ANNUAL REPORT 2020-21

Kothari Fermentation & Biochem Limited

KOTHARI FERMENTATION AND BIOCHEM LIMITED

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

BOARD OF DIRECTORS

Pramod Kumar Kothari	Chairman and Managing Director
Kavita Devi Kothari	Whole-Time Director
Siddhant Kothari	Whole-Time Director
Prasanna Kumar Pagaria	Non-executive Independent Director
Hemendra Patsingh Dugar	Non-executive Independent Director
Piyush Kumar Goel	Non-executive Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER
Kavita Tanwar

CHIEF FINANCIAL OFFICER
Arun Kumar Sekhani

BANKERS
Kotak Mahindra Bank Limited
Punjab National Bank
State Bank of India

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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(CIN: L72411DL1990PLC042502)
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Tel: 011-26850004, **Fax:** 011-41664840, **Email:** info@kothariyeast.in
Website: www.kothariyeast.in

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Thursday, the 30th day of September, 2021 at 11:30 A.M. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), 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 March, 2021, the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Kavita Devi Kothari (DIN: 00120415), who retires by rotation and, being eligible, offers herself for reappointment.

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-
Kavita Tanwar
Company Secretary
ACS - 29486

Date: 31st August, 2021
Place: New Delhi

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

NOTES

In view of the continuing COVID-19 Pandemic and Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI, companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 31st AGM of the Company is being conducted through VC/OAVM Facility. The deemed venue for the 31st AGM shall be the Registered Office of the Company. Members can attend and participate in the ensuing AGM through VC/ OAVM.

1. In terms of the aforesaid circulars since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under section 105 of the act will not be available for the 31st AGM. However, in pursuance of section 112 and section 113 of the act, representatives by Body Corporates may be appointed for the purpose of voting through remote e-voting, for participation in the 31st AGM through VC/OAVM facility and e-voting during the AGM.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes. The Notice calling the AGM has been uploaded on the website of the Company at www.kothariyeast.in, as part of the Annual Report for financial year 2020-21. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Ltd at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com
6. Corporate Members intending to attend and vote during the meeting or by Remote e-voting through their authorised representative(s) pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorising their representatives at Company's email id viz. info@kothariyeast.in
7. The Register of Member and Share Transfer Books will remain closed from Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
8. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
9. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection on the website of the Company during the Meeting.
11. The Company is providing facility for voting through electronic means before the date of AGM (Remote e-voting) as prescribed by the Companies (Management and Administration) Rules, 2014 and voting through electronic means during the AGM (E-Poll) available for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice seperately.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13.

    Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules,2014, are requested to send their requests in FormNo. SH-14, to the Registrar and Transfer Agent ofthe Company.
14. Members holding shares under multiple folios are requested to submit their applications to RTA for consolidation of folios into a single folio.
15. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company www.Kothariyeast.in in the Investors Section, as soon as possible after the Meeting is over.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Abhipra Capital Limited (Registrar & Share Transfer Agent).
17. Members are requested to notify immediately:
    I. **In case shares are held in physical form:** any change in address, if any, to the Company at 16, Community Centre, 1st Floor, Saket, New Delhi-110017, India or to the Registrar and Share Transfer Agent of the Company viz. Abhipra Capital Limited, Ground Floor- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi-India quoting their folio number.
    II. **In case shares are held in dematerialised form:** any change in address, if any, to their Depository Participants.
    III. **Process for those members whose email ids are not registered:**
        a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder along with scan copy of any one valid share certificate (front and back both) by email to info@kothariyeast.in
        b) Members holding shares in Demat mode can get their e-mail id registered by contacting their respective Depository Participant.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 27th September, 2021 at 9:00 A.M. and ends on Wednesday, 29th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL**and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL**and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL**where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.inor call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to 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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 hold shares 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. Password details for shareholders other than Individual shareholders 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 to 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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 etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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@vkscosecy.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 1020 990 and 1800 22 44 30 or send a request to Mr. Sono Singh, Assistant Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@kothariyeast.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@kothariyeast.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops or Personal Computers for better experience.
3. Further Members will be required to allow Web Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@kothariyeast.in atleast 10 days in advance.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@kothariyeast.in. The same will be replied by the company suitably. The queries on accounts not sent in advance , may not be entertained during the meeting.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. **Other instructions**
   a) 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 23rd September, 2021.**
   b) 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.
   c) Mr. V.K. Sharma, Practising Company Secretary (Membership No. – FCS -3440) has been appointed as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

d) The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through Remote e-voting and E-Poll, in the presence of at least two witnesses not in the employment of the Company, and make not later than 48 hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.

e) The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.kothariyeast.in immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be simultaneously forwarded to the BSE Limited.

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.

1. Mrs. Kavita Devi Kothari (DIN: 00120145)

Mrs. Kothari is presently the Whole Time Director of the Company. 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 53 years is a Graduate and has a considerable experience of Finance and Marketing functions. 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 4.9 % of the total paid-up share capital of the Company. She was appointed as the Whole Time Director of the Company for a period of 5 years w.e.f. 1st April, 2018. The said appointment was approved by the members of the company at their 28th AGM held on 28.09.2018 by way of an Ordinary resolution. Her appointment for 5 years is liable to retire by rotation and her reappointment would not constitute a break in her tenure.

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.

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

The disclosure of relationships between Directors inter-se with 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

Sd/-
Kavita Tanwar
Company Secretary
ACS - 29486

Date: 31st August, 2021
Place: New Delhi

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

DIRECTORS' REPORT

TO THE MEMBERS,

Your directors are pleased to present the 31st Annual Report together with the Audited Accounts for the year ended on 31st March 2021:

1. FINANCIAL RESULTS

(Rs. In lacs)

	2020-2021	2019-20
Turnover	9555.33	9674.13
Profit before Finance Charges & Depreciation (PBDIT)	1448.78	1766.13
Finance Charges	354.73	234.16
Depreciation	515.85	443.32
Profit before Tax(PBT)	578.20	1088.65
Taxes:		
Current Tax	95.40	187.88
Deferred Tax	2.25	133.78
Net Profit/ (Loss) after Tax (PAT)	480.54	766.99

2. BUSINESS OPERATIONS

During the year under review, your company achieved production of 17095 MT as compared to 17583 MT in previous year. The turnover of the company was Rs. 9555.33 Lakhs during the year 2020-21 and Rs. 9674.13 Lakhs during previous year. .The profitability of the company is Rs. 480.54 Lakhs during the year 2020-21. The production and turnover during 2020-21 was lower due to COVID impact.

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

Your Directors have decided to plough back the earnings in the growth of business and has decided not to recommend any Dividend for the year.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and pursuant to Section 152(6), the directors excluding the Independent Directors, being Executive Directors, are now made liable to retire by rotation at every Annual General Meeting. Thus, Mrs. Kavita Devi Kothari (DIN: 00120415) Whole Time Director of the Company retire by rotation on the forthcoming AGM, and being eligible, offers herself for reappointment. Though, such determination of office by retirement and then re-appointment would not constitute a break in his tenure of service as the Whole Time Director of the Company.

Brief resume of Mrs. Kavita Devi Kothari, nature of her expertise in specific functional areas and the name of the public companies in which she holds the Directorship, as stipulated under SEBI (LODR) Regulations, is given in the notice convening the Annual General Meeting. The Board recommends her appointment as such.

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 2020-21.

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 2020-21 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/Stable' for long term debt facilities and an 'A3' for the short term debt facilities assigned by Acuite Ratings Limited.

Also, your company's domestic credit rating by CRISIL is 'BBB-/Positive' for long term debt facilities and an 'A3' for the short term debt facilities.

7. CERTIFICATIONS

Your company has been certified as ISO 9001:2015 on 09.07.2018 for 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 years 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.

The notes on accounts are self-explanatory with regards to auditors' observations. There was no qualification, reservation or adverse remark made by the Auditors for the year under review.

B) Secretarial Auditors and Secretarial Standards

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 2020-21, 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:

The company is exploring the possibilities of listing of the remaining 3000000 equity shares out of the application made by the company for listing of 89.05 lacs equity shares in the year 2008-09 and 2009-10 at BSE.

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.

The Company has appointed Mr. Siddhant Kothari as Whole time Director of the Company on 29.08.2020.

The Company had filed the Financial Results within the prescribed time limit, but due to clerical mistake the Audit Report was left to be scanned. The Company has again filed Financial Results with complete Audit Report on 05.08.2020.

The Company has uploaded the disclosure under regulation 23(9) with in prescribed time limit but due to some technical error the same was not got uploaded and after considering the fact, the company has suo moto again filed the same.

