Kothari Fermentation & Biochem Limited

ANNUAL REPORT 2017-18

KOTHARI FERMENTATION AND BIOCHEM LIMITED

(CIN: L72411DL1990PLC042502)
Regd. Office: 16, Community Centre, First Floor, Saket, New Delhi-110017
Tel: 011-26850004, Fax: 011-41664840, Email – info@kothariyeast.in
Website: www.kothariyeast.in

BOARD OF DIRECTORS

Pramod Kumar Kothari	Chairman and Managing Director
Kavita Devi Kothari	Whole-Time Director
Prasanna Kumar Pagaria	Non-executive Independent Director
Ratan Lal Dudheria	Non-executive Independent Director
Kapil Dev Puri	Non-executive Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER
Kavita Tanwar

CHIEF FINANCIAL OFFICER
Arun Kumar Sekhani

BANKERS
Punjab National Bank
State Bank of India
ICICI Bank Limited
HDFC Bank

AUDITORS
KOTHARI KULDEEP & Co.
Chartered Accountants
New Delhi

REGISTERED OFFICE
1st Floor, 16, Community Centre, Saket,
New Delhi - 110017

FACTORY
Village Rajarampur
Industrial Area, Sikandrabad
Distt. Bulandshahr (U.P.)

SHARE TRANFER AGENT
Abhipra Capital Limited
Ground Floor-Abhipra Complex,
Dilkhush Industrial Area, A-387,
G.T. Karnal Road, Azadpur, Delhi-110033

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NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Friday, the 28th day of September, 2018 at 11:00 A.M. at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi – 110 019, to transact the following businesses:

AS ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited financial statements of the company for the financial year ended on 31st of March, 2018, the Reports of Board of Directors and Auditors thereon.**

AS SPECIAL BUSINESS

2. 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 recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to reappoint Mr. Pramod Kumar Kothari, as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st April, 2018 .

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below and such remuneration will not exceed the limits specified in Section 1 of Part II of Schedule V of the Companies Act, 2013:

a) Salary Rs. 2,00,000/- per month.

b) Provision of accommodation or payment of HRA in lieu thereof, subject to maximum of 60% of salary. Expenses on maintenance and furnishing of accommodation including watchmen, servant, gas, electricity and water shall be borne by the Company.

c) The Company shall provide car with driver and incur all expenses for the same for the Company's business.

d) Mobile phone and Telephone at residence shall be provided for official purpose.

e) The Company shall reimburse medical and hospital Expenses incurred for self and family members.

f) Personal accident insurance as per the rules of the Company.

g) Reimbursement of leave travel concession as per the rules of the Company.

h) The Managing Director will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee(s) thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary, increase or widen the scope of remuneration and perquisites but subject to and in accordance with the provisions prescribed in the Schedule V of the said act and within overall limit set out in these resolutions.

RESOLVED FURTHER THAT notwithstanding the above where in any financial year, the Company incur a loss or its profits are inadequate, the Company shall pay to Mr. Pramod Kumar Kothari the remuneration by way of salary not exceeding the limits specified under Section II of part II of Schedule V to the Companies Act, 2013 or other limits specified in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Pramod Kumar Kothari is appointed as Chairman and Managing Director on Board liable to retire by rotation."

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 recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to reappoint Mrs. Kavita Devi Kothari, as Whole Time Director of the Company for a period of 5 years with effect from 1st April, 2018 .

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below and such remuneration will not exceed the limits specified in Section 1 of Part II of Schedule V of the Companies Act, 2013:

a) Salary Rs. 1,75,000/- per month.

b) Provision of accommodation or payment of HRA in lieu thereof, subject to maximum of 60% of salary. Expenses on maintenance and furnishing of accommodation including watchmen, servant, gas, electricity and water shall be borne by the Company.

c) The Company shall provide car with driver and incur all expenses for the same for the Company's business.

d) Mobile phone and Telephone at residence shall be provided for official purpose.

e) The Company shall reimburse medical and hospital Expenses incurred for self and family members.

f) Personal accident insurance as per the rules of the Company.

g) Reimbursement of leave travel concession as per the rules of the Company.

h) The Whole Time Director will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee(s) thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary, increase or widen the scope of remuneration and perquisites but subject to and in accordance with the provisions prescribed in the Schedule V of the said act and within overall limit set out in these resolutions.

RESOLVED FURTHER THAT notwithstanding the above where in any financial year, the Company incur a loss or its profits are inadequate, the Company shall pay to Mrs. Kavita Devi Kothari, the remuneration by way of salary not exceeding the limits specified under Section II of part II of Schedule V to the Companies Act, 2013 or other limits specified in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mrs. Kavita Devi Kothari is appointed as Whole Time Director on Board liable to retire by rotation."

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Kavita Tanwar
Company Secretary
ACS - 29486

Date: 14.08.2018
Place: New Delhi

Regd. Office:
16, Community Centre, 1st Floor,
Saket, New Delhi-110 017

NOTES

1. **a) A member entitled to attend and vote at the annual general meeting, is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company.**

   b) Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

   c) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

   d) Members / Proxies should bring the attendance slip duly filled in for attending the meeting along with their copy of Annual Report for reference.

2. (i) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

   (ii) In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.

3. The relevant details of Directors seeking appointment/re-appointment at the AGM as required by Regulation 36(3) of the SEBI Listing Regulations, forms integral part of the notice.

4. **Pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, all the shareholders are requested to kindly provide us the following, as per attached format at the end of Annual Report, at our registered Office at 16, Community Centre, 1st Floor, Saket, New Delhi-110017:**

   a. Your Pan card number along with the self attested copy of the PAN card;

   b. Bank Account details along with original cancelled cheque leaf/attested bank passbook showing the name, address, account number and IFSC of bank branch of the shareholder;

   c. Your e-mail id for prompt future communication and mobile number.

   In case you are a resident of Sikkim, instead of PAN card, kindly provide us your valid identity proof issued by government and attested by you.

   In case of Joint holders, kindly provide us the details of the joint holder who is higher in the order of names (First holder)

   Important note:

Kindly note that SEBI, vide its Notification dated June 8, 2018 has mandated that with effect from December 05, 2018, in all listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities. The Company will not be allowed to undertake any physical transfers, thereafter. Accordingly, you are requested that during this transitional period, kindly convert your shareholding in Demat mode.

5. Register of Members of the Company will remain closed from Friday, 21st day of September, 2018 to Friday, the 28th day of September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
6. All documents referred to in the notice are open for inspection at the registered office of the company during normal business hours on working days upto the date of the AGM.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready at the time of Annual General Meeting.
8. Electronic copy of the Annual Report for the financial year ending 31.03.2018, along with Notice, Instructions for E-voting, Attendance Slip, Proxy Form and Route Map is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(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 copy of the Annual Report is being sent in the permitted mode.
9. Members may also note that the Notice of the 28th AGM and the Annual Report for the year 2017-2018 will be available on the Company's website, www.kothariyeast.in. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by courier, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@kothariyeast.in.
10. A route map showing directions to reach the venue of the 28th Annual General Meeting of the Company is enclosed as back cover of Annual Report as per the requirement of the "Secretarial Standards 2" on General Meetings.
11. **VOTING THROUGH ELECTRONIC MEANS**

    a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM **("Remote E-Voting")** will be provided by National Securities Depository Limited (NSDL).

    The instructions for e-voting are as under:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

    - **Step-1- Details are mentioned below**

    How to Log-into NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

       Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
    4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who holdshares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

- **Step 2: Details are given below**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting.Click on e-Voting. Then,click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vijay.sharma@vkcosecy.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
   a) The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
   b) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

c) **The remote e-voting period commences on Tuesday, 25th day of September 2018 (9.00 a.m.) and ends on Thursday, September 27th, 2018 (5.00 p.m.)**. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date of 21st day of September, 2017**, may cast their votes electronically.

Other instructions

a) In case of any queries, refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

b) Member can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 21st September, 2018.**

d) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018., may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

e) However, if the member is already registered with NSDL for remote e-voting then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

f) Mr. V.K. Sharma, Practising Company Secretary (Membership No. – FCS -3440) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

g) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of **"Ballot Paper"** for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

h) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

i) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, i.e. www.kothariyeast.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai where the shares of the Company are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2 The Board of Directors of the Company in its meeting held on 30th March, 2018, on recommendation of Nomination and Remuneration Committee and subject to the shareholders' approval has approved re-appointment of Mr. Pramod Kumar Kothari as Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2018 to 31st March, 2023.

Since there has been a considerable increase in the duties and responsibilities performed by the Chairman & Managing Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting, on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the salary of Mr. Pramod Kumar Kothari, Chairman & Managing Director from the present Rs. 1,50,000/- per month to Rs. 200,000/- per month, w.e.f. 01.04.2018.

Mr. Pramod Kumar Kothari satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Subsection (3) of Section 196 of the Act for being eligible for extension and is not disqualified from being appointed as Chairman and Managing Director in terms of Section 164 of the Act.

Mr. Pramod Kumar Kothari and his relatives (including Mrs. Kavita Devi Kothari, Whole-Time Director) may be deemed to be concerned or interested in the said resolution. No other Director, KMP or their relatives are concerned or interested in the said resolution.

Considering his expertise, knowledge and experience, the Board has recommended the appointment of Mr. Pramod Kumar Kothari as the Chairman and Managing Director, in the interest of the Company and in view of the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, to be passed as the Ordinary Resolution as set out in the accompanying Notice for the approval of the Members.

The details of Mr. Pramod Kumar Kothari, as required to be given pursuant to the Companies Act, SEBI (LODR) Regulations 2015 and Secretarial Standards, are attached to the Notice.

ITEM NO. 3

The Board of Directors of the Company in its meeting held on 30th March, 2018, on recommendation of Nomination and Remuneration Committee and subject to the shareholders' approval has approved re-appointment of Mrs. Kavita Devi Kothari as

Whole Time Director of the Company for a further period of 5 years w.e.f. 1st April, 2018 to 31st March, 2023.

Since there has been a considerable increase in the duties and responsibilities performed by the Whole Time Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting, on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the salary of Mrs. Kavita Devi Kothari, Whole Time Director from the present Rs. 1,25,000/- per month to Rs. 175,000/- per month, w.e.f. 01.04.2018.

Mrs. Kavita Devi Kothari satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Subsection (3) of Section 196 of the Act for being eligible for extension and is not disqualified from being appointed as Chairman and Managing Director in terms of Section 164 of the Act.

Mrs. Kavita Devi Kothari and her relatives (including Mr. Pramod Kumar Kothari, Chairman and Managing Director) may be deemed to be concerned or interested in the said resolution. No other Director, KMP or their relatives are concerned or interested in the said resolution.

Considering her expertise, knowledge and experience, the Board has recommended the appointment of Mrs. Kavita Devi Kothari as the Whole Time Director, to be in the interest of the Company and in view of the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, to be passed as the Ordinary Resolution as set out in the accompanying Notice for the approval of the Members.

The details of Mrs. Kavita Devi Kothari, as required to be given pursuant to the Companies Act, SEBI (LODR) Regulations 2015 and Secretarial Standards, are attached to the Notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 issued by ICSI

- **Mr. Pramod Kumar Kothari (DIN: 00086145)**

  He is one of the Promoter directors of the company and has been playing a vital role in the overall structure & development of the company since its incorporation. Mr. Kothari aged about 53 years is the son of Late Shri Moti Lal Kothari, the founder of Kothari Fermentation & Biochem Limited (KFBL). He is a qualified Engineer {B.Tech – (Electronics)} and has a vast experience of Business, Trade & Industry for over 28 years. He looks after technical, legal functions and overall management of the company.His strong entrepreneurial skills, as also an undying commitment and belief in his abilities, have been instrumental in bringing KFBL to its present position.

  He is the member of the Stakeholders Relationship Committee of the Board of the Company and holds 7,14,200 Equity Shares of face value of Rs.10/- each, constituting around 4.76% of the total paid-up share capital of the Company. His appointment for 5 years is liable to retire by rotation and his reappointment would not constitute a break in his tenure.

  He is also a Director in M M Kothari Exim Private Limited, Kothari Thermoplast Private Limited, San Kothari Lifecare private limited, Chaudhry Brothers Traders and Builders Private Limited and Sampat Industrial & Construction Company Limited but does not hold membership of any committees of the Board of such other company.

- **Mrs. Kavita Devi Kothari (DIN: 00120415)**

  She is one of the Promoter directors of the company and has been playing a vital role in the overall structure & development of the company since her appointment. Mrs. Kothari aged about 50 years is a Graduate and has a considerable experience of Finance and Marketing functions. She looks after finance and marketing functions of the Company. Her strong entrepreneurial skills, as also an undying commitment and belief in her abilities, have been instrumental in bringing KFBL to its present position.

  She holds 7,30,800 Equity Shares of face value of Rs.10/- each, constituting around 4.87 % of the total paid-up share capital of the Company.She is also a Director in M/s. Chaudhry Brothers Traders And Builders Private Limited, Kothari Thermoplast Private Limited and San Kothari Lifecare Private Limited but does not hold membership of any committees of the Board of such other company. Her appointment for 5 years is liable to retire by rotation and her reappointment would not constitute a break in tenure

  She is the wife of Mr. Pramod Kumar Kothari, the Chairman & Managing Director of Kothari Fermentation & Biochem Limited (KFBL).

The disclosure of relationships between directors inter-se along with the shareholding of the Non-Executive Directors is separately provided later in the report on Corporate Governance.

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Kavita Tanwar
Company Secretary
ACS - 29486

Regd Office: 16, Community Centre,
1st Floor, Saket, New Delhi – 110 017

Dated:14.08.2018

DIRECTORS' REPORT

TO THE MEMBERS OF

Your directors are pleased to present the 28th Annual Report together with the Audited Accounts for the year ended on 31st March 2018:

1. FINANCIAL RESULTS **(Rs. In lacs)**

	2017-2018	2016-2017
Turnover	8769.39	7909.16
Profit before Finance Charges & Depreciation	1196.59	900.11
Finance Charges	165.59	152.98
Depreciation	312.69	259.43
Profit before Tax	718.31	487.70
Taxes:		
Current Tax	148.66	98.31
Deferred Tax	36.22	67.98
Net Profit/(Loss) after Tax	533.43	321.41

2. BUSINESS OPERATIONS

During the year under review, your company achieved production of 16653 MT as compared to 14968 MT in previous year. The turnover of the company has increased to Rs. 8769.39 Lakhs during the year 2017-18 as compared to Rs. 7909.16 Lakhs during previous year recording a growth of 10.88%. The profitability of the company is Rs. 533.43 Lakhs during the year 2017-18 as compared to profit of Rs. 321.41 Lakhs during the previous year.

