ANNUAL REPORT

2019-20

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

AUDITORS
KOTHARI KULDEEP & Co.
Chartered Accountants
New Delhi

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

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

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

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NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Friday, the 20th day of November, 2020 at 11:00 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 of March, 2020, the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Pramod Kumar Kothari (DIN: 00086145), who retires by rotation and, being eligible, offers himself for reappointment.

AS SPECIAL BUSINESS

Alteration of Memorandum of Association of the Company:

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

Item No. 3

To consider and, if thought fit, to pass the following resolution, as a Special Resolution, to alter/amend existing Clause III, the Object Clause, of the Memorandum of Association of the Company and alteration of nomenclature of applicable Companies Act in the MOA:

RESOLVED THAT pursuant to section 4 and 13 of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to necessary approval(s) required, if any, in this regard from appropriate authorities, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by any of such appropriate authorities, which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (herein after referred to as "the Board", which term shall include any of its duly authorised Committee or individual Director) is hereby authorised to accept as it may deem fit, consent of the members of the Company be and is hereby accorded for altering the existing main object clause in the Memorandum of Association ("MOA") of the Company and adoption of new set of

MOA in accordance with Table A of Schedule I of the Companies Act, 2013, effecting the following modifications and amendments in the existing MOA wherever required under the applicable provisions.

a. The words 'Companies Act, 1956' in the existing MOA shall be substituted with the words 'Companies Act, 2013', wherever required

b. The existing Part A of Clause III of the MOA shall now be titled as "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:".

c. The existing Object Clause III A (1) to (4) remains same and the following new Object Clauses as III A (5) to (22) shall be inserted namely:

III A (5) To carry on business of manufacturers of and dealers in sugar, gur, khandsari, sugar-chocolates, toffees and such other allied products thereof.

IIIA (6) To cultivate, grow, produce, or deal in any agriculture, vegetable or fruit products, processed foods and extruded snacks and to carry on all or any of the business of farmers, dairyman, milk contractors, dairy farmers, millers surveyors and vendors of milk and milk products condensed milk and powdered milk, cream, cheese, butter, poultry, fruits, vegetables, cash crops and provisions of all kinds, growers of and dealer in corn, hay, and straw, seedsmen and nursery men and to buy, sell, manufacture, and trade in any goods usually traded in any of the above business or any other business inclusive of staple food and medicinal preparations from milk, vegetable and animal products or any substitute for any of them Associated with the farming interest.

IIIA (7) To manufacture and deal in all chemical products and their intermediates, dyes, drugs, medicines and pharmaceuticals, petroleum and its products, and derivatives, paints, products, and derivatives paints, and varnishes, explosives and ammunitions, vegetable oil, their products and derivatives, all types of heavy chemicals and sizing and finishing materials photographic chemicals, clay and boards including straw boards glycerin and allied products, industrial and pharmaceutical organic and inorganic chemical fertilizers, pesticides, manures, fungicides and allied products, fats, wares and their products, hides skins and leather.

IIIA (8) To carry on the business of manufacturers of or dealers in textiles, such as manmade fibres, cotton, silk, jute, woolen and synthetics.

IIIA (9) To carry on the business as manufacturers dealers, stockists, exporters and importers of industrial machinery of all types, including yeast manufacturing and fermentation machineries, bearing, speed reduction units, pumps, machine tools and agricultural machinery and earthmoving machinery including road rollers, loaders, shovels and dozers, dumpers drag lines and light engineering goods including cycles and sewing machines and their components.

IIIA (10) To carry on the business as manufacturers dealers, stockists, exporters and importers of forging, casting, stamping of all metals, machinery parts, moulds, press tools, jigs, fixtures, injections and compression moulding and steel products of all kinds.

IIIA (11) To carry on the business as manufacturers, dealers, stockists, importers and exporters, suppliers and commission agents and to carry on the business of wholesale and retail in all kinds of merchandise such as textile, yam, steel, spices, dry fruits, chemicals, dyes and grains .

IIIA (12) To carry on the business of timber and timber merchants, lumberyard and saw mill proprietors and to buy, sell, prepare for market, import, export and deal in timber and wood of all kind and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used to carry on the business of logging and lumbering purchasing, acquiring and leasing timber berths.