The Board at its meeting held on 24.07.2021 reappointed M/s V.K. Sharma & Company, Practising Company Secretaries as Secretarial Auditor for FY 2021-22.

During the Year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website. The Company has identified five focus areas of engagement which are as under:

- Capacity building, skill development, training and employment generation.
- Promotion of education, art, culture and sports.
- Promoting health care including preventive health care and Sanitation
- Environmental Sustainability
- Eradicating Hunger & Poverty

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act. During the Year, the Company has spent Rs.24.09 Lakhs on CSR activities. The financial data pertaining to the Company's CSR activities for the financial year 2020-21 is attached in the prescribed format in **Annexure-B** to the Board's Report.

11. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the Year under review, as stipulated under regulation 34(2)(e) of Listing Regulations is presented in a separate section forming part of the Annual Report.

12. 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/Whistle%20Blower%20Policy%20_KFBL.pdf

13. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has a policy on prohibition, prevention and redressal of sexual harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

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. NIL Complaints were filed during the Financial year 2020-2021.

14. 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.

15. REMUNERATION POLICY AND BOARD EVALUATION

The Board has adopted a Remuneration Policy as recommended by the Nomination & Remuneration Committee. It provides 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.

16. DISCLOSURES

a) Number of Board & Committee Meetings:

During the year under review, Six Board meetings, Four Audit Committee meetings, Four Stakeholders Relationship Committee meetings, One Nomination & Remuneration Committee meeting and One Corporate Social Responsibility Committee meetings were convened and held. Further details 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 02.03.2021.

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 -** Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 in **Annexure-C** is available on the company's website at http://www.kothariyeast.in/financial/annual_report/MGT-9%202020-21.pdf

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 'D'.**

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 applicable to 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 during the year which impact the going concern status and Company's operation in future.

l) **Internal Financial Controls -** The Company has in place adequate internal financial controls with reference to financial statements. During the Year, such controls were tested and no reportable material weakness in the design or operation was observed.

17. 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 'E'** 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 (Kotak Mahindra Bank Limited as the main Banker), Dealers, Vendors and other stakeholders of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 31st August, 2021

Pramod Kumar Kothari
Chairman & Managing Director

Annexure-'A'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2021

[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 31.03.2021 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 31.03.2021 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) Securities and 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, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**Not Applicable**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

  (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; **Not Applicable** and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

(vi) We have relied on the representation made by the company and its officers for systems and mechanisms formed by the company for compliances under other Acts, Laws and regulations as applicable specifically to 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 and general meetings.

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

1. The listing of 3000000 equity shares out of the application made by the company for listing of 89.05 lacs equity shares in the year 2008-09 and 2009-10 has not been agreed to by BSE. The company is yet to find a solution to the issue.

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 Company had only five directors from 01.04.2020 to 28.08.2020 in contravention of Regulation 17(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The penalty imposed by BSE has been waived off on submission of explanation by the Company.
4. The company had missed out on attaching audit report while submitting the Audited Results for the year 2020-21 to BSE. The company has since submitted the same and paid the imposed penalty.
5. There was a delay of 21 days in submitting the Related Party Transactions to BSE under regulation 23(9) of the Listing Regulations. The penalty imposed by BSE has been waived off on submission of explanation by the Company.

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 unanimously 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)**
FCS: 3440
C.P. No. 2019
UDIN: F003440C000859856
PR: 887/2020

Date: 31 August,2021
Place: Greater 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)**
FCS: 3440
C.P. No. 2019
UDIN: F003440C000859856
PR: 887/2020

Date: 31 August,2021
Place: Greater Noida

ANNEXURE-B

Annual Report on Corporate Social Responsibility Activities

[Pursuant to Section135 of the Companies Act,2013 and the Companies (Corporate Social Responsibility Policy) Rules,2014]

1. Brief outline on CSR Policy of the Company
   a. Compnay would spend not less than 2% of the average net profit of the Company, calculated in accordance with section 198 of the Companies Act, 2013, made during the three immediately preceding Financial Year.
   b. CSR activities shall be undertaken by the company as prescribed under schedule VII of the Companies Act, 2013
   c. Company will give preference to conduct CSR activities in the area wherein the company has its operation; and
   d. Board may decide to undertake the activities either by itself or through a registered trust or a registered society or a company established by the company, or its holding or subsidiary of associate company under section 8 of the Act or otherwise.
   e. Company is carrying out CSR activities mainly in the filed of promoting education, capacity building, skill development, training and employment generation, promoting health care including preventive health care and sanitation and Poverty alleviation.
2. Composition of CSR Committee:

S No.	Name of Director	Designation/ Nature of Directorship	Number of meetings held During the year	Number of meetings Attended during the year
1	Mr. Pramod Kumar Kothari	Chairman	2	2
2	Mr. Prasanna Kumar Pagaria	Member	2	2
3	Mrs. Kavita Kothari	Member	2	2

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company are provided below:

Composition of the CSR Committee	http://kothariyeast.in/financial/Composition%20of%20%20Committee%20of%20Board%20of%20Director.pdf
CSR Policy	http://kothariyeast.in/financial/policies/CSR_Policy.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:
   Not applicable
5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Not applicable
6. Average net profit of the company as per Section 135 (5): 10,18,83,851/-
7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013: 20,37,677/-
   Add: amount unspent brought forward: 1,37,040/-
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable
   (c) Amount required to be set-off for the financial year, if any: Not applicable
   (d) Total CSR obligation for the financial year (7a+7b-7c): 21,74,717/-
8. CSR amount spent or unspent for the financial year:
   (a) CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the Financial Year (₹ in Rs.)	Amount unspent (₹ in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
24,09,259	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in[1])	Mode of implementation-Direct (Yes/No)	Mode of implementation–Through implementing agency
Nil							

(c) Details of CSR amount spent against other than ongoing projects for the financial year

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation–Through implementing agency	
				State	District				
1	Construction of Rooms and Walls in School	Promotion of Education	Yes	Sikandrabad	Bulandshahr, Uttar Pradesh	5,53,430	Yes	NA	NA
2	Health Care	Promoting Health Care including preventive health care	Yes	Village Bharana, Mandawarah, Khaguwa, Rajarampur	Bulandshahr	18,55,829	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 24,09,259

(g) Excess amount for set-off, if any

S.No.	Particular	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5) (including Rs. 1.37.040, the unspent amount of previous year)	21,74,717
2.	Total amount spent for the financial year	24,09,259
3.	Excess spent for the Financial Year (2-1)	2,34,542
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any	-
5	Amount available for set off in succeeding Financial Years (3-4)	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl No.	Preceding Financial Year	Amount transferred to unspent CSR account under section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2019-20	Nil	1,37,040	Nil	Nil	Nil	Nil
2	2018-19						Nil
3	2017-18						Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. no	Pro Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of the reporting financial Year (in Rs.)	dfd Status of the project-completed/ ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil
    a. Date of creation or acquisition of the capital asset(s):
    b. Amount of CSR spent for creation or acquisition of capital asset:
    c. Details of the entity or public authority or beneficiary under whose name Such capital asset is registered, their address etc.:
    d. Provide details of the capital asset(s) created or acquired (including Complete Address and location of the capital asset):

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: None.

For and on behalf of the Board

Place: New Delhi
Date: 31st August, 2021

Pramod Kumar Kothari
Chairman & Managing Director

ANNEXURE – C

a) The extract of Annual Return in Form MGT-9 is available on the Company's website at http://www.kothariyeast.in/financial/annual_report/MGT-9%202020-21.pdf

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ANNEXURE – D

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 10.32 in respect of Mr. Pramod Kumar Kothari, 9.46 in respect of Mrs. Kavita Devi Kothari and 2.75 in respect of Mr. Siddhant Kothari.

b) There was an increase in remuneration paid to Executive Directors as per the terms and conditions of their appointment.

c) The percentage increase in the Median Remuneration of employees in the financial year: 10.89 %.

d) The number of permanent employees on the rolls of Company as on 31.03.2021 is 206.

e) Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in Managerial Remuneration: The average increase in salaries of employees in 2020-21 was 10.99% and the increase in managerial remuneration for the year was 21.05%. 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 turnover.