The operational performance during the year and the future outlook of the Company has been comprehensively covered in the Management Discussion and Analysis Report which is provided as a separate section in the Annual Report.

3. DIVIDEND

Dividend for the year has not been proposed in order to plough back profits for the growth of the Company.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company at its meeting held on 30th March, 2018 on the recommendation of Nomination and Remuneration Committee approved re-apointment of Mr. Pramod Kumar Kothari as Chairman and Managing Director and Mrs. Kavita Devi Kothari as Whole time Director of the Company w.e.f. 1st April, 2018.

During the year under review term of all directors who are liable to retire by rotation is expiring and is placed before shareholder for their approval, thus during the period under review no director is liable to retire by rotation at the ensuing AGM pursuant to provisions od section 152 of the Companies Act, 2018 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

The information on the particulars of Directors eligible for appointment and re-appointment in terms of regulation 36 of SEBI (LODR) Regulations 2015 and Secretarial Standard -2 issued by ICSI has been provided in the notes to the notice convening the Annual General Meeting. Your Directors recommend their re-appointment on the terms and conditions as set out in the notice convening forthcoming AGM.

The Independent Directors have submitted their declaration that they fulfill the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the Board and its committees, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2017-18.

Pursuant to Sec.134 (5) of the Companies Act, 2013 the directors to the best of their knowledge and ability hereby report:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
ii. that the directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2017-18 and of the profit of the company for the year;
iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
iv. that the directors have prepared the annual accounts on a going concern basis;
v. that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
vi. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. CREDIT RATING

Your company's domestic credit rating is 'BBB-' for long term debt facilities and an 'A3' for the short term debt facilities assigned by SMERA Ratings Limited

7. CERTIFICATIONS

Your company has been certified as ISO 9001:2015 on 09.07.2018 or its quality management systems employed at every level of the organization.

8. AUDITORS AND AUDITOR'S REPORT

A) Statutory Auditors

In terms of the provisions of the section 139 of the Companies Act, 2013, the shareholders have appointed M/s Kothari Kuldeep and Co., Chartered Accountants as Statutory Auditor of the Company for a term of five year from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2022. Ratification of their appointment from Shareholders at ensuing AGM is not required.

The notes on accounts are self-explanatory with regards to auditors' observations. There were no qualifications, reservations or adverse remarks made by the Auditors for the year under review.

B) Secretarial Auditors

The Board had appointed M/s V.K. Sharma & Company, Practising Company Secretaries, as Secretarial Auditor to conduct the secretarial audit of the company for the financial year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor forms part of the Board's Report as **Annexure 'A'.**

In respect of observations made by the Secretarial Auditors in their Report, it is mentioned that:

1. The company had applied in BSE for listing of 89.05 Lakhs equity shares issued preferentially to the promoter/ promoter group in the year 2008-09 & 2009-2010. The Company had applied for listing within stipulated time and furnished all requisite documents for the listing of the same to the BSE. Regular follow up has been done with BSE, but certain queries were raised by the exchange in the year 2012. The Company has duly provided with the exchange all required clarifications and replies and has even paid the additional listing fees, as demanded by BSE. The matter is pending with BSE for its necessary approval. During the year BSE approved the listing of 59,05,000 shares out of 89,05,000 shares. Listing of remaining 30,00,000 shares is under process with BSE.
2. The Company has appealed against the order of Income Tax Department before the Commissioner of Income tax Appeals, New Delhi within prescribed time limit. However, the Company received the stay order against the demand raised by income tax department from the Hon'ble High Court. The Company's management including its tax advisors believes that its position will likely be upheld in the appellate process whereby it is expected that the matter will be decided in favour of the Company and the demand raised will be dropped by the Appellate Authorities.

The Board at its meeting held on 23.05.2018 reappointed M/s V.K. Sharma & Company, Practising Company Secretaries as Secretarial Auditor for FY 2018-19.

9. CORPORATE GOVERNANCE

The Company is complying with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable with regard to Corporate Governance and reports to that effect are being regularly filed with the Stock Exchanges. A report on Corporate Governance practices and the Certificate from the Auditors on compliance of the mandatory requirements thereof are made a part of the Annual report.

10. VIGIL MECHANISM

A comprehensive Vigil mechanism/Whistle Blower Policy has already been adopted by the Company which provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees. The policy as approved by the Board is uploaded on the Company's website at http://www.kothariyeast.in/financial/policies/whistle_blower_policy.pdf.

11. RISK MANAGEMENT POLICY OF THE COMPANY

Your company has adopted a Risk management policy to identify and categorize various risks, implement measures to minimize impact of these risks where it is deemed necessary and possible, and a process to monitor them on a regular basis.

12. REMUNERATION POLICY AND BOARD EVALUATION

The Board has adopted a Remuneration Policy as recommended by the Nomination & Remuneration Committee. It provides for the criteria for determining Qualifications, Positive Attributes & Independence of the Directors, defining the criteria of the remuneration of the KMP's and Senior managerial personnel along with their roles and responsibilities. The aim is to ensure that the company attracts and retains competent people.

The Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually. The Disclosures relating to the same are provided in the Corporate Governance Report.

13. DISCLOSURES

a) Number of Board & Committee Meetings:

During the year under review, Six Board meetings, Five Audit Committee meetings, Four Stakeholders Relationship Committee meetings and Three Nomination & Remuneration Committee meeting were convened and held. Details and attendance of such Board & Committees meetings are mentioned in Corporate Governance Report.

Pursuant to clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 14.02.2018.

b) Deposits – The Company has not accepted any deposit from public during the year under review.

c) Share Capital - There was no change in the Company's share capital during the year under review.

d) **Audit Committee –** The Company has duly constituted an Audit Committee, whose detailed composition and powers are provided in the Corporate Governance Report. There were no recommendations of the Audit Committee which have not been accepted by the Board during the financial year.

e) **Extract of Annual Return -** The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure 'B'** and is attached to this Report.

f) **Disclosure pertaining to Managerial Remuneration** - Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per **Annexure 'C'.**
The information required pursuant to section 197 read with rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees will be provided upon request.

g) **Related Party Transactions –** There were no materially significant transactions with the related parties during the financial year that may have potential conflict with interest of the Company at large. Disclosures relating to the same are provided separately in the **Corporate Governance Report.**

h) **Particulars of Loans, Guarantees or Investments under Section 186 –** Details of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 are given in the accompanying Financial Statements.

i) **Cost Account and Records-** Maintenance of cost records as specified by the central government under sub section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not prepared. However, the cost records for internal control and Strategic Management purposes are prepared by the Company.

j) **Prevention of Sexual Harassment –** The Company has complied with provisions relating to the constitution of internal complaints committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

k) **Significant and Material Orders Passed by the Regulators or Courts** – No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 'D'** and is attached to this report.

ACKNOWLEDGEMENTS

Your Board of Directors is thankful to all the Shareholders for their constant faith reposed in the company. They also placed on record their sincere appreciation for the wholehearted devotion and co-operation extended by the employees at all levels, which has been a source of strength to the company.

The Directors also wish to thank and deeply acknowledge the continued support, guidance and co-operation of the Customers, Auditors, Legal Advisers, consultants, Bankers (Punjab National Bank as the main Banker), Dealers, Vendors and other stakeholders of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 14.08.2018

Pramod Kumar Kothari
Chairman & Managing Director

ANNEXURE – A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KOTHARI FERMENTATION & BIOCHEM LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED**(hereinafter called ''the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED** ("the Company") for the financial year ended on 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(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, 1992; and Securitie sand Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the Company as per the representation given by the Company.

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

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board andgeneral meetings.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent they were applicable subject to the following observations:

1. The company had made the applications for listing of 89.05 lacs equity shares to the Bombay stock Exchange (BSE) in the year 2008-09 and 2009-10. The exchange had since granted listing approval for 5905000 equity shares. However trading permission for the same is still awaited for want of confirmation letters from NSDL/CDSL.
2. The Company had applied for delisting of its shares from Calcutta Stock Exchange and completed all formalities in June 2000. However the delisting permission is still awaited.
3. The demand notice from Income Tax authorities for Rs. 665.81 lacs for the A.Y. 2008-09 is still pending in appeal.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There was no change in the composition of the Board of directors of the company during the period of review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

On inspection of the minutes as captured and recorded it was ascertained that all the decisions of the Board have been carried through and there were no dissenting views.

We 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.

We further report that during the audit period there was no specific event/action which has a major bearing on the affairs of the company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

For V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
C.P. No.:-2019
FCS:-3440

Date : 14th August 2018
Place : NOIDA

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

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'Annexure A'

To,
The Members,
M/s KOTHARI FERMENTATION & BIOCHEM LIMITED

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

1. Maintenance of secretarial record 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 assurance 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules andregulations and happening of events, etc.
5. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification 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 V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
C.P. No.:-2019
FCS:-3440

Date : 14th August 2018
Place : NOIDA

'Annexure B'

EXTRACT OF ANNUAL RETURN

(As on financial year ended on 31.03.2018)

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

FORM NO. MGT – 9

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L72411DL1990PLC042502
2.	Registration Date	26-12-1990
3.	Name of the Company	KOTHARI FERMENTATION AND BIOCHEM LTD.
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	16, COMMUNITY CENTRE, 1ST FLOOR, SAKET, NEW DELHI - 110 017, TEL NO.- 011 26850004
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ABHIPRA CAPITAL LIMITEDABHIPRA COMPLEX, DILKHUSH INDUSTRIAL AREA, A-387, G.T. KARNAL ROAD, AZADPUR, DELHI – 110033 TEL. 42390725, 42390708

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)

S. No.	Name and Description of main product	National Product Code (NPCMS – 2011)**	% to total turnover of the company
1	YEAST MANUFACTURING NIC - 2008 - 10790 (Manufacture of other food products)	2399600	100%

*** National Product Classification for Manufacturing Sector, 2011*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding :-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	8282200	10000	8292200	55.281	8292200	0	8292200	55.281	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2945000	0	2945000	19.633	2945000	0	2945000	19.633	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter(A)(1)	11227200	10000	11237200	74.915	11237200	0	11237200	74.915	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	4100	8700	12800	0.085	4100	8700	12800	0.085	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	4100	8700	12800	0.085	4100	8700	12800	0.085	0
2. Non - Institutions									
a) Bodies Corp.									
i) Indian	824074	46600	870674	5.804	807697	46600	854297	5.695	.108
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	962648	925015	1887663	12.584	1121496	885915	2007411	13.38	.796
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	794323	120900	915223	6.101	661083	120900	781983	5.213	.887
c) Others:									
Directors and its relatives	0	400	400	0.003	0	400	400	0.003	0
Non Resident Indians	16753	0	16753	0.112	22781	0	22781	.151	.039
Hindu Undivided Family	57857	0	57857	0.386	81764	0	81764	.545	.159
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	1430	0	1430	0.010	1364	0	1364	.009	.001
Trusts	0	0	0	0	0	0	0	0	0
Foreign Body Corporate	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	2657085	1092915	3750000	25.00	2696185	1053815	3750000	25	.000
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	2661185	1101615	3762800	25.085	2700285	1062515	3762800	25.085	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	13888385	1111615	15000000	100.00	13937485	1062515	15000000	100	0

b) 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 total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Kavita Kothari	730800	4.872	NA	730800	4.872	NA	NA
2	Siddhant Kothari	3727000	24.8467	NA	3727000	24.8467	NA	NA
3	Moti Lal Kothari (HUF)	301800	2.0120	NA	301800	2.0120	NA	NA
4	Pramod Kumar Kothari	714200	4.7613	NA	714200	4.7613	NA	NA
5	Pramod Kumar Kothari (HUF)	2451100	16.3407	NA	2451100	16.3407	NA	NA
6	Sampat Devi Kothari	367300	2.382	NA	367300	2.448	NA	NA
7	Chaudhry Bros. Traders And Builders (P) Ltd.	2945000	19.6333	NA	2945000	19.6333	NA	NA

c) Change in Promoters' Shareholding:

Sl. No.		Shareholding in the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	In the beginning of the year	11237200	74.91	11237200	74.91
2	Date wise increase/decrease in Promotors Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	—	—		
	At the end of the year	**11237200**	**74.91**	**11237200**	**74.91**

d) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Date as and when purchased/ sold shares		% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	Date	No. of Shares	
1	Glocom Impex Pvt. Ltd.	7,43,000	4.953	7,43,000	4.953	NA	0	NA
2	Deepinder Singh Poonian	2,26,715	1.511	2,26,715	1.511	NA	0	NA
3	Ranjit Kumar Baid	1,40,000	0.933	1,40,000	0.933	NA	0	NA
4	Deepa Surana	1,20,900	0.806	1,20,900	0.806	NA	0	NA
5	Sajjan Devi Baid	1,10,400	0.736	1,10,400	0.736	NA	0	NA
6	Sushil Kumar Borar	76,110	0.507	76,110	0.507	NA	0	NA
7	Sagar Jalani	41,000	0.273	41,000	0.273	NA	0	NA
8	Dheeraj Kumar Lohia	52,919	0.353	34000	0.226	14.04.2017 21.04.2016 28.04.2017 05.05.2017 09.06.2017 21.07.2017	(-)4500 (-)1060 (-)3002 (-)3186 (-)5171 (-)2,000	(-) 0.127
9	Anup Kumar	0	0	30000	0.2	30.12.2017	(+)30000	(+).02
10	Raj Kumar Lohia	26458	0.176	26458	0.176	NA	NA	NA

e) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
1.	**Mr. Pramod Kumar Kothari**					
	1 In the beginning of the year	714200	4.7613%	__	714200	4.7613%
	2 Date wise increase/decrease in Promotors Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ transfer/bonus/sweat equity etc.)	__	__	__	__	__
	At the end of the year	**714200**	**4.7613%**		**714200**	**4.7613%**
2.	**Mrs. Kavita Devi Kothari**					
	1 In the beginning of the year	730800	4.8720 %		730800	4.8720 %
	2 Date wise increase/decrease in Promotors Shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	__	__	__	__	__
	At the end of the year	**7,30,800**	**4.8720%**		**7,30,800**	**4.8720%**
3.	**Mr. Ratan Lal Dudheria**					
	1 In the beginning of the year	400	0.002%		400	0.002%
	2 Date wise increase/ decrease in Promotors Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	__	__	__	__	__
	At the end of the year	400	0.002%		400	0.002%

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment :-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	1721.15	122.00	NIL	1843.15
ii) Interest due but not paid	0.00	0.00	NIL	0.00
iii) Interest accrued but not due	0.00	1.17	NIL	1.17
Total (i+ii+iii)	1721.15	123.17	NIL	1844.32
Change in Indebtedness during the financial year				
· Addition	206.55	34.71	NIL	241.26
· Reduction	(395.41)	(72.30)	NIL	(467.71)
Net Change	(188.86)	(37.59)	NIL	(226.45)
Indebtedness at the end of the financial year				
i) Principal Amount	1532.29	77.37	NIL	1609.66
ii) Interest due but not paid	0.00	0.00	NIL	0.00
iii) Interest accrued but not due	0.00	8.21	NIL	8.21
Total (i+ii+iii)	1532.29	85.58	NIL	1617.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(Amt. in Rs./Lacs)**

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Pramod Kumar Kothari	Mrs. Kavita Devi Kothari	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	18.00 NA	15.00 NA	33.00 NA
2	Stock Option, Sweat Equity, Commission	NA	NA	NA
	Total (A)	18.00	15.00	33.00
	Ceiling as per the Companies Act	26.67	26.67	53.34

B. Remuneration to other directors : No remuneration is paid to Other Directors

C. Remuneration To Key Managerial Personnel Other than MD/MANAGER/WTD **(Amt. in Rs./Lacs)**

S No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mrs. Kavita Tanwar (CS)	Mr. Arun Kumar Sekhani (CFO)	
1	Gross salary			
	(a) Salary	4.16	6.26	10.42
	(b) Value of perquisites			
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
2	Stock Option, Sweat Equity, Commission, Others	NA	NA	NA
	Total (A)	4.16	6.26	10.42

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties, punishment have been imposed on the Company, its Directors and other Officers under the Companies Act, 2013.