IIIA (13) To carry on the business of manufacturers of and dealers in flour, rava, maida, biscuits, bread, chocolates and other sweets of every description, oils of all kinds and to buy, sell, manipulate or deal with wholesale and retail grains, seeds, pulses and commodities.

IIIA (14) To carry on the business as manufacturers of or dealers in or stockists, importers and exporters of packing materials, cartons, containers,boxes and case made of paper, boards wood glass, plastic, pulp, cellulose films, polethelene rubber metals, metal foils, gelatine, tinflexible treated laminated or other materials.

IIIA (15) To carry on the business of manufacture, importers, exporters and dealers in all types of anti corrosion and insulation materials, chemicals, equipment and components used for application in anti-corrosive, insulation and anti-fouling appliances methods and processes .

IIIA (16) To carry on the business of manufactures, importers and exporters of and dealers in ferrous and nonferrous castings of all kinds and in particular steel, chilled and maileable castings, special alloy castings, gun-metal, copper, brass and aluminium castings and foundry work of all kinds.

IIIA (17) To produce steel bricks and bails from steel scrap and cast iron scrap.

IIIA (18) To carry on business as bakers and manufacturers of and dealers in bread flour, rava, maida biscuits and farinaceous compound and materials of every description.

IIIA (19) To carry on business as breweries distillers and manufacturers of and merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, beers, Porter malt, shops, malt, shops, grain meal, yeast, aerated water carbonic acid gas mustard pickles, cocoa, coffee and sauces condiments of all kinds.

IIIA (20) To carry on the business of manufacture and sale of patent medicines and preparations and generally to carry on the business of manufacturers, buyers, and sellers of and dealers in all kinds of medicines and medical preparations and drugs.

IIIA (21) To carry out trading, import-export of all ferrous and non-ferrous minerals and metals.

IIIA (22) To carry out trading, import-export of copper, manganese, Nickel, cobalt, aluminium, chromium and all other non ferrous and ferrous ores and metals business. To deal in the mining and benefication of the above non ferrous and ferrous ores.

d. The existing Part B of Clause III of MOA shall now be titled as "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:".

e. Insertion of following new sub-clauses in Part B of Clause III of MOA after the sub-clause 42

43. "To undertake Corporate Social Responsibility ('CSR') activities in terms of the provisions of the Companies Act, 2013 and the Rules made there under or in such other manner as the Company deems fit."

f. The existing Part C of Clause III titled "OTHER OBJECTS" comprising of the existing sub-clauses (1) to (84) be deleted inline with the requirements of the Companies Act, 2013.

RESOLVED FURTHER THAT in the Memorandum of Association of the Company, wherever required, reference to various sections of the Companies Act, 1956 be replaced with the reference to the corresponding sections of the Companies Act, 2013.

RESOLVED FURTHER THAT the existing Memorandum of Association of the Company, duly modified as aforesaid, or as suggested by any appropriate authority and accepted by the Board, be adopted as the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors/Company Secretary of the Company be and is hereby authorized to do all such acts, deeds or things as may be deemed necessary to give effect to this resolution."

Item No. 4

To consider and, if thought fit, to pass the following resolution, as a Special Resolution, to alter/amend existing Clause IV, the Liability Clause, of the Memorandum of association of the Company:

"RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder, the existing Clause IV of the Memorandum of Association ("MOA") of the Company be and are hereby altered by replacing and substituting the same with the following new clause;

Clause IV. "The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

RESOLVED FURTHER THAT the Board of Directors/Company Secretary be and is hereby authorized to do all such acts, deeds or things as may be deemed necessary, proper or expedient to give effect to the above resolution"

Item No. 5

To consider and, if thought fit, to pass the following resolution, as a Special Resolution, to authorize the Board of Directors for borrowing money u/s 180(1)(c):

"RESOLVED THAT in supersession of the Special Resolution passed at the 24th Annual General Meeting held on 29.09.2014 and pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time in the form of funded or non funded credit facilities, apart from temporary loans obtained/ to be obtained from the Bankers/ Financial Institutions/ Body corporates in the ordinary course of business, shall not be in excess of Rs 120 crores (Rs. One Hundred Twenty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors / Company Secretary of the company be and is hereby authorized to do all acts, deeds and things as may be deemed necessary and expedient to give effect to this resolution."

