
	c) Employee Benefits Expenses	516.28	309.92	147.41	1,148.53	562.59
	d) Finance Costs	142.14	141.78	141.13	516.52	348.85
	e) Depreciation and Amortisation Expenses	109.40	101.86	111.10	414.97	423.37
	f) Other Manufacturing Expenses	519.21	428.72	(51.13)	1,320.57	176.80
	g) Other Expenses	103.89	104.62	114.86	388.46	321.32
	<b>Total Expenses (4)</b>	<b>1,753.69</b>	<b>1,825.71</b>	<b>555.70</b>	<b>5,059.58</b>	<b>1,925.24</b>
5	<b>Profit / (Loss) before exceptional items and tax (3±4)</b>	<b>(717.70)</b>	<b>117.06</b>	<b>(327.33)</b>	<b>(1,661.06)</b>	<b>(1,564.71)</b>
6	<b>Exceptional Items:</b>					
	a) Depletion in Value of Inventory	-	(72.82)	(53.27)	(95.35)	(67.56)
	b) Amounts Written Off/Back	(0.89)	-	25.92	(0.89)	31.66
	c) Prior Period Income/(Expenditure)	(43.59)	-	(10.80)	(40.03)	(4.34)
	d) Profit on sale of Fixed Assets	14.83	-	-	14.83	-
7	<b>Profit / (Loss) before Tax (5 ± 6)</b>	<b>(747.35)</b>	<b>44.23</b>	<b>(365.48)</b>	<b>(1,782.49)</b>	<b>(1,604.95)</b>
8	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-
9	<b>Profit / (Loss) for the period (7 ± 8)</b>	<b>(747.35)</b>	<b>44.23</b>	<b>(365.48)</b>	<b>(1,782.49)</b>	<b>(1,604.95)</b>
10	Other Comprehensive Income	(76.37)	(23.50)	451.26	(143.12)	451.26
11	<b>Total Comprehensive Income for the period(9 ± 10) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>(823.71)</b>	<b>20.74</b>	<b>85.78</b>	<b>(1,925.61)</b>	<b>(1,153.69)</b>
12	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	1374.43	1,374.43	1,374.43	1374.43	1,374.43
13	Other Equity	-	-	-	(3,152.35)	(1,226.74)
14	<b>Earning Per Share (of Rs.10/- each) (not Annualised)</b>					
	a) Basic	(5.99)	0.15	0.62	(14.01)	(8.39)
	b) Diluted	(5.99)	0.15	0.62	(14.01)	(8.46)
	See accompanying notes to the Financial results					

1 The above results have been reviewed by the Audit Committee at its meeting held on 25th May,2018 and approved by the Board of Directors of the Company at its meeting held on 25th May,2018.

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

3 The figures for quarter ended 31st March 2018 and 31st March 2017 are the balancing figures between the audited figures for the full financial year and the reviewed year-to-date figures up to the third quarter of the respective financial years. Figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

4 Revenue for the quarter ended 31st March,2018 is net of Goods and Service Tax (GST) which is applicable from 1st July 2017, However, revenue for the periods upto 30th June 2017 is inclusive of VAT, Service Tax and excise duty. Accordingly, revenue for the quarter(s) 31st March 2018, 31st December 2017 and for the year ended 31st March 2018 are not comparable with those of the previous periods presented.

5 Changes in Work In Progress includes Job work service under process. When compared to previous quarter Job work service under process is increased by Rs 3.18 Lacs for the quarter ended 31st March, 2018.

6 The above financial results are prepared in accordance with IND AS notified under the Company (Indian Accounting Standards) Rules, 2015.

Place: Hyderabad

Date: 25.05.2018

  
Avidash Ravi  
Managing Director  
DIN : 01616152

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**Statement of Assets and Liabilities**