ANNEXURE – C

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:

a) No remuneration is paid to Non-Executive Directors. The Ratio of the Remuneration to the Median Remuneration of the Employees of the Company for the financial year was 6.79 in respect of Mr. Pramod Kumar Kothari and 5.66 in respect of Mrs. Kavita Devi Kothari

b) There was an increase in remuneration paid to Executive Directors.

c) The percentage increase in the Median Remuneration of employees in the financial year: 6.77 %.

d) The number of permanent employees on the rolls of Company as on 31.03.2018 employees is **183**.

e) Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year was 6.87% and the percentile increase in the Managerial Remuneration was 17.02%. Since the remuneration paid to the Directors was low in comparison to the Managerial Remuneration paid to the Directors of the other companies of same size and in view of the Turnover and Profit of the company, the same has been increased this year.

f) Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company's Remuneration Policy is driven by the success and performance of the individual employees and the Company. The Company affirms that the Remuneration is as per the Remuneration policy of the Company.

ANNEXURE – D

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2018

(I) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

		FOR THE YEAR ENDED ON 31st MARCH, 2018	FOR THE YEAR ENDED ON 31ST MARCH, 2017
1.	**CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION**		
	The company is taking all measures to conserve Energy, Power and Fuel Consumption.		
a)	**Electricity**		
	Units Consumed	16678410	15721530
	Total Amount (Rs. in Lacs)	1364.40	1290.19
	Rate/Unit Rs.	8.18	8.21
b)	**HSD**		
	Quantity (litres)	139600	155200
	Total Amount (Rs. in Lacs)	73.01	72.62
	Average Rate per Ltr. (Rs.)	52.30	46.79
c)	**Furnace Oil/LDO**		
	Quantity (litres)	49051	121730.00
	Total Amount (Rs. in Lacs)	14.07	28.98
	Average Rate per Ltr. (Rs.)	28.68	23.81
2.	**TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT**		
	Through continuous Research and Development efforts, the company has been able to maintain the quality of yeast products as compared with its competitor multinational companies. The company is constantly upgrading its technology by R&D to help in the overall development of the company.		
	Expenditure on Research & Development		
a)	Capital (Rs. in lacs)	—	—
b)	Recurring (Rs. in lacs)	25.38	27.54
c)	Total (Rs. in lacs)	25.38	27.54
d)	Total R & D expenditure as percentage of turnover of Manufacturing activity	0.29	0.35
3.	**FOREIGN EXCHANGE EARNINGS AND OUTGO**		
	Foreign exchange earnings (Rs.in lacs)	—	—
	Foreign exchange outgo (Rs.in lacs)	60.30	146.61

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Kothari Fermentation & Biochem Ltd. is pleased to present its Sixteenth Analysis Report covering its overall performance and outlook.

Your company is in the business of Manufacturing Yeast and its derivatives. Various types of Yeasts are produced, e.g. baker's yeast, brewer's yeast, feed yeast, industrial yeast and bio-ethanol yeast. Yeast is used in various end-use applications in the Food, Distillery, Feed, Pharmaceuticals and Other Biotechnology sectors.

Industry Structure and Developments

The Indian Yeast Industry comprises of three major companies which are manufacturing yeast including our company and there is also one small manufacturer producing a small quantity of fresh yeast. Other than us the two major manufacturers are AB Mauri and Saf Yeast.

There is increasing demand for yeast and yeast based products from all over the world. The potential for expansion of yeast market in India is very large with country's own demand and export potential from neighboring countries. As one of the largest cane sugar producer country, India has sufficient supply of cane molasses which is the main raw material for yeast industry.

The capital cost of setting up yeast manufacturing plant is very high as practically all equipment is made in high grade stainless steel, power requirement is also very high as large aeration system and large volume of liquids are handled using high power pumps auto-matted control systems, separation and packing systems. Molasses is available round the year but the prices are favourable during the 5 to 6 months of Sugar Mill Production. Also the effluent generated with molasses as main raw material with high BOD and COD effluent requiring complex, elaborate and expensive treatment equipment posing challenges to the yeast industry. Making high quality yeast at low cost to meet continuously changing needs of baking industry, reducing carbon foot print and pollution control are biggest challenges in front of Indian and Global yeast industry.

There has been positive impact of GST implementated during the year on the economy. Your company has fully implemented GST and passed benefits of GST to its customers.

Opportunities and Threats

The growth of yeast market is directly linked to the increasing trend of processed and fast food items, especially bakery items. As per the current trend, India is presently one of the most promising markets for Baker's yeast, as its demand is continuously increasing with the rise in population and changing their eating habits to processed foods.

Due to presence of intense competition, the company is constantly working to enter into new markets, other than Bakeries, and had developed technologies for the manufacturing of Yeast based products needed for Distilleries, Feed, Food Pharmaceuticals and Biotech Industries. The company is being approached by research organizations for developing yeast for their applications.

Segment wise Performance

Manufacturing of Yeast is the only business segment of the Company during the year 2017-2018. The brand names – Kothari "SUNRISE", "KF" and "FOUR SEASONS" have been well established in the domestic market.

The comparison of financial data with previous year's data, is provided as under the heading "Discussion on Financial Performance with respect to Operational Performance".

Discussion on Financial Performance with respect to Operational Performance **(Rs. in lacs)**

Particulars	2017-18	2016-17
	Manufacturing of Yeast	Manufacturing of Yeast
a) Production (MT)	16653	14968
b Revenue -Net sales	8769.39	7909.16
c) Result		
- Before Tax & Interest	883.90	640.68
Less:		
i) Finance Exp.	165.59	152.98
ii) Other Un-allocable Exp	—	—
Net Profit before Tax.	718.31	487.70
d) Capital Employed	4967.11	4344.19
e) Net worth	3927.32	3390.79
PBT/CE	14.46%	11.23%
PBT/NW	18.29%	14.38%

The company recorded a higher capacity utilization of 79.3**%** of its production facilities during the year with an increase of 11% over previous year. The company is having installed capacity of 25000 MT and operative capacity of 21000 MT. Company is in the process of automation of its operation which are currently operating manually. Automation not only improve its financial performance but would also help the company face challenges and threats from the multinationals.

Future Outlook

The company is regularly reviewing its whole structure and making changes for future improvements. The increase in production facilities and automation would reap benefits from the financial year, i.e. 2018-19. Major capital investment has been undertaken for the same and various control systems are also being deployed for the reduction of costs and improving of the operating efficiencies. The Company is constantly trying to be profitable by utilizing its available resources more effectively and efficiently.

Internal Control System and their adequacy

The Company has an internal control system with proper internal delegation of authority, supervision, checks and procedures. This system is reviewed and updated periodically in order to improve the same to meet the business requirements. The Internal Auditor of the Company has ensured adequacy and compliance of Internal Control System and that it commensurate with the size and nature of the Company and also suggests necessary checks and balances to increase the effectiveness of the system. The Board of Directors, Audit Committee and the Management ensure that the internal control system operate effectively within the organization.

Material Developments in Human Resources/Industrial Relations Front, including number of people employed

The Company believes that the competence and commitment of its people are the key drivers for growth of the organization. There have been excellent relations between the employees at various levels and the management. The managers' help employees identify obstacles and teach them leadership techniques through training, mentoring and coaching. The Company responds to genuine grievances of employees in order to foster warm and cordial relationships between the management and the employees, increases job satisfaction of employees and ensures that employees can add value to their lives. There were 183 persons directly employed by the Company during the previous financial year on an average basis.

Forward Looking & Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Place: New Delhi
Date: 14.08.2018

Pramod Kumar Kothari
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

In accordance with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, makes obligatory on the Companies to report the Compliance Status as per requirements of Companies Act, 2013 and SEBI Listing Regulations, 2015. The Company is in full compliance with the Corporate Governance norms as stipulated therein.

Given below are the Company's Corporate Governance policies and practices for the financial year 2017-18.

1. Company's Philosophy on Code of Governance:

Philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, Government and lenders.

The essence of the Corporate Governance practices across Kothari Fermentation & Biochem Limited is the balance struck between independent decision making and effective business controls. The promotion of efficient Corporate Governance practices is not only a statutory requirement but an important business enabler that helps realize long term goals while optimizing stakeholder returns.

2. Board of Directors:

(i) Composition:

The Board of Directors along with its Committees is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the company and has been vested with requisite powers and authorities.

The Board of Directors consists of five Directors viz. Mr. Pramod Kumar Kothari (Chairman and Managing Director), Mrs. Kavita Devi Kothari (Whole-Time Director), Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri. Mr. Pramod Kumar Kothari and Mrs. Kavita Devi Kothari are the Executive Directors and the other three Directors are Independent Non-Executive Directors. The Board of the company, therefore, meets the composition criteria as required under SEBI Listing Regulations.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to business.

Composition & Category of Directors

Particulars	Number of Directors	Percentage of composition
Executive Directors (including one woman director)	2 (including Chairman)	40%
Non-executive Independent Directors	3	60%
Total	5	100%

(ii) Board meetings:

During the year, 6 Board meetings were held, i.e. on 30th May, 2017, 14th August, 2017, 14th September, 2017, 5th December 2017, 14th February, 2018 and 30th March, 2018. The maximum gap between any two meetings was not more than one hundred and twenty days.

All the agenda items in the Board Meetings are backed by necessary supporting information and documents to enable the Board to take informed decisions. Presentations before the Board were made by executive heads of the departments from time to time to keep the Board apprised of the developments on various functional areas. The company is in compliance with Part A of Schedule II read with Regulation 17 of the SEBI Listing Regulations with regard to information being placed before the Board.

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

The composition of the Board of Directors, their Attendance at the Board Meetings and Annual General Meeting as also the number of other directorships in other Indian Public Limited Companies and memberships of the Committees of the Board of such other companies are as follows:

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Director-ships#	Other Companies Board's Committees*	
					Chairman	Member
Mr. Pramod Kothari	Chairman & Managing Director	Yes	5	1	NIL	NIL
Mrs. Kavita Devi Kothari	Whole - Time Director	No	5	NIL	NIL	NIL
Mr. Prasanna Kumar Pagaria	Independent Non-executive Director	Yes	6	NIL	NIL	NIL
Mr. Ratan Lal Dudheria	——Do——	No	5	NIL	NIL	NIL
Mr. Kapil Dev Puri	——Do—-	Yes	6	1	NIL	2

#Number of other Directorships held in Public Limited Companies only and excludes directorships held in private limited companies, foreign companies and Section 8 companies

*Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of other Public Limited Companies.

(iii) Orderly succession to Board and Senior Management

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

(iv) Code of conduct for Board of Director and Senior Management

The Company has adopted a Code of Conduct for Board of Director and Senior Management (referred to as the 'Code'). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at www.kothariyeast.in. All Board members and senior management have confirmed compliance with the code for the year ended 31st March, 2018. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

(v) Independent Directors:

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large. As mandated by Regulations 25 of the SEBI Listing Regulations as of March 31, 2018, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26, none of Directors is a member of more than ten committees or acting as Chairperson of more than five committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. Also the maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI Listing Regulations.

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013. As per Regulation 46(2) of SEBI Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website.

Mr. Ratan Lal Dudheria holds 400 Equity shares of the Company. No other non-executive independent director holds any shares and convertible instruments in the Company.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 14th of February, 2018, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the other Executive and Non-Executive Directors; and
- Assessed the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors of the Company attended the Meeting of Independent Directors.

Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include presentations made by the functional heads on the developments in their respective departments' vis-à-vis the industry as whole. They are also updated on the changes in the policies, laws, etc and their impact on the company as a whole on a continuing basis.

The Familiarization programmes imparted to Independent Directors are disclosed on the Company's website i.e. www.kothariyeast.in.

(vi) Performance Evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The structured evaluation process contained various aspects of the functioning of the Board and its committees, number of committees and their roles, frequency of meetings, level ofparticipation, and independence of judgments, performance of duties and obligations and implementation of good corporate governance practices. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The Board expressed its satisfaction of the performance of all the directors, Board and its committees which reflected the overall engagement of the Directors, the Board and its committees, with the Company.

(vii) Disclosure of relationships between Directors inter-se

Name of the Director	Designation of Director	Relationships Inter-se
Mr. Pramod Kumar Kothari	Chairman & Managing Director	Husband of Mrs. Kavita Devi Kothari, Whole-Time Director of the Company.
Mrs. Kavita Devi Kothari	Whole - Time Director	Wife of Mr. Pramod Kumar Kothari, who is Chairman & Managing Director of the Company
Mr. Prasanna Kumar Pagaria	Non-executive Independent Director	No Relationship Inter se
Mr. Kapil Dev Puri	Non-executive Independent Director	No Relationship Inter se
Mr. Ratan Lal Dudheria	Non-executive Independent Director	No Relationship Inter se

3. Committees of the Board

There are three committees of the Board of Directors, which have been delegated adequate powers to discharge their respective functions. These Committees are – (i) Audit Committee, (ii) Nomination & Remuneration Committee and (iii) Stakeholders' Relationship Committee. The Company Secretary is the Secretary for all the Committees of the Company.