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 – E

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, 2021

I) CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION

	Particulars	For the Year ended on 31st March, 2021	For the Year ended on 31st March, 2020
1)	**Electricity**		
	a) Units Consumed	19251256	18115886
	b) Total Amount (Rs. in Lacs)	1541.68	1433.90
	c) Rate/Unit Rs.	8.01	7.92
2)	**HSD**		
	a) Quantity (Litres)	172100	175900
	b) Total Amount (Rs. in Lacs)	108.33	101.10
	c) Average Rate/Litre (Rs.)	62.94	57.48
3)	**Furnace Oil/LDO**		
	a) Quantity (Litres)	3500	23600
	b) Total Amount (Rs. in Lacs)	1.12	8.88
	c) Average Rate/Litre (Rs.)	32.10	37.63

(II) 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

	Particulars	For the Year ended on 31st March, 2021	For the Year ended on 31st March, 2020
a)	Capital (Rs. in lacs)	—-	—
b)	Recurring (Rs. in lacs)	50.80	33.76
c)	Total (Rs. in lacs)	50.80	33.76
d)	Total R & D expenditure as percentage of turnover of Manufacturing activity	0.53	0.35

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Particulars	For the Year ended on 31st March, 2021	For the Year ended on 31st March, 2020
a)	Foreign exchange earnings (Rs.in lacs)	95.68	—
b)	Foreign exchange outgo (Rs.in lacs)	129.16	397.05

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Your company is in the business of Manufacturing Yeast and its derivatives during the year. Various types of Yeasts are produced, e.g. Baker's yeast, Nutritional yeast, feed yeast, Seasoning yeast, distiller 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 Yeast Industry in India comprises of three major companies which are manufacturing yeast including our company and there is also one small manufacturer producing a small quantity of bakers fresh yeast. The two other major manufacturers are AB Mauri and Saf Yeast which are multinational Companies.

There is increasing demand for yeast and yeast based products 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 equipments are 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 automated control systems, separation and packing systems. Molasses is available round the year but the prices are favourable during the 5 to 6 functioning months of Sugar Mills 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.

Opportunities and Threats

The growth of yeast market is directly linked to the increasing trend of processed and fast food habits, 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 from multinational Companies, 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.

Segment wise Performance

Manufacturing of Yeast is the only business segment of the Company during the year 2020-2021. 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:

Discussion on Financial Performance with respect to Operational Performance

Particulars	2020-21 (Rs. In lacs)	2019-20 (Rs. in lacs)
	Manufacturing of Yeast	
a) Production (MT)	17095	17583
b) Revenue - Net sales	9555.33	9674.13
c) Result - Before Tax & Finance cost	932.93	1322.81
Less: i) Finance cost.	354.73	234.16
ii) Other Un-allocable Exp	———	———
Net Profit before Tax.	578.20	1088.65
d) Net worth	6028.96	5554.51
e) PBT/NW	9.59	19.60

The company recorded a capacity utilization of 81.40% of its production facilities during the year. The company is having installed capacity of 25000 MT and operative capacity of 21000 MT.

Future Outlook

The accelerated outbreak of Coronavirus (Covid-19) across the globe and in india, has disrupted the economic activities with high uncertainty. The Government declared lockdown in the mid April, 2021 which was further extended from time to time till 7th June, 2021. The management has exercised due care in preventing the Company from the disruption to some extent. The production was slow during the period of lockdown but expected to regain the normal production in the second quarter of 2021-22. However, the management will continue to closely monitor any material changes to future economic conditions.

The Company is in the process of setting up of Yeast Extract Powder Plant at a production capacity of 50 MT/month. The project will be completed by the next 3 months, which will help in increasing production, turnover and profitability of the Company.

In order to reduce the power Cost, the management of the company has entered into contract with Indian Energy Exchange. This has reduced the power cost and the impact of the same shall be visible within 2021-22. Further, the Company is looking for the avenues to explore Solar Power, where the investment may be required to be made in the Solar Project(s), which will further reduce power cost in near future. The investment may be required to be made directly in the project or in securities of SPV of some other Mega Projects.

The company is regularly reviewing its whole structure and making changes for future improvements. Various control systems are also 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. This practice increases job satisfaction of employees and ensures that employees can add value to their lives. There were 206. persons directly employed by the Company during the previous financial year on an average basis. However, there was no job loss on the Company due to the COVID induced lockdown.

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

sd/-
Pramod Kumar Kothari
Chairman & Managing Director

Place: New Delhi
Date: 31st August, 2021

REPORT ON CORPORATE GOVERNANCE

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.

The Company's Corporate Governance policies and practices for the financial year 2020-21 are given below:

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 Six Directors viz. Mr. Pramod Kumar Kothari (Chairman and Managing Director), Mrs. Kavita Devi Kothari (Whole-Time Director), Mr. Siddhant Kothari (Whole-Time Director), Mr. Prasanna Kumar Pagaria, Mr. Hemendra Patsingh Dugar and Mr. Piyush Kumar Goel. Mr. Pramod Kumar Kothari, Mrs. Kavita Devi Kothari and Mr. Siddhant 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)	3(including Chairman)	50%
Non-executive Independent Directors	3	50%
Total	6	100%

(ii) Board meetings:

During the year, 6 Board meetings were held, i.e. on 31st July, 2020, 29th August, 2020, 15th September, 2020, 26th September, 2020, 13th November, 2020 and 13th February, 2021.

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	6	NIL	NIL	NIL
Mrs. Kavita Devi Kothari	Whole - Time Director	No	6	NIL	NIL	NIL

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. Siddhant Kothari	Additional Director	Yes	3	NIL	NIL	NIL
Mr. Prasanna Kumar Pagaria	Independent Non-executive Director	Yes	5	NIL	NIL	NIL
Mr. Hemendra Patsingh Dugar	——Do—-	Yes	4	NIL	NIL	NIL
Mr. Piyush Kumar Goel	——Do—-	Yes	6	NIL	NIL	NIL

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, 2021. 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, 2021, 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. Hemendra Patsingh Dugar holds company's 1400 equity shares himself and through his relative. 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 2nd of March, 2021, 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. http://kothariyeast.in/financial/familiarization-programme-for-independent-directors.pdf

(vi) Skills/Expertise/Competence of the Board of Directors

Key Board Skills/ Expertise/ Competence

The Board has identified the following skill set with reference to Business and Industry of our company, required and available with the Board:

- Leadership, Business planning and strategy, Sales & Marketing, Corporate Governance & Compliances
- Finance, Banking, Taxation, Account and Legal, Corporate Social Responsibility
- Technical skills and Expertise in company's business, industry, competition.

Chart setting out the skills / expertise / competence of the Board of Directors

S. No.	Name of Director	Core Skills/ Expertise/ Competence
1	Mr. Pramod Kumar Kothari	Expertise in Company's business activities, industry and competition, Leadership, Technical Skills, Legal, Risk management, Corporate Social Responsibility, Business Planning & Strategy.
2	Mrs. Kavita Devi Kothari	Finance, Banking, Sales , Marketing, Strategic entrepreneurial skills.
3	Mr. Siddhant kothari	Finance, Banking, Computer Science, Biotechnology, expertise in technical matters.
4	Mr. Prasanna Kumar Pagaria	Corporate Governance and Compliance, Leadership, Corporate Social Responsibility, Business Planning & Strategy, Risk Management
5	Mr. Piyush Kumar Goel	Legal, Finance, Direct & Indirect taxation, Leadership, Risk management
6	Mr. Hemendra Patsingh Dugar	Business planning and strategy, Corporate Governance, Corporate Social Responsibility

(vii) Independent Directors confirmation by the Board

All Independent Directors have given their declarations that they meet the criteria of independence laid down in the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board the Independent Directors fulfill the conditions of independence as specified in the Companies Act, 2013 and the Listing Regulations.

(viii) 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 of participation, and independence of judgments, performance of duties and obligations and implementation of good corporate governance practices. The Nomination and RemunerationCommittee 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.

(ix) 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 and Father of Mr. Siddhant 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 and Mother of Mr. Siddhnat Kothari Whole-Time Director of the Company.
Mr. Siddhant Kothari	Whole – Time Director	Son of Mr. Pramod Kumar Kothari, who is Chairman & Managing Director of the Company and Mrs. Kavita Devi Kothari who is Whole-Time Director of the Company.
Mr. Prasanna Kumar Pagaria	Non-executive Independent Director	No Relationship Inter se
Mr. Piyush Kumar Goel	Non-executive Independent Director	No Relationship Inter se
Mr. Hemendra Patsingh Dugar	Non-executive Independent Director	No Relationship Inter se

3. Committees of the Board

There are Four 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, (iii) Stakeholders' Relationship Committee and (iv) Corporate Social Responsibility 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, the Audit Committee 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:

  - 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.
  - Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
  - Approve transactions, including any subsequent modifications, of the Company with related parties.
  - Scrutinize inter-corporate loans and investments.
  - Valuation of undertakings or assets of the Company, wherever it is necessary.
  - Evaluate internal financial controls and risk management systems.
  - Review and monitor the statement of use and application of funds raised through public offers and related matters.
  - 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 Committee met 4 times during the year, i.e. on 31st July, 2020, 15th September, 2020, 13th November, 2020 and 13th February 2021. 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	4
Mr. Piyush Kumar Goel	Member		4
Mr. Hemendra Patsingh Dugar	Member		4

  Majority of the members of Audit Committee have accounting and financial management expertise. 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:
  - 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,
  - Formulation of criteria for evaluation of Independent Directors and the Board,
  - Devising a policy on the Board's diversity,
  - Identifying persons who are qualified to become director and who may be appointed/promoted in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of performance of directors and senior managerial personnel.