**Rs. In Lacs**

Particulars	As at 31.03.2018 Audited	As at 31.03.2017 Audited
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	9,892.99	9,857.34
Capital Work in Progress	218.94	350.31
Other Intangible Assets	338.57	359.88
Financial Assets	109.90	65.44
Other Non Current Assets	303.33	277.38
<b>Total Non Current Assets</b>	<b>10,863.73</b>	<b>10,910.35</b>
<b>Current Assets</b>		
Inventories	1,172.84	545.49
Financial Assets		
Trade Receivables	32.48	158.83
Cash & Cash Equivalents	41.84	11.71
Other Financial Assets	33.51	171.22
Other Current Assets	443.19	410.07
<b>Total Current Assets</b>	<b>1,723.86</b>	<b>1,297.33</b>
<b>Total Assets</b>	<b>12,587.59</b>	<b>12,207.67</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	1,374.43	1,374.43
Other Equity	(3,152.35)	(1,226.74)
<b>Total Equity</b>	<b>(1,777.92)</b>	<b>147.69</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Financial Liabilities		
Long Term Borrowings	5,166.17	4,278.74
Provisions	368.33	282.32
Other Non Current Liabilities	4,333.04	4,327.27
<b>Total Non Current Liabilities</b>	<b>9,867.54</b>	<b>8,888.33</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	-	-
Trade Payables	1,776.00	1,099.30
Other Financial Liabilities	-	-
Other Current Liabilities	2,596.52	1,985.53
Provisions	125.45	86.79
<b>Total Current Liabilities</b>	<b>4,497.96</b>	<b>3,171.62</b>
<b>Total Equity and Liabilities</b>	<b>12,587.59</b>	<b>12,207.67</b>

Place: Hyderabad

Date: 25.05.2018

  
**AVINASH RAVI**  
 Managing Director  
 DIN: 01616152

# Krebs Biochemicals & Industries Limited

CIN : L24110AP1991PLC103912



25<sup>th</sup> May 2018

To,  
Listing Department  
BSE Limited  
P J Towers, Dalal Street,  
Fort Mumbai- 400001.

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051.

Dear Sir/Madam,

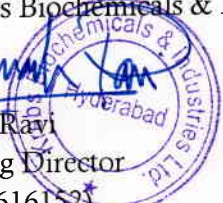
**Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for unmodified opinion**

## **DECLARATION FOR UNMODIFIED OPINION**

We hereby declare that, the Statutory Auditors of the Company M/s Pavuluri & Co., Chartered Accountants, (Firm Reg No.012194S) have issued an Audit Report with unmodified opinion on Standalone Financial Results for the quarter & year ended 31<sup>st</sup> March 2018.

Yours Faithfully,  
For Krebs Biochemicals & Industries Limited

  
Avinash Ravi  
Managing Director  
(DIN-01616152)





## PAVULURI & Co.

CHARTERED ACCOUNTANTS

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Gucasa, Phase - I, Ravuri Hills,

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Email : pavulurilandco@gmail.com

### **INDEPENDENT AUDITOR'S REPORT**

**To the members of,**

**M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED,**

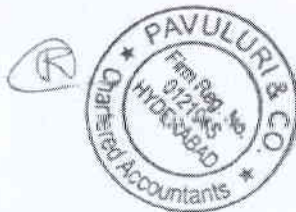
#### **Report on the Financial Statements:**

We have audited the accompanying financial statements of M/s. KREBS BIOCHEMICALS & INDUSTRIES LIMITED, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of Cash Flows for the year ended 31st March, 2018 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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



Branches :

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## PAVULURI & Co.

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### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

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.

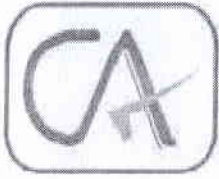
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due 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.



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### **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, 2018, 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;



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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.

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

  
CA N RAJESH  
Partner  
M. No: 223169



DATE: 25/05/2018

PLACE:HYDERABAD

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### **"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, 2018:

- iv. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) 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.



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- 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, 2018 for a period of more than six months from the date on when they become payable.



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(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
Central Excise Act, 1944	Excise Duty & Service Tax	1,12,74,000	FY 2008-09 and 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 and FY 2015-16	AP and Telangana High Court

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.



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- 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



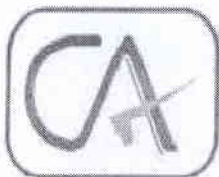
Place : Hyderabad

Date : 25/05/2018

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## PAVULURI & Co.

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### **"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, 2018 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.



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## PAVULURI & Co.

### CHARTERED ACCOUNTANTS

Plot No. 48, Flat No. 301,

Sudasa, Phase - I, Kavuri Hills,

Hyderabad - 500 033

Ph : 040-2970 2638 / 2639 / 2640

Email : pavuluricpa@gmail.com

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.



#### Branches :

Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Appare Park, Visakhapatnam - 530049.

Flat No.: 504, Madhu Towers, Srinivasa Nagar Bank Colony, Vijayawada - 520002, Ph : 0866-2545418



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### **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 2018, 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**

*N. Rajesh*

**CA N RAJESH**

**Partner**

**M. No: 223169**



Place : Hyderabad

Date : 25/05/2018

### **Branches :**

Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Apparel Park, Visakhapatnam - 530049.

Flat No.: 504, Madhu Towers, Srinivasa Nagar Bank Colony, Vijayawada - 520008, Ph : 0866-2545418