(i) Audit Committee

- **Terms of Reference**

  As per Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, an Audit Committee exists which has been delegated all the requisite functions and powers to impart the role defined in Part C of Schedule II to the Listing Regulations and in Section 177 of the Companies Act, 2013. The broad terms of reference are:
  - o Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors/internal auditors, remuneration and terms of appointment of auditors.
  - o Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - o Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
  - o Approve transactions, including any subsequent modifications, of the Company with related parties.
  - o Scrutinize inter-corporate loans and investments.
  - o Valuation of undertakings or assets of the Company, wherever it is necessary.
  - o Evaluate internal financial controls and risk management systems.
  - o Review and monitor the statement of use and application of funds raised through public offers and related matters.
  - o Review the functioning of the Whistle Blower Policy/Vigil mechanism.

  The minutes of the Audit Committee meetings are regularly placed before the Board of Directors in their meeting for its appraisal.
- **Powers of the Audit Committee**

  The Audit committee has the powers to investigate any activity within its terms of reference, seek information from the employees, obtain outside legal or professional advice and secure their attendance, if necessary.
- **Composition, Meetings and Attendance**

  The composition, names of the members, chairman, particulars of the meetings, and attendance of the members during the year are as follows:

Name of the Member	Status	Category	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	Independent/ Non–executive Directors	5
Mr. Ratan Lal Dudheria	Member	Independent/ Non–executive Directors	4
Mr. Kapil Dev Puri	Member	Independent/ Non–executive Directors	5

Majority of the members of Audit Committee have accounting and financial management expertise. The Committee met 5 times during the year, i.e. on 30.05.2017, 14.08.2017, 14.09.2017, 05.12.2017 and 14.2.2018. Mr. Pramod Kumar Kothari, Chairman & Managing Director, is the permanent invitee to the Audit Committee. The Chief Financial Officer, Internal Auditors and Statutory Auditors also invited and attended the committee meeting to clarify and discuss queries raised by the committee.

(ii) Nomination & Remuneration Committee

- The **terms of reference** of the Nomination & Remuneration Committee are:
  - o Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,
  - o Formulation of criteria for evaluation of Independent Directors and the Board,
  - o Devising a policy on the Board's diversity,
  - o Identifying persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- **Composition, Meetings and Attendance**

  The composition, names of the members, chairman, particulars of the meetings, and attendance of the members during the year is as follows:

Name of the Member	Status	Category	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	Independent/ Non–executive Directors	3
Mr. Ratan Lal Dudheria	Member	Independent/ Non–executive Directors	3
Mr. Kapil Dev Puri	Member	Independent/ Non–executive Directors	3

Three meetings of the committee was held during the year on 30.05.2017, 05.12.2017. 30.03.2018.

- **Performance Evaluation criteria of Independent Directors**

  The criteria for evaluation of Independent Directors as well as other Directors includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, motivation/commitment/diligence, integrity/ethics/values and openness/receptivity. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation the Director who was subject to evaluation had not participated.

- **Remuneration of Directors**

  The Board has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees as recommended by the Nomination & Remuneration Committee. The policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. It also lays down the factors for determining remuneration of Whole–time Director, Non-Executive Directors, Key Managerial Personnel and other employees along with the evaluation criteria of the Independent Director and the Board.

  The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive directors. During the year under review, none of the directors was paid any performance-linked incentive/ commission. In 2017-18, the Company did not advance any loans to any of the executive and/or non-executive directors.

Details of Remuneration paid to Directors for the year 2017-2018

(a) Executive Directors: **(Rs. In Lacs)**

PARTICULARS	MR. PRAMOD KUMAR KOTHARI	MRS. KAVITA DEVI KOTHARI
Salaries	18.00	15.00
TOTAL	**18.00**	**15.00**

(b) Non- Executive Directors:

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. Further no sitting fee was paid to the non-executive Directors during the year 2017-18 as decided by themselves for not accepting any sitting fees.

- **Policy on Board Diversity**

  In compliance with the provisions of the SEBI Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition as at present meets with the above objective.

(iii) Stakeholders Relationship Committee:

- **Terms of Reference**

  The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee is responsible for assisting the Board of Directors in the matters relating to attending and redressal of the grievances of the security holders of the Company. The Committee in particular looks into:

  - o The security holders' complaints on matters relating to transfer of securities, non-receipt of annual report, non-receipt of dividends and matters related thereto, issuing of duplicate certificates, etc.
  - o The matters that can facilitate better investor services and relations.
  - o Reviewing the performance of the RTA and recommending measures for the overall improvement in the quality of investor services.

- **Composition, Meetings and Attendance during the year**

  The Committee met 4 times during the year, i.e. on 30.05.2017, 14.08.2017, 05.12.2017 and 14.02.2018 and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	4
Mr. Pramod Kumar Kothari	Member	4
Mr. Kapil Dev Puri	Member	4

Name, Designation & Address of the Compliance Officer

Mrs. Kavita Tanwar,
Company Secretary-cum-Compliance Officer
Kothari Fermentation & Biochem Ltd.,
1st Floor, 16, Community Centre, Saket, New Delhi – 110017
Tel. : 011-26850004, 40590944
E-mail : info@kothariyeast.in

- **Shareholders complaints and disposal thereof**
  The complaints of the shareholders are either addressed to the Company Secretary or the share transfer agents of the company i.e. Abhipra Capital Limited. The status of pending shareholder's/ investor's complaints is regularly reviewed at the Stakeholders Relationship Committee Meeting on quarterly basis. Four complaints were received and resolved during the year under review mainly related to change of address, demat, etc. There was no investor complaint pending as on 31.03.2018. There were no valid share transfers pending for registration for more than 15 days on the said date.
  As per Regulation 85 of the Listing Regulations, an email id, i.e. **info@kothariyeast.in** has been designated especially for the redressal of the security holders' grievances, by the company. The mails are periodically reviewed by the Committee. All the queries received from the shareholders during the Financial Year 2017-18 have been responded by the R&T Agent and replied to within a fortnight.

4. Annual General Meetings

AGM	YEAR	VENUE	DATE	TIME
27th	2016-2017	Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019	29.09.2017	11:00 A.M.
26th	2015-2016	-------do-------	28.09.2016	11.00 A.M.
25th	2014-2015	-------do-------	30.09.2015	10.30 A.M.

No resolution requiring Postal Ballot was placed before the last AGM. At present no special resolution is proposed to be passed through postal ballot.

Special Resolution passed in previous three Annual General Meetings

AGM	Year	Subject of Special Resolution	Date
27th	2016-2017	NIL	29.09.2017
26th	2015-2016	NIL	28.09.2016
25th	2014-2015	NIL	30.09.2015

5. Means of Communication

Half-yearly & Quarterly results	The results of the company are published in newspapers and also sent to the Stock Exchanges within stipulated time period.
Which newspaper normally published in	"Financial Express " & "Jansatta"
Any website where displayed	www.bseindia.com & www.kothariyeast.in
Whether it also displays official news releases	Yes
The presentations made to institutional investors or to the analysts	None during the year
Whether Management Discussion & Analysis Report is a part of annual report or not	Yes, forms part of annual report

6. General Shareholder Information

(i) 28th Annual General Meeting:

Venue : "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019
Time : 11:00 A.M.
Day & Date : Friday, the 28th day of September, 2018

(ii) Tentative Financial Calendar:

Financial Year 2018 – 2019		
1. First Quarterly Results	(Unaudited/Limited Review)	July-August 2018
2. Second Quarterly Results	————————Do———————-	October-November 2018
3. Third Quarterly Results	————————Do———————-	January-February 2019
4. Fourth Quarterly Results & Annual Results	(Audited	April-May 2019

(iii) Book Closure

Share Transfer Books and Register of Members shall remain closed from Friday, the 21st day of September, 2018 to Friday, the 28th day of September, 2018 (both days inclusive).

(iv) Dividend Payment Date

The Board of Directors has not recommended any dividend during the year.

(v) Listing on Stock Exchanges and Stock Codes

S. No.	Name & Address of the Stock Exchange	Stock Code
1.	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	507474

Note: Annual Listing Fees for the year 2018-2019 have been duly paid to the above stock exchange.

(vi) DEMAT ISIN Number in NSDL & CDSL - INE991B01010

(vii) Market Price Data for the year 2017-18:

Monthly high/low prices and trading volumes during the financial year 2017-18 on BSE Ltd. are given hereunder:

Month	High	Low	No. of Trades	No. of Shares Traded
April 2017	75.5	48.1	981	158837
May 2017	73.8	51.1	804	94564
June 2017	65.2	52	464	54385
July 2017	63	49.75	618	51705
August 2017	62	43.45	325	20946
September 2017	59.4	46.55	389	46560
October 2017	56	44.6	415	59223
November 2017	60	43.95	790	89129
December 2017	60	45.05	1118	201736
January 2018	59	49	1199	171147
February 2018	56.7	44	757	92800
March 2018	61.7	48	452	56823

(viii) Registrar and Share Transfer Agents

Abhipra Capital Limited, Abhipra Complex,
Dilkhush Industrial Area,
A-387, G.T. Karnal Road, Azadpur, Delhi – 110033
Tel.: 011 - 42390725, 42390708

(ix) Share Transfer System

The share transfers affected by the delegated authority (RTA) are approved by the Stakeholders Relationship Committee once in a quarter.

The share transfer requests received in physical form by the Company or the Company's Registrar and Transfer Agent, are registered within a period of 15 days from the date of receipt provided they being complete in all respects. Requests for dematerialization received from the shareholders are affected within a period of maximum15 days.

(x) Distribution of Shareholding

A) Distribution of Shareholding according to size class as on 31st March 2018:

S. No.	Nominal Value of Equity Shares held (Rs.)	Shareholders		Shares held in each class			
		Number	%	Physical	Demat	Total	% to Total
1	Upto 5000	9443	94.733	780515	414509	1195024	7.967
2	5001 To 10000	268	2.690	41100	183669	224769	1.498
3	10001 To 20000	122	1.224	16300	170594	186894	1.246
4	20001 To 30000	44	0.441	14500	96898	111398	0.743
5	30001 To 40000	21	0.211	14300	61572	75872	0.506
6	40001 To 50000	19	0.190	13400	76748	90148	0.601
7	50001 To 100000	24	0.240	21500	143640	165140	1.101
8	Above 100000	27	0.271	160900	12789855	12950775	86.338
	Total	9968	100.00	1062515	13937485	15000000	100%

B) Distribution of Shareholding across Categories as on 31st March 2018:

S. No.	Category	No. of Shares Held	% Shareholding
1.	Promoters	11237200	74.91
2.	Financial Institutions, Banks and Mutual Funds	12800	0.09
3.	NRIs, Foreign Nationals, OCBs, FIIs & Clearing Members	24145	0.16
4.	Indian Public	2789794	18.59
5.	HUF	81764	0.55
5.	Private Corporate Bodies	854297	5.70
	TOTAL	**15000000**	**100**

(xi) Dematerialization of Shares and Liquidity

About **92.92%** of the total equity share capital of the company was held in Dematerialization form as on 31st March, 2018 with NSDL/ CDSL. The shares of the company fall under the category of compulsory delivery in dematerialized form by all categories of investors and is listed on BSE Ltd., which provide sufficient liquidity to them.

Kindly note that SEBI, vide its Notification dated June 8, 2018 has mandated that with effect from December 05, 2018, in all listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities. The Company will not be allowed to undertake any physical transfers, thereafter. Accordingly, you are requested that during this transitional period, kindly convert your shareholding in Demat mode.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments – Not Applicable

(xiii) Location of Plant

D-6 to D-12, Village Rajarampur, UPSIDC Industrial Area,
Sikandrabad, District Bulandshahr (U.P.) – 203205

(xiv) Address for Correspondence:

- **With the Company:**
  Kothari Fermentation & Biochem Ltd.,
  1st Floor, 16, Community Centre, Saket, New Delhi – 110017
  Tel.: 011 - 26850004, 40590944
  E-mail for investors' grievance redressal : info@kothariyeast.in
  Website: www.kothariyeast.in
- **With the R & T Agent**
  The shareholders may also address their correspondence to the RTA of the Company; their address is given in point no.6 (viii) above.

7. Other Disclosures

- **Related Party Transactions (RPT)**
  There were no materially significant transactions with the related parties during the financial year that may have potential conflict with interest of the Company at large.
  All transaction entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations during the financial year were on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013.
  During the year 2017-18, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, all RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in this Annual Report.
  The Company has formulated a policy on dealing with related party transactions which has been uploaded on the website of the Company, i.e. - www.kothariyeast.in.
- **Shareholding of directors**
  Information on shares held by directors in the Company as on 31 March 2018 is provided in the annexure to the Directors' Report in Form MGT-9, i.e., extract of the Annual Return.
- **Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority**
  No penalties, and strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- **Material Subsidiaries**
  The Company does not have a subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations and hence this clause is not applicable on the company.

- **Proceeds from public issue, rights issue, preferential issue, etc.**
  During the year, the Company has not raised any funds from public issue, rights issue, preferential issue, etc.

- **Disclosure of material transactions by Senior Management**
  Under regulation 26(5) of SEBI Listing Regulations, Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was NIL during the year 2017-18.

- **Compliances regarding Insider Trading**
  The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from the 15th day of May, 2015. Accordingly, the Board at its meeting held on 14.05.2015, approved and adopted:
  a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
  b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.
  The code referred to in (a) above is placed on the Company's website - www.kothariyeast.in.

- **Vigil mechanism and Whistle Blower Policy:**
  The Company has established a vigil mechanism which is overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. A comprehensive Whistle Blower Policy has already been adopted by the Company which provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The Company affirms that no employee has been denied access to the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at www.kothariyeast.in.

- **Disclosure of Accounting Treatment and Directors' Responsibility Statement**
  In the preparation of financial statements, the company has followed the Accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Board has also affirmed the above that the Annual Accounts have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

- **Details of compliance with mandatory and discretionary requirements as per SEBI Listing Regulations**
  All the mandatory requirements have been complied with in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance as prescribed in sub-paras (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI Listing Regulations, 2015.
  The Corporate Governance requirements specified in Regulation 17 to 27 and under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations has also been duly complied with in this Report as well as on the website of the company.
  The Discretionary requirements as stipulated in Part E of Schedule II have been adopted to the extent and in the manner as stated hereunder:
  - The Board: Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable to the Company.
  - Shareholder rights: A quarterly, half-yearly and annual financial results are published in the newspapers and are also posted on the website of the company.
  - Modified opinion(s) in the audit report: The Company confirms that its financial statements for the year under reference are with unmodified audit opinion.
  - Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

- **CEO/ CFO Certification**
  Pursuant to the provisions specified in Part B of Schedule II and in terms of Regulation 17(8) of the SEBI Listing Regulations, a certificate on the Financial Statements from CEO and the CFO is issued and forms part of the Annual Report.