- **Composition, Meetings and Attendance**

  Three meetings of the committee were held during the year on 31st July, 2020, 29th August, 2020 and 31st March, 2021. The composition, names of the members, chairman, particulars of the meeting, 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. Piyush Kumar Goel	Member		3
Mr. Hemendra Patsingh Dugar	Member		2

- **Performance Evaluation criteria of Independent Directors and Senior Managerial Personnels**

  The criteria for evaluation of Independent Directors as well as other Directors and Managerial Personnels, is formulated by Nomination and Remuneration Committee, which 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.

- **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 expenses, 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 2020-21, 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 2020-2021

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

PARTICULARS	MR. PRAMOD KUMAR KOTHARI	MRS. KAVITA DEVI KOTHARI	MR. SIDDHANT KOTHARI
Salaries	36.00	33.00	9.60
TOTAL	**36.00**	**33.00**	**9.60**

  (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 2020-21 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/transmission of securities, non-receipt of annual report, non-receipt of dividends and matters related thereto, issuing of duplicate certificates, etc.
  - o Approval of shares transfer, transmission and issue of duplicate share certificate, etc.
  - o The matters that can facilitate better investor services and relations.

- 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 3 times during the year, i.e. on 31st July, 2020, 13th November 2020 and 13th February 2021 and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	3
Mr. Pramod Kumar Kothari	Member	3
Mr. Hemendra Patsingh Dugar	Member	3

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. No complaint was received during the year under review and only one request for change of Address, etc. was received. There was no investor complaint pending as on 31.03.2021. 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 2020-21 have been responded by the R&T Agent and replied to within a fortnight.

(iv) Corporate Social Responsibility:

• **Terms of Reference of Corporate Social Responsibility are:**

- To formulate KFBL CSR strategy, policy and goals;
- To monitor the KFBL CSR policy and performance;
- To review the CSR projects/initiatives time to time
- To ensure legal and regulatory compliance from a CSR view point
- To ensure reporting and communication to stakeholders on KFBL's CSR projects/initiative

Composition, Meetings and Attendance during the year

The Committee met 2 times during the year, i.e. on 15.09.2021 and 31.03.2021, and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Pramod Kumar Kothari	Chairman	2
Mrs. Kavita Devi Kothari	Member	2
Mr. Prasanna Kumar Pagaria	Member	2

4. Annual General Meetings

AGM	YEAR	VENUE	DATE	TIME
30th	2019-2020	Through VC/OAVM at Registered Office	20.11.2020	11:00 A.M.
29th	2018-2019	Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019	27.09.2019	01:00 P.M.
28th	2017-2018	do	28.09.2018	11:00 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
30th	2019-20	1. Alteration in Object Clause of Memorandum of Association 2. Alteration in Liability Clause of Memorandum of Association 3. Authorization of Board to Borrow money. 4. To approve creation of charge/security over the assets/ undertaking of the Company in respect of borrowing 5. Appointment of Whole Time Director	20.11.2020
29th	2018-2019	Re-appointment of Independent Director	27.09.2019
28th	2017-2018	NIL	28.09.2018

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) 31st Annual General Meeting:

Day, Date & Time	**Thursday, 30th day of September, 2021 at 11:30 A.M.**
Venue	**Video Conferencing (VC)/ Other audio and visual means (OAVM) at Registered Office, 16,community Centre, 1st floor, New Delhi-110017**

(ii) Tentative Financial Calendar:

Financial Year 2021 – 2022		
1. First Quarterly Results	(Unaudited/Limited Review)	July-September 2021
2. Second Quarterly Results	————————Do————————	October-November 2021
3. Third Quarterly Results	————————Do————————	January-February 2022
4. Fourth Quarterly Results & Annual Results	(Audited)	April-May 2022

(iii) Book Closure

Share Transfer Books and Register of Members shall remain closed from Thursday, the 23rd day of September, 2021 to Thursday, the 30th day of September, 2021 (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 2021-2022 have been duly paid to the above stock exchange.

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

(vii) Market Price Data for the year 2020-21:

Monthly high/low prices and trading volumes of the company's shares during the financial year 2020-21 on BSE Ltd. are given hereunder:

Month	High Price	Low Price	No. of Trades	No.of Shares Traded
Apr-20	44.90	29.25	441	35414
May-20	45.00	36.75	465	30182
Jun-20	49.70	39.15	760	44479
Jul-20	63.70	40.15	2623	249151
Aug-20	58.65	46.15	1965	202255
Sep-20	55.70	43.55	707	87246
Oct-20	54.60	43.65	717	81139
Nov-20	54.00	45.00	382	37578
Dec-20	48.80	43.45	671	65825
Jan-21	59.40	44.75	1783	240998
Feb-21	51.95	45.35	497	36715
Mar-21	53.80	43.05	1176	250446

Share price chart during the year 2020-21 :-

(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

As per Regulation 40 of SEBI Listing Regulations as amended, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Valid 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 2021:

S. No	Nominal Value of Equity Shares held (Rs.)	Shareholders		Shares held in each class			
		Number	%	Physical	Demat	Total	% to Total
1	Upto 5000	9315	95.11	715615	441133	1156748	7.71
2	5001 To 10000	245	2.50	37000	166335	203335	1.36
3	10001 To 20000	96	0.98	15200	131878	147078	0.98
4	20001 To 30000	39	0.40	12000	80855	92855	0.62
5	30001 To 40000	27	0.28	14300	83121	97421	0.65
6	40001 To 50000	15	0.15	13400	56966	70366	0.47
7	50001 To 100000	28	0.29	21500	186601	208101	1.39
8	Above 100000	28	0.29	160900	12863196	13024096	86.83
TOTAL		**9793**	**100**	**989915**	**14010085**	**15000000**	**100**

B) Distribution of Shareholding across Categories as on 31st March 2021:

S.No.	Category	No. of Shares Held	% Shareholding
1.	Promoters	11237200	74.92
2.	Financial Institutions, Banks and Mutual Funds	8800	0.06
3.	NRIs, Foreign Nationals, OCBs FIIs and clearing members.	50255	0.34
4.	Indian Public	2830111	18.86
5.	HUF	64796	0.43
6.	Private Corporate Bodies	808838	5.39
	TOTAL	**15000000**	**100**

(xi) Dematerialization of Shares and Liquidity

About **93.40%** of the total equity share capital of the company was held in Dematerialization form as on 31st March, 2021 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 except 30 lakhs shares pertaining to promoters are in the process of Listing at BSE., which provide sufficient liquidity to them.

Kindly note that SEBI, has mandated that in all listed companies, only Dematerialized securities are allowed to be transferred except for transmission or transposition of securities. The Company is not allowed to undertake any transfers in physical mode. Accordingly, you are requested to 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:

Ø **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

Ø **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.

(xx) Credit Rating: Your company's domestic credit rating is 'BBB/Stable' for long term debt facilities and an 'A3' for the short term debt facilities assigned by Acuite Ratings Limited.

Also, your company's domestic credit rating by CRISIL is 'BBB-/Positive' for long term debt facilities and an 'A3' for the short term debt facilities.

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 2020-21, 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 the accompanying Financial Statements.

  The Company has formulated a policy on dealing with related party transactions which has been uploaded on the Website of the company at http://kothariyeast.in/financial/Policy%20on%20RPT_KFBL_Final.pdf.

- **Shareholding of directors**

  Information on shares held by directors in the Company as on 31 March 2021 is provided in Form MGT-9, i.e., extract of the Annual Return. The same is accessible on the company's website

- **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. Except a penalty of Rs. 15,000 under Regulation 33 of the SEBI (LODR) Regulations, 2015on late filing of Auditor Report due to clerical mistake.

- **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 2020-21.

- **Compliances regarding Insider Trading**

  In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Practices and procedures for Fair Disclosure and Code of conduct to regulate, monitor and reporting trading by insiders. The codes advise procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

  The code referred 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.

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of Complaints filed during the year 2020-21	:	NIL
Number of Complaints disposed of during the year 2020-21	:	N.A.
Number of Complaints pending as on 31st March, 2021	:	NIL

- **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 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:

  - o The Board: Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable to the Company.
  - o 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.
  - o Modified opinion(s) in the audit report: The Company confirms that its financial statements for the year under reference are with unmodified audit opinion.
  - o 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 31.08.2021 and was approved.