- **Compliance Certificate**
  Compliance certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.
  The above report has been placed before the Board at its meeting held on 14.08.2018 and was approved.

For and on behalf of the Board

Place: New Delhi
Date: 14.08.2018

Pramod Kumar Kothari
Chairman & Managing Director

CEO /CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:-

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

i. Significant changes in internal control over financial reporting during the year;

ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Kothari Fermentation & Biochem Ltd.

Place: New Delhi
Date: 23.05.2018

Arun Kumar Sekhani
Chief Financial Officer

Pramod Kumar Kothari
Chairman & Managing Director

DECLARATION

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, hereby certify that the Board Members and the Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31st of March, 2018.

For and on behalf of the Board

Place: New Delhi
Date: 23.05.2018

Pramod Kumar Kothari
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kothari Fermentation & Biochem Ltd.

We have examined the compliance of conditions of Corporate Governance by Kothari Fermentation & Biochem Ltd ("the Company") for the year ended 31st of March, 2018 as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period from 1st of April, 2017 to 31st of March, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

Place: New Delhi
Dated: 14/08/2018

CA KULDEEP KOTHARI
Proprietor, Membership No.: 413714

INDEPENDENT AUDITOR'S REPORT

To The Members of
Kothari Fermentation & Biochem Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kothari Fermentation & Biochem Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Company (Indian Accounting Standards) Rules,2015, as amended. 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 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 of the Ind AS financial statements in accordance with the Standards on auditing, Issued by the Institute of chartered accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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, of the state of affairs of the Company as at 31st March 2018, its profit including other comprehensive income, its cash flows and the 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 I, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
   (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with companies (Indian accounting Standards) Rule, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of directors, none of the directors is disqualified as on 31 March 2018 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 II";
   (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 disclosed the impact of pending litigations on its financial Position in its Ind AS financial statements – Refer Note 29 to the financial Statements;
      ii. The company did not have any long –term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amount which were required to be transferred to the Investor education and Protection Fund by the company.

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

Place: New Delhi
Dated: 23/05/2018

CA KULDEEP KOTHARI
Proprietor, Membership No.: 413714

Annexure - I to the Independent Auditors' Report -31st March, 2018

Referred to our' report to the members of the Kothari Fermentation & Biochem Limited as at and for the year ended 31 March 2018,

(i) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner by the management. In accordance with this programme, All the Fixed assets have not been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable Properties are held in the name of the Company.

(ii) (a) The management has conducted Physical Verification of inventory at reasonable intervals during the year, other than stock lying with third parties, and no material discrepancies were noticed on such physical verification .

(b) In our opinion, procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company And the nature of its business.

(c) In our opinion, the company is maintaining proper records of inventory. We have Been explained that discrepancies noticed on physical verification as compared to Book records were not material and the same have been properly dealt with in the Books of account.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the Parties covered under Section 185 the companies Act. The Company has complied with the provisions of 186 of the companies Act in respect of the loans given and investment made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148(1) of the companies Act, 2013 in respect of the Company's products.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, The company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, Goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund income tax, sales tax, value added Tax, duty of customs, duty of excise, Goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than 6 months from the date they became payable.

(c) According to the records of the company, the dues of income tax, sales tax, Goods and services tax, services tax, duty of custom, duty of excise, value added Tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum Where the dispute is pending
Income Tax Act	Demand of Tax	# Rs. 665.81 lacs	A.Y. 2008-09	CIT(A), New Delhi

a stay order has been received against the amount disputed and not deposited.

(viii) In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding dues in respect of government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further Public offer (including debt instruments) during the year under report. Based on Our audit procedures and on the information and explanation given by the Management, we are of the opinion that the money raised by way of term loans Has been applied for the purposes for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company

For **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

Place: New Delhi
Dated: 23/05/2018

CA KULDEEP KOTHARI
Proprietor, Membership No.: 413714

Annexure - II to the Independent Auditors' Report -31st March, 2018

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 Kothari Fermentation and Biochem Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 ('ICAI'). 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31stMarch 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 **Kothari Kuldeep & Co.**
Chartered Accountants
ICAI Firm Registration No. - 015960C

Place: New Delhi
Dated: 23/05/2018

CA KULDEEP KOTHARI
Proprietor, Membership No.: 413714

Balance sheet as at 31st March, 2018

(All amounts are in Rupees Lacs, unless otherwise stated)

	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	5,154.80	4,268.75	3,422.12
Capital work-in-progress		66.20	593.15	673.15
Financial assets				
(a) Other non-current financial assets	4	63.70	82.63	87.61
Other non-current assets	5	58.92	16.78	62.83
Total non-current assets		**5,343.62**	**4,961.31**	**4,245.71**
Current assets				
Inventories	6	509.06	654.25	602.41
Financial assets				
(i) Trade receivables	7	536.54	529.10	454.84
(ii) Cash and cash equivalents	8	77.99	60.23	31.46
(iii) Bank balances other than (ii) above	9	17.41	17.10	39.14
(iv) Other current financial assets	10	1.53	0.71	1.35
Other current assets	11	209.11	291.72	225.84
Total current assets		**1,351.64**	**1,553.11**	**1,355.04**
Total assets		**6,695.26**	**6,514.42**	**5,600.75**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	1,500.00	1,500.00	1,500.00
Other equity		2,427.32	1,890.79	1,575.97
Total equity		**3,927.32**	**3,390.79**	**3,075.97**
Liabilities				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	13	1,039.78	953.40	619.65
Long-term provisions	14	163.64	148.02	122.78
Deferred tax liabilities (net)	15	238.79	201.39	136.66
Total non-current liabilities		**1,442.21**	**1,302.81**	**879.09**
Current liabilities				
Financial liabilities				
(i) Borrowings	16	445.11	725.10	891.28
(ii) Trade payables	17	345.77	399.68	200.57
(iii) Other financial liabilities	18	233.91	431.07	307.05
Other current liabilities	19	238.13	212.74	210.63
Current tax liabilities (net)	20	62.81	52.23	36.16
Total Current liabilities		**1,325.73**	**1,820.82**	**1,645.69**
Total liabilities		**2,767.94**	**3,123.63**	**2,524.78**
Total equity and liabilities		**6,695.26**	**6,514.42**	**5,600.75**
Summary of significant accounting policies and other notes on financial statements	1 to 39			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For M/s. Kothari Kuldeep & Co.
Chartered Accountants
Firm Regn. No. 015960C

For *and on behalf of the Board of Directors of*
Kothari Fermentation and Biochem Limited

Kuldeep Kothari
Proprietor
Membership No - 413714

PRAMOD KUMAR KOTHARI
Chairman & Managing Director
(DIN – 00086145)

KAPIL DEV PURI
Director
(DIN – 00278929)

PRASANNA KUMAR PAGARIA
Director
(DIN – 00162904)

Place: New Delhi
Date: 23.05.2018

ARUN KUMAR SEKHANI
Chief Financial Officer

KAVITA TANWAR
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018

(All amounts are in Rupees Lacs, unless otherwise stated)

	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue			
Revenue from operations	21	8,769.39	7,909.16
Other income	22	8.48	11.55
Total income		**8,777.87**	**7,920.71**
Expenses			
Cost of materials consumed	23	3,652.53	3,604.71
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	24	16.33	(76.96)
Employee benefits expense	25	609.21	534.24
Finance costs	26	165.59	152.98
Depreciation and amortization expense	3	312.69	259.43
Other expenses	27	3,303.21	2,958.61
Total Expenses		**8,059.56**	**7,433.01**
Profit before tax (VI-VII)		**718.31**	**487.70**
Tax expense:			
Current tax		148.66	98.31
Deferred tax		36.22	67.98
Profit for the year (A)		**533.43**	**321.41**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		4.30	(9.84)
Tax relating to remeasurement of defined benefit plans		(1.20)	3.25
Total other comprehensive income for the period (B)		**3.10**	**(6.58)**
Total comprehensive income for the year (A + B)		**536.53**	**314.83**
Earnings per equity share	28		
Basic		3.56	2.14
Diluted		3.56	2.14
Summary of significant accounting policies and other notes on financial statements	1 to 39		
The accompanying notes are an integral part of these financial statements			

As per our report of even date attached.

For M/s. Kothari Kuldeep & Co.
Chartered Accountants
Firm Regn. No. 015960C

For *and on behalf of the Board of Directors of*
Kothari Fermentation and Biochem Limited

Kuldeep Kothari
Proprietor
Membership No - 413714

PRAMOD KUMAR KOTHARI
Chairman & Managing Director
(DIN – 00086145)

KAPIL DEV PURI
Director
(DIN – 00278929)

PRASANNA KUMAR PAGARIA
Director
(DIN – 00162904)

Place: New Delhi
Date: 23.05.2018

ARUN KUMAR SEKHANI
Chief Financial Officer

KAVITA TANWAR
Company Secretary

Cash Flow Statement for the year ended 31st March, 2018

(All amounts are in Rupees Lacs, unless otherwise stated)

Particulars		Year ended 31st March, 2018	Year ended 31st March, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	718.31	487.70
	Adjustments for:		
	Depreciation and amortization expense	312.69	259.43
	Profit on sale/discard of property, plant and equipment (net)	0.08	0.67
	Finance cost	165.59	152.98
	Interest Income	(8.19)	(10.37)
	Operating Profit Before Working Capital Changes	**1,188.48**	**890.41**
	Movements in working capital :-		
	(Increase)/ Decrease in Inventories	145.19	(51.84)
	(Increase)/ Decrease in Trade and Other receivables	50.55	(87.71)
	Increase/ (Decrease) in Trade and other payables	(172.95)	311.64
	Cash used in operations	**1,211.27**	**1,062.51**
	Direct taxes paid	(138.09)	(82.25)
	Net Cash used in operating activities	**1,073.19**	**980.26**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale/Deletion of Fixed Assets	0.12	8.00
	Interest Received on Fixed Deposits & Others	7.37	11.00
	Movement in Fixed Deposits	1.10	20.63
	Purchase of Fixed Assets including Capital Work in Progress	(671.99)	(1,034.72)
	Net cash used in investing activities	**(663.40)**	**(995.09)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(Repayment) of Long Term borrowings	53.55	363.51
	Proceeds from Short Term borrowings	(279.99)	(166.18)
	Interest paid	(165.59)	(153.73)
	Cash Generated/ used in Financing Activities	**(392.03)**	**43.61**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**17.76**	**28.77**
	Cash and Cash Equivalents at the beginning of the year *	60.23	31.46
	Cash and Cash Equivalents at the end of the year *	77.99	60.23
		17.76	**28.77**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the Statement of Cash Flows.

Notes
1. The above cash flow statement has been prepared under the Indirect Method as set out in IND AS - 7.
2. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.
3. Figure in brackets indicates cash outgo
4. Components of cash and cash equivalents

	31st March, 2018	31st March, 2017
Cash in hand	26.29	23.40
Cheques / Drafts on hand	-	-
Bank balances - Current account	51.70	36.83
	77.99	**60.23**

This is the Cash Flow Statement referred to in our report of even date.
The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For M/s. Kothari Kuldeep & Co.
Chartered Accountants
Firm Regn. No. 015960C

Kuldeep Kothari
Proprietor
Membership No - 413714

Place: New Delhi
Date: 23.05.2018

For *and on behalf of the Board of Directors of*
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ARUN KUMAR SEKHANI
Chief Financial Officer

KAVITA TANWAR
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2018

(a) Equity share capital *(All amounts are in Rupees Lacs, unless otherwise stated)*

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	150.00	1,500	150.00	1,500
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	150.00	1,500.00	150.00	1,500.00

(b) Other equity

	Reserves & Surplus	Remeasurement of defined benefit plans	Total
	Retained earnings		
Restated balance at the beginning of the reporting period	**1,575.97**	**-**	**1,575.97**
Profit for the year	321.41	**-**	**321.41**
Other comprehensive income/ (loss) for the year	-	**(6.58)**	**(6.58)**
Total comprehensive income for the year	**321.41**	**(6.58)**	**314.83**
Balance at 31st March, 2017	**1,897.38**	**(6.58)**	**1,890.79**
Restated balance at the beginning of the reporting period	**1,897.38**	**(6.58)**	**1,890.79**
Profit for the year	533.43	-	**533.43**
Other comprehensive income for the year	-	3.10	**3.10**
Total comprehensive income for the year	**533.43**	**3.10**	**536.53**
Balance at 31st March, 2018	**2,430.81**	**(3.48)**	**2,427.32**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For M/s. Kothari Kuldeep & Co.
Chartered Accountants
Firm Regn. No. 015960C

For *and on behalf of the Board of Directors of*
Kothari Fermentation and Biochem Limited

Kuldeep Kothari
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Place: New Delhi
Date: 23.05.2018

ARUN KUMAR SEKHANI
Chief Financial Officer

KAVITA TANWAR
Company Secretary

Notes to the financial statements for the year ended 31st March, 2018

1. Reporting Entity

Kothari Fermentation and Biochem Limited referred to as "the Company" is domiciled in India. The Company's registered office is at 16, Community Centre, 1st Floor, Saket, New Delhi-110017. The Company is a manufacturer of Yeast and its derivatives. The Factory of the Company is situated at Village Rajarampur, Industrial Area Sikandrabed, Distt. Bulandshahr in the State of U.P.

These financial statements were authorised for issue by the Board of Directors on their meeting held on 23rd May, 2018.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared under Ind AS. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e. 1st April 2016. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101.An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of fixed assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

-Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.

-Held primarily for the purpose of trading

-Expected to be realised/settled within twelve months after the reporting period, or

-Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. In Case of Property Plant and Equipment, The Company has availed the carrying Value as Deemed Cost on the date of Transition i.e. 1st April, 2016.

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. As per the assessment made by the management, fixed assets (other than building and captive power plant) does not comprise any significant components with different useful life. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 or re-assessed by the Company on technical basis, as given below.

Assets	Useful lives as per technical certificate
Plant & Machinery	18 Years (On triple shift basis)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is not being amortised over the period of lease tenure. Additions on rented premises are being amortised over the period of rent agreement.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. Individual assets costing below Rs.5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

2.7 Intangible assets

Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired, impairment loss is recognised in the statement of profit & loss.

2.8 Non-current assets (or disposal groups) held for sale.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost

of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.11 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception that the exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

2.12 Employee benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident fund b) Gratuity

c. Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. Other long-term employee benefits

The company has long term employment benefit plans i.e. accumulated leave. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

a. The Company recognises revenue from sale of goods when the titles have been passed at which time all the following conditions are satisfied:
   i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
   ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
   iii) The amount of revenue can be measured reliably;
   iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and
   v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.
   Sales of goods are recognized at the point of dispatch from factory to customers and sales from Depot are recognized at the time of billing to the customers. Sales are net of returns, rebate, damaged goods and exclusive of taxes.

b. Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis

c. Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

2.14 Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.
Government grants relating to the purchase of property, plant and equipment are reduced from Plant, Property and Equipment and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets.

2.15 Inventories

i. Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of attributable overheads
Waste	At net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

ii. Provision for obsolete/ old inventories is made, wherever required.

2.16 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets..

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

2.17 Provisions and contingencies, Contingent liabilities and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.18 Measurement of fair value

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow-based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

c. Derivatives

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial Assets at fair value through profit and loss (FVTPL)

Any Financial Asset, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

De-recognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

c. Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other Financial Instruments are classified as measured at FVTPL.

2.20 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Due to uncertainty, MAT Credit shall be accounted for as and when utilised under the Income-tax Act.

2.21 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the

statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company falls within one business segment viz "Yeast".

2.23 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of twelve months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.24 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares.

2.25 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

a. Recent Accounting Pronouncements

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 01, 2018.

b. Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

c. Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

i. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ii. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2016	Additions **	Deletions #	As at 31 March 2017	As at 1 April 2016	For the Year	Deletions	As at 31 March 2017	As at 1 April 2016	As at 31 March 2017
Tangible Assets										
-Freehold	41.42	-		41.42	-	-		-	41.42	41.42
Buildings	317.91	5.47		323.38	155.07	8.13	-	163.20	162.85	160.18
Plant & Machineries	4,415.45	1,065.57		5,481.02	1,580.35	200.81	-	1,781.16	2,835.10	3,699.86
Effluent Treatment Plant	532.75	-		532.75	306.27	27.55	-	333.82	226.48	198.93
R & D Laboratory Equipments	15.96	6.88		22.84	12.83	1.01	-	13.84	3.14	9.01
Furniture & Fixtures	22.72	8.86		31.59	14.79	1.62	-	16.41	7.94	15.17
Vehicles	130.24	21.86	14.37	137.73	59.53	12.13	(5.70)	65.96	70.72	71.77
Office Equipments	57.97	6.09		64.06	39.24	8.00	-	47.24	18.73	16.82
Factory Equipments	3.91	-		3.91	3.03	0.16	-	3.19	0.88	0.72
Assets under Finance Lease										
Leasehold land	54.86	-	-	54.86	-		-	-	54.86	54.86
Total	5,593.21	1,114.73	14.37	6,693.57	2,171.10	259.42	(5.70)	2,424.82	3,422.12	4,268.75
Capital work-in-progress	673.15	(80.00)	-	593.15	-	-	-	-	673.15	593.15
Total	**6,266.37**	**1,034.72**	**14.37**	**7,286.72**	**2,171.10**	**259.42**	**(5.70)**	**2,424.82**	**4,095.27**	**4,861.90**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2017	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	For the Year	Deletions	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018
Tangible Assets										
Freehold land	41.42	-	-	41.42	-	-	-	-	41.42	41.42
Building	323.38	-	-	323.38	163.20	8.21	-	171.41	160.18	151.97
Plant and equipment	5,481.02	1,184.92	-	6,665.94	1,781.16	254.02	-	2,035.18	3,699.86	4,630.76
Vehicles	137.73	4.37	0.55	141.55	65.96	12.51	(0.35)	78.12	71.77	63.44
Effluent Treatment Plant	532.75	-	-	532.75	333.82	27.55	-	361.37	198.93	171.38
R & D Laboratory Equipments	22.84	-	-	22.84	13.84	1.14	-	14.98	9.01	7.87
Furniture and fixtures	31.59	0.94	-	32.52	16.41	2.00	-	18.41	15.17	14.12
Factory equipments	3.91			3.91	3.19	0.13	-	3.32	0.72	0.59
Computers	-	-	-	-	-	-	-	-	-	-
Office equipments	64.06	8.70	-	72.76	47.24	7.14	-	54.38	16.82	18.39
Assets under Finance Lease	-	-								
Leasehold land	54.86	-	-	54.86	-	-	-	-	54.86	54.86
Total	6,693.57	1,198.93	0.55	7,891.95	2,424.82	312.69	(0.35)	2,737.16	4,268.75	5,154.80
Capital work-in-progress	593.15	-	(526.94)	66.20	-	-	-	-	593.15	66.20
Total	**7,286.72**	**1,198.93**	**(526.39)**	**7,958.15**	**2,424.82**	**312.69**	**(0.35)**	**2,737.16**	**4,861.90**	**5,221.00**

A. Additional disclosure as per previous GAAP
Property, plant and equipment

Particulars	As at 1st April, 2016		As at 31st March, 2017			As at 31st March, 2018		
	Gross Block	Net Block	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Tangible Assets								
-Freehold	41.42343	41.42343	41.42	-	41.42	41.42	-	41.42
-Leasehold	54.85647	54.85647	54.86	-	54.86	54.86	-	54.86
Buildings	317.91	162.84886	323.38	163.20	160.18	323.38	171.41	151.97
Plant & Machineries	4,415.45	2835.10016	5,481.02	1,781.16	3,699.86	6,665.94	2,035.18	4,630.76
Effluent Treatment Plant	532.75	226.48088	532.75	333.82	198.93	532.75	361.37	171.38
R & D Laboratory Equipments	15.96	3.13757	22.84	13.84	9.01	22.84	14.98	7.87
Furniture & Fixtures	22.72	7.93627	31.59	16.41	15.17	32.52	18.41	14.12
Vehicles	130.24	70.71742	137.73	65.96	71.77	141.55	78.12	63.44
Office Equipments	57.97	18.73478	64.06	47.24	16.82	72.76	54.37684	18.39
Factory Equipments	3.91	0.88029	3.91	3.19	0.72	3.91	3.32	0.59
Capital work-in-progress	673.15	673	593.15	-	593	66.20	-	66.20
Total	**6,266.37**	**4,095.27**	**7,286.72**	**2,424.82**	**4,861.90**	**7,958.15**	**2,737.16**	**5,221.00**

* Depreciation for the year 31st March, 2017 and 31st March, 2018 under Ind As has been considered to arrive accumulated depreciation as at 31st March, 2017 and 31st March, 2018

(All amounts are in Rupees Lacs, unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
4	**Other non-current financial assets**			
	(Unsecured, Considered Good)			
	Security Deposits	63.70	63.57	63.57
	Recoverable from Statutory Authorities	-	19.06	24.04
		63.70	**82.63**	**87.61**
5	**Other non-current assets**			
	(Unsecured, Considered Good)			
	Bank balance on deposit accounts	0.55	1.96	0.56
	Capital Advance	58.00	14.43	62.04
	Interest accrued but not due	0.37	0.39	0.23
		58.92	**16.78**	**62.83**
6	**Inventories**			
	(Valued at lower of cost or net realisable value except waste at net realisable value)			
	Raw Materials & Components	160.40	273.18	307.38
	Work-in-Progress	79.88	110.60	52.21
	Finished Goods	119.16	104.77	86.20
	Stores & Spares	117.28	105.24	85.10
	Others	32.34	60.46	71.51
		509.06	**654.25**	**602.41**
	Goods in transit included in above inventories are as under :			
	Raw Materials & Components	-	-	31.70
7	**Trade receivables**			
	(Unsecured, considered good)			
	Over six months from the due date	19.62	8.81	11.64
	Others	516.92	520.29	443.19
		536.54	**529.10**	**454.84**

(a) Trade Receivables are hypothecated to secured short term borrowings (Refer note 16)

(b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member.

8	**Cash and cash equivalents**			
	Balances with Banks			
	in Current Accounts with Scheduled Bank	51.70	36.83	15.25
	Cash on hand	26.29	23.40	16.21
		77.99	**60.23**	**31.46**
9	**Other bank balances**			
	Earmarked balances with banks:			
	in Depsosit Accounts held as Margin Money	17.41	17.10	39.14
		17.41	**17.10**	**39.14**
10	**Other current Financial assets**			
	(Unsecured, Considered Good)			
	Interest Accrued on deposits	1.53	0.71	1.35
		1.53	**0.71**	**1.35**
11	**Other Current assets**			
	(Unsecured, Considered Good)			
	Advances Recoverable in cash or in kind	148.80	214.19	139.56
	Prepaid Expenses	12.88	9.85	9.91
	Recoverable from Statutory Authorities	47.43	67.68	76.37
		209.11	**291.72**	**225.84**

(All amounts are in Rupees Lacs, unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
12	**Share capital**			
	Authorised:			
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
	Issued, subscribed & fully paid up:			
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
		1,500.00	**1,500.00**	**1,500.00**

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity Shares outstanding as at 01.04.2016	15,000,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2017	15,000,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2018	15,000,000

c. Shareholders holding more than 5% shares in the company

	Name of shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
(i)	Sidhhant Kothari	3,727,000	24.85	3,727,000	24.85	3,727,000	24.85
(ii)	Chaudhry Brother Traders & Builders Pvt. Ltd.	2,945,000	19.63	2,945,000	19.63	2,945,000	19.63
(iii)	Pramod Kumar Kothari-HUF	2,451,100	16.34	2,451,100	16.34	2,451,100	16.34

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
13	**Borrowings**			
	Term loans			
	- From banks (Secured)	954.20	830.24	619.65
	- from Others (Unsecured) (From Related Party)	85.58	123.16	-
		1,039.78	**953.40**	**619.65**

a. Securities

Loan outstanding at the end of current financial year of Rs. 496.59 (As at 31st March' 2017 Rs. 343.13, as at 1st April' 2016 Rs. 403.21) carrying interest @ 10.15 - 11.15% p.a. is repayable in monthly intallments as per the terms of sanction. The same is secured by an immovable property owned by one of the director and one of the promoters of the company and also secured by personal guarantee of two directors of the company. Loans taken for purchase/ installation of various plant & machineries and other fixtures, outstanding at the end of current financial year of Rs. 590.59 (As at 31st March' 2017 Rs. 652.92, as at 1st April' 2016 Rs. 351.22) carries interest @ 9.85% to 11.90% p.a. The same is repayable in monthly installments as per their terms of sanctions and secured by hypothecation of the respective plant and machineries and other fixtures required for its operations and carry a pari passu charge on stock and debtors which are also hypothecated for CC Limit.

b. Terms of Repayments of Non-Current Portion:

Rate of Interest	Installments Outstanding		Total Amount	
	Repayment Periodicity	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
9.85 to 11.90% (previous year 11.50 to 12.50.%) linked with MCLR *	Monthly Graded	59 to 118	41 to 96	**95,420,083**	**83,023,730**

(All amounts are in Rupees Lacs, unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14	**Long-term provisions**			
	Provision for employee benefits	163.64	148.02	122.78
		163.64	**148.02**	**122.78**

15 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31st March, 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018
Deferred Tax Assets				
MAT Credit Entitlement @	84.56	(13.39)	-	71.18
Employees Separation and Retirement Exp.	43.10	(3.57)	(1.20)	38.33
Accrued expenses allowable on payment basis	15.84	(6.03)	9.81	
Sub- Total (a)	**143.50**	**(22.99)**	**(1.20)**	**119.32**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/amortization for financial reporting	344.88	13.23		358.11
Sub- Total (b)	**344.88**	**13.23**	**-**	**358.11**
Net Deferred Tax Liability (b)-(a)	**201.38**	**36.22**	**1.20**	**238.79**

	As at 1st April, 2016	Recognized in P&L	Recognized in OCI	As at 31st March, 2017
Deferred Tax Assets				
MAT Credit Entitlement @	81.22	3.34	-	84.56
Employees Separation and Retirement Exp.	34.26	5.58	3.25	43.10
Other Timing Differences	16.48	(0.64)	-	15.84
Sub- Total (a)	**131.96**	**8.28**	**3.25**	**143.50**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/amortization for financial reporting	268.62	76.26	-	344.88
Sub- Total (b)	**268.62**	**76.26**	**-**	**344.88**
Net Deferred Tax Liability (b)-(a)	**136.66**	**67.98**	**(3.25)**	**201.39**

@ The Company has recognised MAT Credit Entitlement. The Company has concluded that the deferred tax assets on MAT Credit Entitlement will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

B. Amounts recognised in profit or loss

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current tax expense		
Current year	**148.66**	**98.31**
Deferred tax expense	**-**	-
Origination and reversal of temporary differences	22.84	71.31
MAT Credit Entitlement	13.39	(3.34)
	36.23	**67.98**
Total Tax Expense	**184.89**	**166.29**

C. Amounts recognised in Other Comprehensive Income (All amounts are in Rupees Lacs, unless otherwise stated)

	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	4.30	(1.20)	3.10	(9.84)	3.25	(6.58)
	4.30	(1.20)	3.10	(9.84)	3.25	(6.58)

D. Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2018 Amount	For the year ended 31st March, 2017 Amount
Profit before tax from continuing operations	718.31	487.70
Tax using the Company's domestic tax rate @ 33.063% (31 March 2017: 33.063%)	237.49	161.25
Tax effect of:		
Non-deductible expenses	3.50	2.40
Others (Including due to change in future tax rate)	(56.11)	2.64
Income tax expenses reported in the statement of profit and loss	**184.88**	**166.28**
	25.74%	**34.10%**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
16	**Short term borrowings**			
	Loan repayable on demand *(Secured)**			
	- From banks	445.11	725.10	891.28
		445.11	**725.10**	**891.28**

* Working Capital Facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the Company, ranking pari-passu inter se.

17	**Trade Payables***			
	For Goods and Services (including acceptances)	345.77	399.68	200.57
		345.77	**399.68**	**200.57**

*The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME).
Hence the necessary disclosure required under MSME Act, 2006 can not be made. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that their would be no liability of interest under this Act.