For and on behalf of the Board

Place: New Delhi
Date: 31.08.2021

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.

Date: 24.07.2021
Place: New Delhi

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, 2021.

For and on behalf of the Board

Place: New Delhi
Date: 24.07.2021

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, 2021 as stipulated in Regulation 17 to 27,clause (b) to (i) of sub-regulation (2) of Regulation 46 and paras C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

CA KULDEEP KOTHARI
Proprietor
membership No.: 413714
UDIN:- 21413714AAAABW5613

Place: New Delhi
Dated: 24.07.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
KOTHARI FERMENTATION AND BIOCHEM LIMITED
16 COMMUNITY CENTRE FIRST FLOOR
SAKET NEW DELHI DL 110017 IN

We, V. K. Sharma & Co. Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KOTHARI FERMENTATION AND BIOCHEM LIMITED having CIN L72411DL1990PLC042502 and having registered office at 16 COMMUNITY CENTRE FIRST FLOOR SAKET NEW DELHI DL 110017 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the

Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	PRAMOD KUMAR KOTHARI	00086145	26/12/1990
2.	KAVITA DEVI KOTHARI	00120415	01/04/2013
3.	PRASANNA KUMAR PAGARIA	00162904	30/09/2002
4.	PIYUSH KUMAR GOEL	08539042	27/09/2019
5.	HEMENDRA PATSINGH DUGAR	05227746	14/11/2018
6.	SIDDHANT KOTHARI	08620559	29/08/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

V.K. Sharma & Co
Company Secretary

(V. K Sharma)
FCS NO.: 3440
C P NO. : 2019
UDIN: F003440C000859834
PR: 887/2020

Place: Greater Noida
Date: 31.08.2021

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 2021, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair View in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of Affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note no.38 to the financial results, which describes the management's assessment of the impact of uncertainties related to Covid-19 and consequential effects on the business operations of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31,2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

S. No.	Key Audit Matter	Auditor's Response
1	**Existence of Inventories** As at March 31, 2021, the Company inventories aggregating Rs. 1448.81 lakhs, comprising 12% of the total assets of the Company as on that date, which inventories are geographically spread across multiple locations such as factory/ depots. These inventories are physically verified by the Management in accordance with a physical verification plan.	We have performed the following principal audit procedures in relation to validating the existence and condition of inventories, which include a combination of testing internal controls and substantive testing as under: • Understood Management's control over physical inventory counts. • Evaluation of the design and testing the operating effectiveness of the internal controls relating to physical inventory counts. • Performed alternate procedures including inspection of documentation of the subsequent sale of inventories to audit the existence and condition of inventory as per guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence.

S. No.	Key Audit Matter	Auditor's Response
	Owing to the COVID-19 related lock-down, we were unable to participate in the year-end physical verification of inventories carried out by the Management at the year-end. For the aforementioned reason and also since the inventory balance is material, the existence and condition thereof has been considered as a key audit matter. (Refer Note 2 and 6 to the financial statements)	• We have also performed roll-forward procedures for establishing the existence of inventory as at year-end by validating purchases, sales, stock movement of inventory during the intervening period i.e. from the date physical verification was done till the year end date. • Verification of documentary evidences of damaged and expired stock and the adequacy of recorded allowance in respect of Inventories.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Secretarial Audit Report, Management Discussion and Analysis (but does not include the standalone Ind AS financial statements and our auditor's report thereon),which we obtained prior to the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2021 taken on record by the Board of directors, none of the directors is disqualified as on 31 March 2021 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 to this report";
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   (h) 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

CA KULDEEP KOTHARI
Proprietor
Membership No.: 413714
UDIN:- 21413714AAAABW5613

Place: New Delhi
Dated: 24/07/2021

Annexure - I to the Independent Auditors' Report -31st March, 2021

Referred to our' report to the members of the Kothari Fermentation & Biochem Limited as at and for the year ended 31 March 2021,

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 is 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, duty of customs, 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, duty of customs, 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 (addition U/s 41(1) of the Income Tax Act,1961)	# Rs. 981.80 lacs	A.Y. 2008-09	CIT(A), New Delhi

Amount of Tax 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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(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

CA KULDEEP KOTHARI
Proprietor
Membership No.: 413714
UDIN:- 21413714AAAABW5613

Place: New Delhi
Dated: 24/07/2021

Annexure - II to the Independent Auditors' Report -31st March, 2021

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 2021 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 31st March 2021, 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

CA KULDEEP KOTHARI
Proprietor
Membership No.: 413714
UDIN:- 21413714AAAABW5613

Place: New Delhi
Dated: 24/07/2021

Balance sheet as at 31 March 2021

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

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3'	8,212.23	7,446.12
Capital work-in-progress		672.16	291.24
Financial assets			
(a) Other non-current financial assets	4'	63.71	63.29
Other non-current assets	5'	135.11	65.63
Total non-current assets		**9,083.21**	**7,866.28**
Current assets			
Inventories	6'	1,448.81	1,549.37
Financial assets			
(i) Trade receivables	7'	616.85	756.46
(ii) Cash and cash equivalents	8'	16.12	32.53
(iii) Bank balances other than (ii) above	9'	54.48	22.69
(iv) Other current financial assets	10'	3.47	4.15
Other current assets	11'	420.33	361.05
Total current assets		**2,560.06**	**2,726.25**
Total assets		**11,643.27**	**10,592.53**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12'	1,500.00	1,500.00
Other equity		4,528.96	4,054.51
Total equity		**6,028.96**	**5,554.51**
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	13'	2,376.84	2,004.27
Long-term provisions	14'	273.31	235.36
Deferred tax liabilities (net)	15'	474.44	474.54
Total non-current liabilities		**3,124.59**	**2,714.17**
Current liabilities			
Financial liabilities			
(i) Borrowings	16'	1,163.94	1,040.67
(ii) Trade payables	17'	312.73	480.38
(iii) Other financial liabilities	18'	609.34	532.06
Other current liabilities	19'	353.56	243.85
Current tax liabilities (net)	20'	50.15	26.89
Total Current liabilities		**2,489.72**	**2,323.85**
Total liabilities		**5,614.31**	**5,038.02**
Total equity and liabilities		**11,643.27**	**10,592.53**

Summary of significant accounting policies and other notes on financial statements1 to 38'
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

Hemendra Patsingh Dugar
Director

Prasanna Kumar Pagaria
Director

Place : Delhi
Date : 24/07/2021

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Statement of profit and loss for the year ended 31 March 2021

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

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	21'	9,555.33	9,674.13
Other income	22'	17.17	315.69
Total income		**9,572.50**	**9,989.82**
Expenses			
Cost of materials consumed	23'	3,496.68	3,334.82
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	24'	(446.96)	(90.81)
Employee benefits expense	25'	878.90	804.91
Finance costs	26'	354.73	234.16
Depreciation and amortization expense	3'	515.85	443.32
Other expenses	27'	4,195.10	4,174.77
Total Expenses		**8,994.30**	**8,901.17**
Profit before tax (VI-VII)		**578.20**	**1,088.65**
Tax expense:			
Current tax		95.40	187.88
Deferred tax		2.25	133.78
Profit for the year (A)		**480.54**	**766.99**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(8.44)	(21.06)
Tax relating to remeasurement of defined benefit plans		2.35	6.13
Total other comprehensive income for the period (B)		**(6.09)**	**(14.93)**
Total comprehensive income for the year (A + B)		**474.45**	**752.06**
Earnings per equity share	28'		
Basic		3.20	5.81
Diluted		3.20	5.81
Summary of significant accounting policies and other notes on financial statements	1 to 38'		

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

Hemendra Patsingh Dugar
Director

Prasanna Kumar Pagaria
Director

Place : Delhi
Date : 24/07/2021

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Cash Flow Statement for the year ended 31 March 2021