18	**Other financial liabilities**			
	Current maturities of long-term debt	132.98	165.81	136.04
	Interest accrued and due on borrowings	-	-	0.75
	Creditors for capital goods	100.93	265.27	170.26
		233.91	**431.08**	**307.05**
19	**Other current liabilities**			
	Credit balance and advances received from customers	8.75	13.54	20.45
	Statutory dues	55.85	36.59	30.74
	Others	173.53	162.61	159.44
		238.13	**212.74**	**210.63**
20	**Current tax liabilities**			
	Provision for Income Tax (Net)	62.81	52.23	36.17
		62.81	**52.23**	**36.17**

(All amounts are in Rupees Lacs, unless otherwise stated)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
21	**Revenue from operations**		
	Sale of products	8,769.39	7,909.16
	Revenue from Operations (Net)	**8,769.39**	**7,909.16**
22	**Other Income**		
	Interest income	8.19	10.37
	Excess provisions and unspent liabilities written back	0.29	1.18
		8.48	**11.55**
23	**Cost of materials consumed**		
	Raw material Consumed	3,652.53	3,604.71
		3,652.53	**3,604.71**
24	**Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**		
	Closing Inventory		
	Work-in-Progress	79.88	110.60
	Finished Goods	119.16	104.77
	Total (A)	**199.04**	**215.37**
	Opening Inventory		
	Work-in-Progress	110.60	52.21
	Finished Goods	104.77	86.20
	Total (B)	**215.37**	**138.41**
	Total (B-A)	**16.33**	**(76.96)**
25	**Employee benefits expense**		
	Salaries, Wages and Bonus	515.07	456.25
	Contribution to provident and other funds	49.94	44.31
	Staff welfare expenses	44.20	33.68
		609.21	**534.24**
26	**Finance cost**		
	Interest expenses	155.68	141.42
	Other borrowing costs	9.91	11.56
		165.59	**152.98**
27	**Other expenses**		
	Consumption of stores and spares	208.60	153.15
	Power, fuel and water charges	2,133.07	1,939.74
	Rent	35.45	32.54
	Rates and taxes	26.21	23.57
	Repairs & Maintenance		
	- Building	33.03	28.18
	- Plant & Machinery	194.68	159.20
	- Others	31.45	31.79
	Research & Development	25.38	27.54
	Printing,Postage & Telephone	21.46	19.98
	Travelling & Conveyance	67.28	48.11
	Legal & Professional Charges	20.29	21.28
	Auditors Remuneration #	2.77	2.83
	Bad Debts/ Claims	2.51	7.20
	Handling, Forwarding & Transportation	430.50	391.82
	Loss on Sale of Assets	0.08	0.67
	Miscellaneous expenses ^	70.45	71.02
		3,303.21	**2,958.61**

(All amounts are in Rupees Lacs, unless otherwise stated)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
#	**Details of payments to auditors**		
	As auditor:		
	Statutory audit fee	1.73	1.73
	Tax audit fee	0.30	0.35
	For limited review	0.67	0.69
	Re-imbursement of expenses	0.07	0.07
		2.77	**2.84**
28	**Earning per share**		
	Total profit for the year	533.43	321.41
	Weighted average number of equity shares of Rs. 10/- each (Nos)	15,000,000	15,000,000
	EPS - Basic and Diluted (per share in Rs.)	**3.56**	**2.14**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
29	**Contingent liabilities, contingent assets and commitments**			
A.	**Contingent liabilities (not provided for) in respect of:**			
	(a) Claims against the company towards listing fee for one stock exchange not acknowledged as debt as company has sought delisting from the concerned stock exchanges.	1.36	1.36	1.36
	(b) Demand of Income Tax amounting to Rs.665.81 Lakhs under Income Tax Act disputed in Appeal.	665.81	665.81	665.81
	(c) Outstanding Bank Guarantees	166.48	147.34	106.95

i) The management believes that the Company has a strong chance of favourable decision in above cases, hence no provision has been considered necessary.The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

ii) It is not practicable for the Company to estimate the timings of cash outflows,if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

iii) The Company has given Bank Guarantees in respect of certain contingent liabilities and expenses included above.

B.	**Commitments**			
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for	222.38	171.82	107.68

30 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Yeast" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

31 Leases

Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and officers' residence. These leasing arrangements, which are cancellable, are typically for a period of 11 months and are usually renewable on mutually agreeable terms. The Company has recognised expense amounting to Rs. 35.45 Lacs (Previous year Rs. 32.54 Lacs)

32 Borrowing Cost

During the year, company has capitalized borrowing cost amounting to Rs. 29.04 Lacs (Previous year Rs.23.94 Lacs).The capitalized rate used to determine the amount of borrowing cost to be capitalized is weighted average interest rate applicable to the entities general borrowing including term loan and working capital during the year is ~ 9.99% (Previous Year ~11.66%).

33 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund Rs. 27.39 (Previous year Rs. 24.45).

(ii) Defined Benefit Plan:

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. Gratuity liabilty is being contributed to the Group Gratuity-cum-life Assurance Cash Accumulation Policy administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31st March, 2018	31st March, 2017	1st April, 2016
Net defined benefit (liability) / asset	(142.10)	(130.37)	(103.64)
Liability for Gratuity			
Non-current	159.00	151.87	125.08
Current	11.39	3.37	2.83

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31st March, 2018			31st March, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	155.24	24.87	130.37	127.92	24.28	103.64
Included in profit or loss						
Service costs	10.93	-	10.93	10.38	-	10.38
Interest cost / (income)	12.03	(1.93)	10.10	9.59	(1.82)	7.77
	22.96	(1.93)	21.03	19.97	(1.82)	18.15
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(4.51)	-	(4.51)	7.99	-	7.99
- experience adjustment	0.15	-	0.15	1.95	-	1.95
- on plan assets	-	0.06	0.06	-	(0.10)	(0.10)
	(4.35)	0.06	(4.30)	9.94	(0.10)	9.84
Other						
Contributions paid by the employer	-	5.00	(5.00)	-	1.26	(1.26)
Benefits paid	(3.45)	(3.45)	-	(2.59)	(2.59)	-
Acquisition adjustment	-	-				
	(3.45)	1.55	(5.00)	(2.59)	(1.33)	(1.26)
Balance as at 31 March	170.39	28.29	142.10	155.24	24.87	130.37

C. Plan assets

	31st March, 2018	31st March, 2017	1st April, 2016
Fund managed by insurer	100%	100%	100%
	100%	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.75%	7.50%	8.00%
Expected rate of Return	7.75%	7.50%	8.00%
Salary Growth Rate	8.00%	8.00%	8.00%
Mortality (% of ILAM 2006-08)	100%	100%	100%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(15.23)	17.51	(15.37)	17.86
Expected rate of future salary increase (1% movement)	17.30	(15.33)	17.59	(15.43)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

34 Related parties

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", name of the related party, related party relationship,transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are as detail below:

A. Related parties and their relationships

i Member of Board of Directors/ Key Managerial Personnel (KMP)

Name	Relationship
Mr. Pramod Kumar Kothari	Managing Director
Mrs. Kavita Kothari	Director (Wife of Mr. Pramod Kumar Kothari)
Ms. Khushboo Kothari	Executive Director (Tech.) (Daughter of Mr. Pramod Kumar Kothari)
Mr. Siddhant Kothari	Executive Director (Tech.) (Son of Mr. Pramod Kumar Kothari)
Mr. Prasanna Kumar Pagaria	Non Executive Director
Mr. Kapil Dev Puri	Non Executive Director
Mr. Ratan Lal Dudheria	Non Executive Director
Mr. Arun Kumar Sekhani	Chief Financial Officer
Mrs. Kavita Tanwar	Company Secretary

ii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Chaudhry Bros. Traders and Builders Pvt. Ltd.

B. Transactions with the above in the ordinary course of business

				Key Managerial Personnel For the year ended (Rs. In lacs)	
	Name	Nature	Category	31st March, 2018	31st March, 2017
a)	**Payments to Key Managerial Personnel and their relatives**				
	Mr. Pramod Kumar	Directors' Remuneration	Short Term Employee Benefits	18.00	15.00
	Kothari	Rent Paid	Others	12.00	11.00
	Mrs. Kavita Kothari	Directors' Remuneration	Short Term Employee Benefits	15.00	13.20
		Rent Paid	Others	12.00	11.00
	Ms. Khushboo Kothari	Salary	Short Term Employee Benefits	3.20	3.60
	Mr. Siddhant Kothari	Salary	Short Term Employee Benefits	1.20	1.50
	Chief Financial Officer	Salary	Short Term Employee Benefits	6.26	5.86
	Company Secreatary	Salary	Short Term Employee Benefits	4.31	2.10

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

b) With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence. are as under

Chaudhry Bros. Traders and Builders Pvt. Ltd		
Rent paid	3.00	2.53
Loan taken	177.82	122.00
Interest paid	9.12	1.23

			For the year ended	
	Closing Balance		31st March, 2018	31st March, 2017
a)	**With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence. are as under**			
	Chaudhry Bros. Traders and Builders Pvt. Ltd.	Inter Corporate Loans	85.58	123.17

35 Financial instruments (All amounts are in Rupees Lacs, unless otherwise stated)

I. Fair value measurements

A. Following table shows the carrying amounts and fair values of financial assets and financial liabilities:

Name of shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Loans						
Non Current	-	-	-	-	-	-
Current						
Trade receivables	-	536.54	-	529.10	-	454.84
Cash and cash equivalents	-	77.99	-	60.23	-	31.46
Bank balances other than above	-	17.41	-	17.10	-	39.14
Others						
Non Current	-	63.70	-	82.63	-	87.61
Current	-	1.53	-	0.71	-	1.35
	-	697.17	-	689.77	-	614.40
Financial liabilities						
Long Term Borrowings	-	1,039.78	-	953.40	-	619.65
Other non-current financial liabilities	-	-	-	-		
Short terms borrowings	-	445.11	-	725.10	-	891.28
Trade payables	-	345.77	-	399.68	-	200.57
Other current financial liabilities	-	233.91	-	431.07	-	307.05
	-	2,064.57	-	2,509.25	-	2,018.55

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31st March, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Fair value of financial assets and liabilities measured at amortised cost

Name of shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Other non-current financial assets	63.70	63.70	82.63	82.63	87.61	87.61
Trade receivables	536.54	536.54	529.10	529.10	454.84	454.84
Cash and cash equivalents	77.99	77.99	60.23	60.23	31.46	31.46
Bank balances other than above	17.41	17.41	17.10	17.10	39.14	39.14
Other current financial assets	1.53	1.53	0.71	0.71	1.35	1.35
	697.17	**697.17**	**689.78**	**689.78**	**614.40**	**614.40**
Financial liabilities						
Borrowings	1,039.78	1,039.78	953.40	953.40	619.65	619.65
Other non-current financial liabilities	-	-	-	-	-	-
Short term borrowings	445.11	445.11	725.10	725.10	891.28	891.28
Trade payables	345.77	345.77	399.68	399.68	200.57	200.57
Other current financial liabilities	233.91	233.91	431.07	431.07	307.05	307.05
	2,064.57	**2,064.57**	**2,509.25**	**2,509.25**	**2,018.55**	**2,018.55**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Management of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The carrying amount net of loss allowances of trade receivables is Rs. 536.54 (31 March 2017 – Rs. 529.10, 1 April 2016 – Rs. 454.84).

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2018	516.92	4.12	15.51	536.54
As at 31.03.2017	520.29	5.69	3.12	529.11
As at 01.04.2016	443.19	10.44	1.21	454.84

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables

	31st March, 2018	31st March, 2017	1st April, 2016
Opening balance			
Changes in loss allowance	-	-	-
Closing balance	**-**	**-**	**-**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through caproate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
Floating rate			
Expiring within one year (bank overdraft and other facilities)	54.89	24.90	-
Expiring beyond one year (bank loans)	-	37.89	40.03
	54.89	**62.79**	**40.03**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

	Carrying Amounts		Contractual cash flows			
	31st March, 2018	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1172.76	1,172.76	132.98	277.81	363.49	398.48
Short term borrowings	445.11	445.11	445.11	-	-	-
Trade & Other payables	446.70	446.70	446.70	-	-	-
Total non-derivative liabilities	**2064.57**	**2064.57**	**1024.79**	**277.81**	**363.49**	**398.48**

	Carrying Amounts		Contractual cash flows			
	31st March, 2017	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1119.21	1119.21	165.81	368.55	444.83	140.02
Short term borrowings	725.10	725.10	725.10	-	-	-
Trade & Others payables	664.94	664.94	664.94	-	-	-
Total non-derivative liabilities	**2,509.25**	**2,509.25**	**1,555.85**	**368.55**	**444.83**	**140.02**

	Carrying Amounts		Contractual cash flows			
	1st April, 2016	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	755.69	755.69	136.04	257.65	282.55	79.45
Short term borrowings	891.28	891.28	891.28	-	-	-
Trade & Other payables	371.58	371.58	371.58	-	-	-
Total non-derivative liabilities	**2,018.55**	**2,018.55**	**1,398.90**	**257.65**	**282.55**	**79.45**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company has no foreign currency exposure.

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2018 and 31st March, 2017, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount		
	31st March, 2018	31st March, 2017	1st April, 2016
Fixed-rate instruments			
Financial assets	81.11	80.68	102.71
Financial liabilities	-		
	81.11	80.68	102.71
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	1,617.87	1,844.31	1,646.97
	1,617.87	1,844.31	1,646.97

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31st March, 2018				
Variable-rate instruments	8.09	(8.09)	5.84	(5.84)
Cash flow sensitivity	**8.09**	**(8.09)**	**5.84**	**(5.84)**
31st March, 2017				
Variable-rate instruments	9.22	(9.22)	6.17	(6.17)
Cash flow sensitivity	**9.22**	**(9.22)**	**6.17**	**(6.17)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

36 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS statement of financial position at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity

Particulars	Notes to first-time adoption	As at 1st April, 2016			As at 31st March, 2017		
		Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
ASSETS							
Non-current assets							
Property, Plant and Equipment		3,422.12	-	3,422.12	4,268.75	-	4,268.75
Capital work-in-progress		673.15	-	673.15	593.15	-	593.15
Other Intangible Assets							
Intentigble Assets under development							
Financial assets							
(i) Other Financial assets		87.61	-	87.61	82.63	-	82.63
Other non-current assets		62.83	-	62.83	16.78	-	16.78
Current assets							
Inventories		602.41	-	602.41	654.25	-	654.25
Financial assets							
(i) Trade receivables		454.84	-	454.84	529.10	-	529.10
(ii) Cash and cash equivalents		31.46	-	31.46	60.23	-	60.23
(iii) Bank balances other than (ii) above		39.14	-	39.14	17.10	-	17.10
(iv) Other current financial assets		1.35	-	1.35	0.71	-	0.71
Other current assets		225.84	-	225.84	291.72	-	291.72
TOTAL ASSETS		**5,600.75**	**-**	**5,600.75**	**6,514.42**	**-**	**6,514.42**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1,500.00	-	1,500.00	1,500.00	-	1,500.00
Other equity	2,4	1,575.97	-	1,575.97	1,890.79	-	1,890.79
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	1	619.65	-	619.65	953.40	-	953.40
(ii) Other financial liabilities							
Provisions		122.78	-	122.78	148.02	-	148.02
Deferred tax liabilities (net)	3	136.66	-	136.66	201.39	-	201.39
Current liabilities							
Financial liabilities							
(i) Borrowings	1	891.28	-	891.28	725.10	-	725.10
(ii) Trade payables		200.57	-	200.57	399.68	-	399.68
(iii) Other financial liabilities		307.05	-	307.05	431.07	-	431.07
Other current liabilities		210.63	-	210.63	212.74	-	212.74
Current tax liablities		36.16	-	36.16	52.23	-	52.23
TOTAL EQUITY AND LIABILITIES		**5,600.75**	**-**	**5,600.75**	**6,514.42**	**-**	**6,514.44**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations		7,909.16		7,909.16
Other income	5	11.55		11.55
Total income		**7,920.71**	**-**	**7,920.71**
Expenses				
Cost of materials consumed		3,604.71		3,604.71
Changes in inventories of finished goods, stock-in-Trade and work-in-progress		(76.96)		(76.96)
Employee benefits expense	2	544.07	(9.84)	534.23
Finance costs	1	152.98		152.98
Depreciation and amotization expense		259.43		259.43
Other expenses		2,958.62		2,958.62
Total Expenses		**7,442.84**	**(9.84)**	**7,433.01**
Profit/(loss) before exceptional items and tax		**477.87**	**9.84**	**487.70**
Exceptional Item		-		
Profit/ (loss) before tax		**477.87**	**9.84**	**487.70**
Tax expense:				
Current tax		98.31		98.31
Deferred tax		64.73	3.25	67.98
Profit/ (loss) for the period (A)		**314.83**	**6.58**	**321.41**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	5		(9.84)	(9.84)
Income tax relateing to remeasurement of defined benefit plans			3.25	3.25
Total other comprehensive income for the period (B)		**-**	**(6.58)**	**(6.58)**
Total comprehensive income for the period (A + B)		**314.83**	**(0.00)**	**314.83**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

Particulars	Notes to first-time adoption	31st March, 2017	1st April, 2016
Total equity (shareholder's funds) as per previous GAAP		**3,390.79**	**3,075.97**
Adjustments:			
Actuarial Gain/Loss on defined benefit plan		(9.84)	-
Deferred tax impact on above adjustments		3.25	-
Total adjustments		**3,384.20**	**3,075.97**
Actuarial Gain/Loss on defined benefit plan recognized in OCI (net of deferred tax)		(6.58)	-
Total equity as per Ind AS		**3,390.79**	**3,075.97**

Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Notes to first-time adoption	Amount
Profit after tax under India GAAP		**314.83**
Adjustments		
Actuarial Gain/Loss on defined benefit plan		9.84
Deferred tax impact on above adjustments		(3.25)
Total adjustments		**6.58**
Profit after tax as per Ind AS		321.41
Other Comprehensive Income		(6.58)
Total Comprehensive income for the year		**314.83**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		980.26	-	980.26
Net cash flow from investing activities		(995.09)	-	(995.09)
Net cash flow from financing activities		43.61	-	43.61
Net increase/(decrease) in cash and cash equivalents		**28.77**	**-**	**28.77**
Cash and cash equivalents as at 1st April, 2016		31.46	-	31.46
Cash and cash equivalents as at 31st March, 2017		**60.23**	**-**	**60.23**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D. Notes to first-time adoption:

1' Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

2' Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs. 9.84 (Net of Tax Rs. 6.58) There is no impact on the total equity as at 31st March, 2017.

3' Deferred Tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

4' Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

5' Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income did not exist under previous GAAP.

37 Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

38 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Yeast" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

39 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	31.03.2018	31.03.2017	01.04.2016
Equity Share Capital	1,500.00	1,500.00	1,500.00
Other Equity	2,427.32	1,890.79	1,575.97
Total Equity	**3,927.32**	**3,390.79**	**3,075.97**
Non-Current Borrowings	1,039.78	953.40	619.65
Current maturities of Non-Current Borrowings	132.98	165.81	136.04
Current Borrowings	445.11	725.10	891.28
Total Debts	**1,617.87**	**1,844.31**	**1,646.97**
Capital and Net debt	5,545.19	5,235.11	4,722.94
Gearing Ratio	29%	35%	35%

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For M/s. Kothari Kuldeep & Co.
Chartered Accountants
Firm Regn. No. 015960C

Kuldeep Kothari
Proprietor
Membership No - 413714

Place: New Delhi
Date: 23.05.2018

For *and on behalf of the Board of Directors of*
Kothari Fermentation and Biochem Limited

PRAMOD KUMAR KOTHARI
Chairman & Managing Director
(DIN – 00086145)

KAPIL DEV PURI
Director
(DIN – 00278929)

PRASANNA KUMAR PAGARIA
Director
(DIN – 00162904)

ARUN KUMAR SEKHANI
Chief Financial Officer

KAVITA TANWAR
Company Secretary

KOTHARI FERMENTATION & BIOCHEM LIMITED

PROXY FORM

(CIN: L72411DL1990PLC042502)
Regd. Office: 16, Community Centre, First Floor, Saket, New Delhi-110017
Tel: 011-26850004, Fax: 011-41664840 E-mail: info@kothariyeast.in, Website: www.kothariyeast.in

28th Annual General Meeting – 28th September, 2018

Name of the member(s):
Registered address:
Email Id:
Folio No./DP ID- Client ID:

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

1) Name: ..... E Mail: .....
Address: .....
..... Signature.....or failing him / her

1) Name: ..... E Mail: .....
Address: .....
..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 11:00 a.m. at Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi 110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2018.		
Special Business			
2	To Re-appoint Mr. Pramod Kumar Kothari as Chairman and Managing Director for a period of 5 years and fixing of Remuneration thereof.		
3	To Re-appoint Mrs. Kavita Devi Kothari as Whole Time Director for a period of 5 years and fixing of Remuneration thereof.		

Signed this.....day of.....2018.

Affix Revenue Stamp not less than Re. 0.15

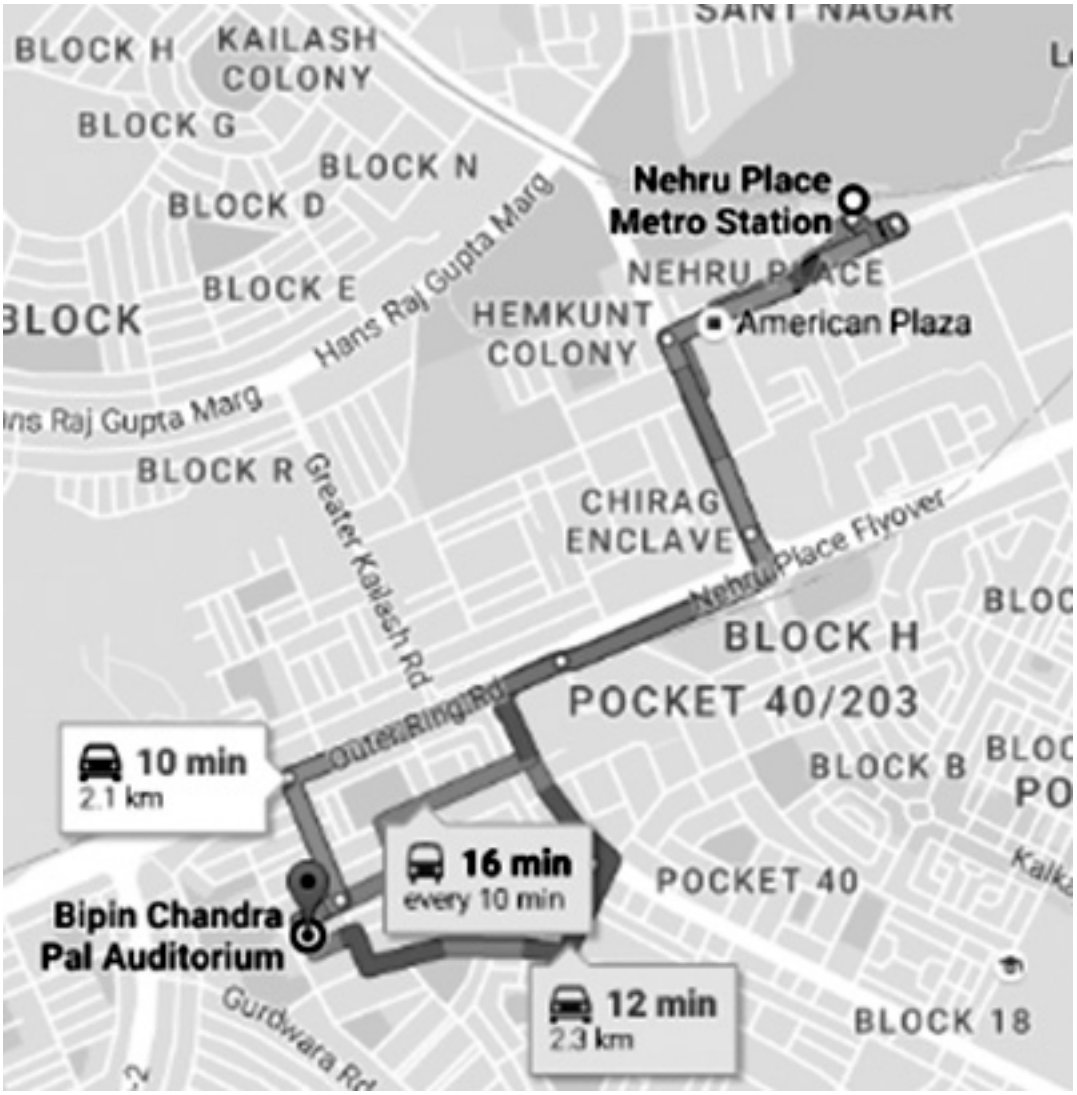
Signature of the member **Signature of the Proxy Holder(s)**

NOTE:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.

4. Please complete all details including detail of member(s) in above box before submission.


BLOCK H
KAILASH COLONY
BLOCK G
BLOCK N
BLOCK D
BLOCK E
BLOCK
Hans Raj Gupta Marg
Nehru Place Metro Station
NEHRU PLACE
HEMKUNT COLONY
American Plaza
BLOCK R
Greater Kailash Rd
CHIRAG ENCLAVE
Nehru Place Flyover
BLOCK H
POCKET 40/203
Outer Ring Rd
10 min
2.1 km
16 min
every 10 min
BLOCK B
POCKET 40
Bipin Chandra Pal Auditorium
12 min
2.3 km
Gurdwara Rd
BLOCK 18

KOTHARI FERMENTATION AND BIOCHEM LTD.

Corporate Identity Number: L72411DL1990PLC042502
Registered Office : 16, Community Centre, 1st floor, Saket, New Delhi - 110017
Telephone : 011 4059 0944, 2685 0004
Email: info@kothariyeast.in, Website: www.kothariyeast.in

Date: September 03, 2018

Name of the Shareholder	
Folio Number	
Address of the Shareholder	

Sub.: Details of PAN / Bank Account / E-mail id

Dear Sir,

Pursuant to the SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, you are requested to kindly provide us the following as per the attached format within 21 days from the date of this letter at our Registered Office at 16, Community Centre, 1st floor, Saket, New Delhi - 110017 :-

1. Your PAN Card Number along with a self-attested copy of the PAN Card.
2. Bank Account details along with original cancelled cheque leaf / attested bank passbook showing the name of the share holder.
3. Your e-mail id for prompt future communication.

In case you are a resident of Sikkim, instead of PAN Card, kindly provide us your valid identity proof issued by Government and attested by you.

In case of joint shareholders, kindly provide us the details of the joint holder who is higher in the order of names (First Holder).

IMPORTANT NOTE:

Kindly note that SEBI, vide its Notification dated June 8, 2018 has mandated that with effect from December 05, 2018, in all the listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities. The Company will not be allowed to undertake any physical transfers, thereafter. Accordingly, you are requested that during this transitional period, kindly convert your share holding in Demat mode.

Thanking you,

Yours faithfully,

For KOTHARI FERMENTATION AND BIOCHEM LTD.

Kavita Tanwar
Company Secretary

Encl. As Above

To
The Company Secretary,
KOTHARI FERMENTATION AND BIOCHEM LTD.
16, Community Centre, 1st floor, Saket,
New Delhi - 110017

Sub.: Details of PAN / Bank Account / E-mail id

Dear Sir,

This has reference to your letter dated September 03, 2018 on the captioned subject. In this regard, please find below the required details:-

Name of the Shareholder (In Block Letters)	
Registered Folio No.	
*Permanent Account Number (PAN)/ **Number of valid identity proof issued by Government	
***Bank Account Number	
Name as per Bank Record	
Name of the Bank	
Address of the Bank	
IFSC Code	
E-Mail Id for correspondence	

* self-attested copy of the PAN Card attached.
** only in case of resident of Sikkim. Self-attested copy attached.
*** original cancelled cheque leaf/self-attested bank passbook showing the name of the account holder is attached.

I/We hereby confirm that the aforesaid details are true and correct.

.....
Signature of the Shareholder

KOTHARI FERMENTATION AND BIOCHEM LTD.

Corporate Identity Number: L72411DL1990PLC042502
Registered Office : 16, Community Centre, 1st floor, Saket, New Delhi - 110017
Telephone : 011 4059 0944, 2685 0004
Email: info@kothariyeast.in, Website: www.kothariyeast.in

ATTENDANCE SLIP

Regd. Folio No./DP Id No.*/Client Id No.*	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 28th Annual General Meeting of the Company at Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi - 110019 on Friday, September 28, 2018 at 11.00 A.M.

....

Name of the Member / Proxy (in BLOCK letters)

Signature of the Member /Proxy

Electronic Voting Event Number(EVEN)	User ID	Password
109220		

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report for the financial period ended on 31.03.2018 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2018 and Notice of Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

HIGH QUALITY YEAST PRODUCTS
FOR DOMESTIC AND EXPORT MARKET

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DISTILLER'S DRIED YEAST
MONO OLIGO SACCHARIDES
YEAST AUTOLYZATE EXTRACT POWER

FOR

BAKERIES, DISTILLERIES, FOOD, ANIMAL FEED, PHARMACEUTICAL, VACCINE, TISSUE CULTURE AND BIOTECHNOLOGY

KOTHARI FERMENTATION AND BIOCHEM LIMITED
(CIN: L72411DL1990PLC042502)
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Website: www.kothariyeast.in