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

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	578.20	1,088.65
	Adjustments for:		
	Depreciation and amortization expense	515.85	443.32
	(Profit)/Loss on sale/discard of property, plant and equipment (net)	-	1.70
	Finance cost	354.73	234.16
	Interest Income	(17.17)	(20.51)
	Operating Profit Before Working Capital Changes	**1,431.61**	**1,747.32**
	Movements in working capital :-		
	(Increase)/ Decrease in Inventories	100.56	(738.23)
	(Increase)/ Decrease in Trade and Other receivables	10.43	(153.47)
	Increase/ (Decrease) in Trade and other payables	36.33	32.77
	Cash used in operations	**1,578.93**	**888.39**
	Direct taxes paid	(72.14)	(191.33)
	Net Cash Flow From operating activities	**1,506.79**	**697.06**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale/Deletion of Fixed Assets	-	1.56
	Interest Received on Fixed Deposits & Others	17.85	19.03
	Movement in Fixed Deposits	(31.79)	(5.28)
	Purchase of Fixed Assets including Capital Work in Progress	(1,662.89)	(1,597.81)
	Net Cash used in investing activities	**(1,676.83)**	**(1,582.50)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(Repayment) of Long Term borrowings	385.09	486.95
	Proceeds from Short Term borrowings	123.27	590.72
	Interest paid	(354.73)	(234.16)
	Net Cash Flow from Financing Activities	**153.63**	**843.51**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(16.41)**	**(41.93)**
	Cash and Cash Equivalents at the beginning of the year *	32.53	74.46
	Cash and Cash Equivalents at the end of the year *	16.12	32.53
		(16.41)	**(41.93)**

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, 2021	31st March, 2020
Cash in hand	14.24	26.40
Cheques / Drafts on hand		
Bank balances	1.88	6.13
- Current account		
	16.12	32.53

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

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

Hemendra Patsingh Dugar
Director

Prasanna Kumar Pagaria
Director

Place : Delhi
Date : 24/07/2021

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2021

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

	As at 31 March 2021		As at 31 March 2020	
(a) Equity share capital	**No. of Shares (Lacs)**	**Amount**	**No. of Shares (Lacs)**	**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 and Surplus**	**Remeasurement of defined benefit plans**	**Total**
	Retained earnings		
Balance as at 31 March, 2019	**3,301.91**	**0.54**	**3,302.45**
Profit for the year	766.99	**-**	**766.99**
Other comprehensive income/ (loss) for the year	-	**(14.93)**	**(14.93)**
Total comprehensive income for the year	**766.99**	**(14.93)**	**752.06**
Balance as at 31 March, 2020	**4,068.90**	**(14.39)**	**4,054.51**
Profit for the year	480.54	-	**480.54**
Other comprehensive income for the year	-	(6.09)	**(6.09)**
Total comprehensive income for the year	**480.54**	**(6.09)**	**474.45**
Balance as at 31 March, 2021	**4,549.44**	**(20.48)**	**4,528.96**

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

Hemendra Patsingh Dugar
Director

Prasanna Kumar Pagaria
Director

Place : Delhi
Date : 24/07/2021

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Notes to the financial statements for the year ended 31st March 2021

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 24th July, 2021.

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.

Accounting policies are consistently applied except when a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hereto in use.

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.

On transition to Ind AS 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 estimated by the management
Factory and other buildings	30-60 Years
Plant & Machinery	10-18 Years
Factory, R&D and office equipments	5-10 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Air conditioner	10 Years
Computers	3 years

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 in the year in which they occur.

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.

Non Monetary asset and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The company's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The liability for long term compensated absences are provided on actual basis.

2.13 Revenue Recognition

a. **Revenue from Contract with customers**

The company derives revenue from sale of "Yeast".

IND AS -115 "Revenue from Contracts with customers" Provides a control based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to performance obligations;
- Recognize revenue when or as an entity satisfies performance obligation.

b. 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, trade discounts, rate differences, damaged goods and exclusive of taxes.

c. 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 the Company has complied with the conditions and there is a reasonable assurance 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 Receipt basis.

d. 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 has complied 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 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

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The company applies a single recognition and measurement approach for all leases, except for leasehold land, short term leases (twelve month or less) and leases of low-value. For short-term and leases of low value, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. Leasehold land is carried at the acquisition cost i.e. one-time lease premium paid at the time of acquisition of leasehold rights. For all other leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset, if any , have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leasehold Land represents land allotted by U P State Industrial Development Corporation Ltd. for 90 years on leasehold basis and is recognised at cost.

2.22 Segment Reporting

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

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

Ministry of Corporate Affairs(“MCA”) notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the financial statements for the year ended 31 March 2021

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

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	For the Year	Deletions	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021
Tangible Assets										
Freehold land	41.42			41.42	-			-	41.42	41.42
Leasehold land*	54.86			54.86	-				54.86	54.86
Building	346.75			346.75	187.84	8.24	-	196.08	158.91	150.67
Plant and equipment	9,606.75	1,275.00	-	10,881.75	2,714.27	448.94	-	3,163.21	6,892.48	7,718.54
Vehicles	232.57		-	232.57	93.07	19.93	-	113.00	139.50	119.57
Effluent Treatment Plant	532.75	-	-	532.75	416.06	27.10	-	443.16	116.69	89.59
R & D Laboratory Equipments	28.48	-	-	28.48	17.87	1.65	-	19.52	10.61	8.96
Furniture and fixtures	33.74	0.07	-	33.81	22.31	1.94	-	24.25	11.43	9.56
Factory equipments	3.91			3.91	3.57	0.08	-	3.65	0.34	0.26
Computers	-			-			-	-		-
Office equipments	91.93	6.89	-	98.82	72.05	7.97	-	80.02	19.88	18.80
Total	10,973.16	1,281.96	-	12,255.12	3,527.04	515.85	-	4,042.89	7,446.12	8,212.23
Capital work-in-progress	291.24	1,655.92	1,275.00	672.16	-	-	-	-	291.24	672.16
Total	**11,264.40**	**2,937.88**	**1,275.00**	**12,927.28**	**3,527.04**	**515.85**	**-**	**4,042.89**	**7,737.36**	**8,884.39**

Note : 1. all the above property,plant and equipment are owned by the group.

2. Depreciation on property,plant and equipment has been icluded under 'depreciation and amortization expense' In the statement of profit and loss.

3. Property Plant and equipment given as security for borrowing (refer note No. 13 & 16)

4. * No Material Impact on adoption of IND AS -116

Notes to the financial statements for the year ended 31 March 2021

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

		As at 31 March 2021	As at 31 March 2020
4'	**Other non-current financial assets**		
	(Unsecured, Considered Good)		
	Security Deposits	63.71	63.29
		63.71	**63.29**
5'	**Other non-current assets**		
	(Unsecured, Considered Good)		
	Bank balance on deposit accounts	0.55	0.55
	Capital Advance	133.94	64.55
	Interest accrued but not due	0.62	0.53
		135.11	**65.63**
6'	**Inventories**		
	(Valued at lower of cost or net realisable value except waste at net realisable value)		
	Raw Materials & Components	336.43	975.53
	Work-in-Progress	702.46	289.71
	Finished Goods	94.80	60.60
	Stores & Spares	183.39	192.23
	Others	131.71	31.30
		1,448.81	**1,549.37**
	Goods in transit included in above inventories are as under :		
	Raw Materials & Components	-	-
7'	**Trade receivables**		
	(Unsecured, considered good)		
	Over six months from the due date	24.55	14.28
	Others	592.30	742.18
		616.85	**756.46**

(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	1.88	6.13
	Cash on hand	14.24	26.40
		16.12	**32.53**
9'	**Other bank balances**		
	Earmarked balances with banks:		
	in Depsosit Accounts held as Margin Money	54.48	22.69
		54.48	**22.69**
10'	**Other current Financial assets**		
	(Unsecured, Considered Good)		
	Interest Accrued on deposits	3.47	4.15
		3.47	**4.15**

Notes to the financial statements for the year ended 31 March 2021

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

		As at 31 March 2021	As at 31 March 2020
11'	**Other Current assets**		
	(Unsecured, Considered Good)		
	Advances Recoverable in cash or in kind	171.86	87.36
	Prepaid Expenses	20.57	14.79
	Recoverable from Statutory Authorities	227.90	258.90
		420.33	**361.05**
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
	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**

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 01.04.2020	1,50,00,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2021	1,50,00,000

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

Name of shareholder	As at 31st March,2021		As at 31st March,2020	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
(i) Sidhhant Kothari	37,27,000	24.85	37,27,000	24.85
(ii) Chaudhry Brother Traders & Builders Pvt. Ltd.	29,45,000	19.63	29,45,000	19.63
(iii) Pramod Kumar Kothari-HUF	24,51,100	16.34	24,51,100	16.34

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

			As at 31 March 2021	As at 31 March 2020
13'	**Borrowings**			
	(i) Secured			
	(a) Term Loans From a Bank		1,824.29	1,930.75
	(b) Vehicle Loan From a Bank		33.07	38.12
			1,857.35	**1,968.87**
	Less : Current maturity of long term borrowings disclosed under "Other financial liabilities" (Refer Note no.- 18)		372.26	359.74
		Total (i)	**1,485.09**	**1,609.13**
	(ii) Unsecured			
	- from Others (Unsecured) (From Related Party)	**Total (ii)**	891.74	395.14
		Total (i+ii)	**2,376.84**	**2,004.27**

a. Securities

(a) Loan outstanding at the end of current financial year of Rs. 373.98 (As at 31st March' 2020 Rs. 426.21) carrying interest @ 7.75 - 10.25% 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. 1450.31 (As at 31st March'2020 Rs. 1504.54) carries interest @ 7.25% to 8.85% 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) Secured by hypothecation of the vehicle financed

b. Terms of Repayments of Non-Current Portion:

Rate of Interest	Repayment Periodicity	Installments Outstanding		Total Amount	
		As at 31st March'2021	As at 31st March'2020	As at 31st March'2021	As at 31st March'2020
7.25 to 10.25% (previous year 8.65 to 11.25%) linked with MCLR *	Monthly Graded	18 to 82	35 to 94	**1,485.09**	**1,609.13**

		As at 31 March 2021	As at 31 March 2020
14	**Long-term provisions**		
	Provision for employee benefits	273.31	235.36
		273.31	**235.36**

15 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31 March 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Assets				
MAT Credit Entitlement @	180.51	40.31	-	220.82
Employees Separation and Retirement Exp.	59.63	4.66	2.35	66.64
Accrued expenses allowable on payment basis	19.14	0.02	-	19.16
Sub- Total (a)	**259.28**	**44.99**	**2.35**	**306.62**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/ amortization for financial reporting	733.82	47.24	-	781.06
Sub- Total (b)	**733.82**	**47.24**	**-**	**781.06**
Net Deferred Tax Liability (b)-(a)	**474.54**	**2.25**	**(2.35)**	**474.44**

	As at 1 April 2019	Recognized in P&L	Recognized in OCI	As at 31 March 2020
Deferred Tax Assets				
MAT Credit Entitlement @	74.97	105.54	-	180.51
Employees Separation and Retirement Exp.	46.33	7.17	6.13	59.63
Other Timing Differences	17.28	1.86	-	19.14
Sub- Total (a)	**138.58**	**114.57**	**6.13**	**259.28**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/ amortization for financial reporting	485.47	248.35	-	733.82
Sub- Total (b)	**485.47**	**248.35**	**-**	**733.82**
Net Deferred Tax Liability (b)-(a)	**346.89**	**133.78**	**(6.13)**	**474.54**

@ 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 31 March 2021	For the year ended 31 March 2020
Current tax expense	95.40	187.88
	-	-
Current year	**95.40**	**187.88**
Deferred tax expense	**-**	-
Origination and reversal of temporary differences	42.56	239.32
MAT Credit Entitlement	(40.31)	(105.54)
	2.25	**133.78**
Total Tax Expense	**97.66**	**321.66**

C. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of definedbenefit liability	(8.44)	2.35	(6.09)	(21.06)	6.13	(14.93)
	(8.44)	2.35	(6.09)	(21.06)	6.13	(14.93)

D. Reconciliation of effective tax rate

	For the year ended 31 March 2021 Amount	For the year ended 31 March 2020 Amount
Profit before tax from continuing operations	578.20	1,088.65
Tax using the Company's domestic tax rate @ 27.82% (31 March 2020: 29.12 %)	160.86	317.01
Tax effect of:		
Non-deductible expenses	4.66	7.17
Others (Including due to change in future tax rate)	(67.85)	(2.53)
Income tax expenses reported in the statement of profit and loss	**97.66**	**321.66**
Effective tax rate	**16.89%**	**29.55%**

The company has decided not to exercise the option permitted U/s 115BAA of the Income Tax Act,1961 as per the Taxation laws (amendment) Ordinance,2019 and to continue the existing tax rates, which is advantegous to it

16 Short term borrowings

Loan repayable on demand *(Secured)**		
- From banks	1,163.94	1,040.67
	1,163.94	**1,040.67**

* 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.

		For the year ended 31 March 2021 Amount	For the year ended 31 March 2020 Amount
17	**Trade Payables***		
	For Goods and Services (including acceptances) - Other Than Micro and Small Industries	267.49	409.05
	For Goods and Services (including acceptances) - Micro and Small Industries	45.24	71.33
		312.73	**480.38**

* On the Basis of the Information Received by The Company from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME), the necessary disclosure required under MSMEAct, 2006 are being made accordingly. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.

18	**Other financial liabilities**		
	Current maturities of long-term debt	372.26	359.74
	Interest accrued and due on borrowings	-	-
	Creditors for capital goods	237.08	172.32
		609.34	**532.06**
19	**Other current liabilities**		
	Credit balance and advances received from customers	106.59	23.02
	Statutory dues	26.47	17.94
	Others	220.50	202.89
		353.56	**243.85**
20	**Current tax liabilities**		
	Provision for Income Tax (Net)	50.15	26.89
		50.15	**26.89**

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

		For the year ended 31 March 2021	For the year ended 31 March 2020
21'	**Revenue from operations**		
	Sale of products	9,555.33	9,674.13
	Revenue from Operations (Net)	**9,555.33**	**9,674.13**
22'	**Other Income**		
	Claims Received	-	295.17
	Interest income	8.06	7.84
	Excess provisions and unspent liabilities written back	9.11	12.68
		17.17	**315.69**
23'	**Cost of materials consumed**		
	Raw material Consumed	3,496.68	3,334.82
		3,496.68	**3,334.82**

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

		For the year ended 31 March 2021	For the year ended 31 March 2020
24'	**Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**		
	Closing Inventory		
	Work-in-Progress	702.46	289.71
	Finished Goods	94.80	60.59
	Total (A)	**797.26**	**350.30**
	Opening Inventory		
	Work-in-Progress	289.71	108.48
	Finished Goods	60.59	151.01
	Total (B)	**350.30**	**259.49**
	Total (B-A)	**(446.96)**	**(90.81)**
25'	**Employee benefits expense**		
	Salaries, Wages and Bonus	753.94	685.71
	Contribution to provident and other funds	74.07	65.24
	Staff welfare expenses	50.89	53.96
		878.90	**804.91**
26'	**Finance cost**		
	Interest expenses	290.11	218.16
	Other borrowing costs	64.62	16.00
		354.73	**234.16**
27'	**Other expenses**		
	Consumption of stores and spares	276.93	329.05
	Power, fuel and water charges	2,722.04	2,561.28
	Rent	45.02	42.90
	Rates and taxes	8.91	9.06
	Repairs & Maintenance		
	- Building	59.67	43.20
	- Plant & Machinery	197.88	252.65
	- Others	41.41	40.96
	Research & Development	50.80	33.76
	Printing,Postage & Telephone	19.02	16.61
	Travelling & Conveyance	30.22	77.92
	Legal & Professional Charges	19.01	15.13
	Auditors Remuneration #	3.11	3.11
	Bad Debts/ Claims	-	55.07
	Handling, Forwarding & Transportation	565.46	598.79
	Loss on Sale of Assets	-	1.70
	Miscellaneous expenses ^	155.63	93.58
		4,195.10	**4,174.77**
	# **Details of payments to auditors**		
	As auditor:		
	Statutory audit fee	1.76	1.76
	Tax audit fee	0.35	0.35
	For limited review	1.00	1.00
		3.11	**3.11**
28'	**Earning per share**		
	Total profit for the year	480.54	871.11
	Weighted average number of equity shares of Rs. 10/- each (Nos)	1,50,00,000	1,50,00,000
	EPS - Basic and Diluted (per share in Rs.)	**3.20**	**5.81**

Notes to financial statements for the year ended 31 March 2021

(All amounts are in rupees lacs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
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
(b)	Demand of Income Tax amounting to Rs.981.80 Lakhs under Income Tax Act disputed in Appeal.*	981.80	665.81
(c)	Outstanding Bank Guarantees	130.87	208.24

i) *The management based on its assessment of facts, outcome of cases with tax authorities with similar issues and legal advice believes that the Company has a strong chance of favourable decision in above case, hence no provision has been considered necessary for this demand or any interest & penalty.The Company has appealed against the order of The Income Tax Department before the appropriate appeallate authority. The matter in under consideration before Hon'ble Delhi High Court and 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 included above.

B.	**Commitments**		
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for	601.16	317.82

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

The Disclosure Pursuant of IND AS -116 "Leases" are given herein below:

(i) Effective From April 1,2019 , The company has adopted IND AS 116 "Leases" Using Modified retrospective approach. There is no material impact on transition to IND AS 116 . further no right of use assets and lease liability was required to be recognized.

(ii) Following is the summary of Practical Expedients elected on intial application:

(a) The company has not reassesed whether a contract is or contains a lease on the date of Intial application

(b) The company has applied the exemption avaialble for short term leases (less than 12 months) and leases for low value assets

(c) The company has used hindsight in determining the leaseterm where the contract contained options to extend or terminate the lease

(d) The company has relied on its previous assessment on whether the leases are onerous

(iii) Rental Expenses recorded for Short term leases was Rs. 45.02 lacs for the year ended March 31,2021

32' Borrowing Cost

During the year, company has capitalized borrowing cost amounting to Rs. 36.61 Lacs (Previous year Rs.36.61 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 ~ 9.28 % (Previous Year ~9.28%).

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. 37.11 (Previous year Rs. 37.11).

(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 2021. 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:

	31 March 2021	31 March 2020
Net defined benefit (liability) / asset	(239.53)	(204.77)
Liability for Gratuity		
Non-current	252.50	220.02
Current	17.57	21.02

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:

	31 March 2021			31 March 2020		
	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	241.04	36.27	204.77	193.60	34.53	159.06
Included in profit or loss						
Service costs	16.98	-	16.98	15.51	-	15.51
Interest cost / (income)	16.87	(2.53)	14.34	13.55	(2.42)	11.13
	33.85	(2.53)	31.32	29.06	(2.42)	26.64
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	-	-	-	14.00	-	14.00
- experience adjustment	7.72	-	7.72	6.52	-	6.52
- on plan assets	-	0.72	0.72	-	0.54	0.54
	7.72	0.72	8.44	20.52	0.54	21.06
Other						
Contributions paid by the employer	-	5.00	(5.00)	-	2.00	(2.00)
Benefits paid	(12.54)	(12.54)	-	(2.14)	(2.14)	-
Acquisition adjustment	-	-				
	(12.54)	(7.54)	(5.00)	(2.14)	(0.14)	(2.00)
Balance as at 31 March	270.07	30.54	239.53	241.04	36.27	204.77

C. Plan assets

	31 March 2021	31 March 2020
Fund managed by insurer	100%	100%
	100%	100%

D. Actuarial assumptions

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

	31 March 2021	31 March 2020
Discount rate	7.00%	7.00%
Salary Growth Rate	8.00%	8.00%
Mortality (% of ILAM 2012-14)	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.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(19.55)	22.07	(17.85)	20.20
Expected rate of future salary increase (1% movement)	21.64	(19.55)	19.80	(17.85)

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)
Mr. Siddhant Kothari	Director (Son of Mr. Pramod Kumar Kothari)
Mr. Prasanna Kumar Pagaria	Non Executive Director
Mr.Hemendra Patsingh Dugar	Non Executive Director
Mr.Piyush Kumar Goel	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**	**31 March 2021**	**31 March 2020**
a) Payments to Key Managerial Personnel and their relatives				
Mr. Pramod Kumar Kothari	Directors' Remuneration	Short Term Employee Benefits	36.00	30.00
	Rent Paid	Others	12.00	12.00
Mrs. Kavita Kothari	Directors' Remuneration	Short Term Employee Benefits	33.00	27.00
	Rent Paid	Others	12.00	12.00
Mr. Siddhant Kothari	Salary	Short Term Employee Benefits	9.60	7.20
	Advance	Others	-	-
Chief Financial Officer	Salary	Short Term Employee Benefits	7.40	6.55
Company Secreatary	Salary	Short Term Employee Benefits	6.07	5.50

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	10.80	10.80
Loan taken	516.10	395.25
Interest paid	42.11	17.98

			For the year ended	
Closing Balance			**31 March 2021**	**31 March 2020**
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		891.74	395.14

35' Financial instruments

I. Fair value measurements

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

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Loans				
Non Current	-	-	-	-
Current				
Trade receivables	-	616.85	-	756.46
Cash and cash equivalents	-	16.12	-	32.53
Bank balances other than above		54.48		22.69
Others				
Non Current	-	63.71	-	63.29
Current	-	3.47	-	4.15
	-	754.63	-	879.12

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Long Term Borrowings	-	2,376.84	-	2,004.27
Other non-current financial liabilities	-		-	
Short terms borrowings	-	1,163.94	-	1,040.67
Trade payables	-	312.73	-	480.38
Other current financial liabilities	-	609.34	-	532.06
	-	4,462.85	-	4,057.38

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.

There are no financial assets or financial liabilities which are required to be measured at fair value using recurring fair value measurements

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

	As at 31 March 2021			
	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

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non-current financial assets	63.71	63.71	63.29	63.29
Trade receivables	616.85	616.85	756.46	756.46
Cash and cash equivalents	16.12	16.12	32.53	32.53
Bank balances other than above	54.48	54.48	22.69	22.69
Other current financial assets	3.47	3.47	4.15	4.15
	754.63	**754.63**	**879.12**	**879.12**

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	2,376.84	2,376.84	2,004.27	2,004.27
Other non-current financial liabilities	-	-	-	-
Short term borrowings	1,163.94	1,163.94	1,040.67	1,040.67
Trade payables	312.73	312.73	480.38	480.38
Other current financial liabilities	609.34	609.34	532.06	532.06
	4,462.85	**4,462.85**	**4,057.38**	**4,057.38**

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 and based on that no expected credit loss was estimated by the management as on March 31,2021.

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. 616.85 (31 March 2020– Rs. 756.46).

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2021	592.30	0.92	23.63	616.85
As at 31.03.2020	742.18	4.69	9.59	756.46

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

	31 March 2021	31 March 2020
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 31 March 2021	As at 31 March 2020
Floating rate		
Expiring within one year (bank overdraft and other facilities)	84.00	259.33
Expiring beyond one year (bank loans)	151.88	
	235.88	**259.33**

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		
	31 March 2021	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2749.10	2,749.10	372.26	729.19	1479.44	168.21
Short term borrowings	1163.94	1163.94	1163.94	-	-	-
Trade & Other payables	549.81	549.81	549.81	-	-	-
Total non-derivative liabilities	**4462.85**	**4462.85**	**2086.01**	**729.19**	**1479.44**	**168.21**

	Carrying Amounts			Contractual cash flows		
	31 March 2020	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2364.01	2364.01	359.74	812.55	946.86	244.87
Short term borrowings	1040.67	1040.67	1,040.67	-	-	-
Trade & Others payables	652.70	652.70	652.70	-	-	-
Total non-derivative liabilities	**4,057.38**	**4,057.38**	**2,053.11**	**812.55**	**946.86**	**244.87**

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

Foreign currency exposure not hedged by derivatives instrument or otherwise :

	31 March 2021	31 March 2020
i. Receivable	-	-
ii. Payable	27.62	12.46

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 31 March 2021 and 31 March 2020, 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	
	31 March 2021	31 March 2020
Fixed-rate instruments		
Financial assets	118.19	85.98
Financial liabilities	-	-
	118.19	85.98
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	3,913.03	3,404.67
	3,913.03	3,404.67

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
31 March 2021				
Variable-rate instruments	19.57	(19.57)	14.12	(14.12)
Cash flow sensitivity	**19.57**	**(19.57)**	**14.12**	**(14.12)**
31 March 2020				
Variable-rate instruments	17.02	(17.02)	12.07	(12.07)
Cash flow sensitivity	**17.02**	**(17.02)**	**12.07**	**(12.07)**

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

37' 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	**31.03.2021**	**31.03.2020**
Equity Share Capital	1,500.00	1,500.00
Other Equity	4,528.96	4,054.52
Total Equity	**6,028.96**	**5,554.52**
Non-Current Borrowings	2,376.84	2,004.27
Current maturities of Non-Current Borrowings	372.26	359.74
Current Borrowings	1,163.94	1,040.67
Total Debts	**3,913.04**	**3,404.68**
Capital and Net debt	9,942.00	8,959.20
Gearing Ratio	39%	38%

38' The accelarated outbraeak of Coronavirus (Covid-19) across the globe and in india , had disrupted the economic activities in early part of the financial year 2020-2021. The management has has exercised due care,in concluding on significant accounting judgements and estimates, Inter-alia recoverbality of receivables, assessment for impairment of intangible assets, inventory and investments, based on the information available to date, both internal and external, to the extent relevant, while preparing these financial results as of and for the year ended March 31,2021. There is no material impact on these financial results and performance of the company for the year ended March 31,2021 owing to the pandemic. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

However the management will continue to closely monitor any material changes to future economic conditions and given the uncertainities, the final impact of this health pandemic may differ form that estimated as on date of approval of these financial results.

The accompanying notes are an integral part of these financial statements
As per our report of even date

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	**Pramod Kumar Kothari**	**Hemendra Patsingh Dugar**	**Prasanna Kumar Pagaria**
Proprietor	Chairman & Managing	Director	Director
Membership No - 413714	Director		
Place : Delhi	**Arun Kumar Sekhani**	**Kavita Tanwar**	
Date : 24th July, 2021	Chief Financial Officer	Company Secretary	

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