Item No. 6

To consider and, if thought fit, to pass the following resolution, as a Special Resolution, to approve creation of charge/ security over the assets/ undertaking of the Company in respect of borrowings:

"RESOLVED THAT in supersession of the Special Resolution passed at the 24th Annual General Meeting held on 29.09.2014 and pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages/ charges/ hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and /or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans (funded or non funded credit facilities), debentures, advances and all other moneys payable by the Company to the lenders concerned, upto the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company of loans or advances already obtained or to be obtained from, in any form, from any financial institution, bank, body corporate, company, insurer or to the general public .

RESOLVED FURTHER THAT the Board of Directors / Company Secretary of the company be and is hereby authorized to do all acts, deeds and things as may be deemed necessary and expedient to give effect to this resolution."

Item No.7

To appoint Mr. Siddhant Kothari (DIN: 08620559) as Whole Time Director, Executive Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"**RESOLVED THAT** Mr. Siddhant Kothari (DIN: 08620559), who was appointed as an Additional Director of the Company with effect from August 29, 2020 under section 161(1) of the Companies Act, 2013("the Act") and Article of Association of the Company by the Board of Directors and who holds office upto the date of this (30th) Annual General Meeting of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED That pursuant to the recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to appoint Mr. Siddhant Kothari (DIN: 08620559, as Whole Time Director of the Company for a period of 5 years with effect from 29th August,2020.

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

a) Salary Rs. 80,000 /- per month w.e.f. 29th August, 2020, in the pay scale of Rs.80,000 – 10,000 -1,20,000 thereby providing increase of Rs.10,000 per month w.e.f. 29th August every year.

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

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

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

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

f) Group Mediclaim insurance as per the rules of the Company.

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

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

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

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

RESOLVED FURTHER THAT Mr. Siddhant Kothari (DIN: 0008620559) is appointed as Whole Time Director on Board liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors / Company Secretary of the company, be and is hereby authorized to do all such acts, deeds, things, matters and to execute all such documents as may be deemed necessary in this regard."

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-
Kavita Tanwar
Company Secretary
ACS - 29486

Date: 29th August,2020
Place: New Delhi

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

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM may be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

   Accordingly AGM of the Company will be convened through Video Conferencing (VC) or Other Audio Visual Means (OAVM)in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020 and Members can attend the ensuing AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and vote through electronic platform during the Meeting.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. 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.

4. 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.
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 30th 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 2019-20. 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 Friday, 13rd November, 2020 to Friday, 20th November, 2020 (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 under Note No. 25.
12. 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.
13. 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.
14. 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 theCompanies (Share Capital and Debentures) Rules,2014, are requested to send their requests in FormNo. SH-14, to the Registrar and Transfer Agent ofthe Company.
15. Members holding shares under multiple folios are requested to submit their applications to RTA for consolidation of folios into a single folio.

16. The recorded transcript of the forthcoming AGM on 20th November, 2020 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.
17. 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).
18. 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.

    In view of the above, members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares, for ease of portfolio management and to avail various benefits of dematerialisation. Members can contact the Company or RTA for assistance in this regard.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM **("Remote E-Voting")** will be provided by National Securities Depository Limited (NSDL) **from 17th November, 2020 to 19th November, 2020.**

How do I 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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

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

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who 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. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need 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. 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 in process for those shareholders whose email ids are not registered mentioned in step 2.

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.

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.

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vijay.sharma@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.: 1800-222-990 or send a request to (Name of NSDL Official) 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

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. **The remote e-voting period commences on Tuesday, 17th day of November 2020 (9.00 a.m.) and ends on Thursday, 19th November, 2020 (5.00 p.m.)**. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date of 13rd day of November, 2020**, may cast their votes electronically.
9. **Other instructions**
   a) In case of any queries, refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
   b) Member can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
   c) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 13th November, 2020.**
   d) 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.
   e) 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.
   f) 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.
   g) The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.kothariyeast.in and on the website of NDSL viz. www.evotingindia.com 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.

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

Item No. 3

Upon enactment of the Companies Act, 2013, ("Act") the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act. As per the Companies Act, 2013, a Company can have only following objects clause in its Memorandum of Association.

1. The objects to be pursued by the company on its incorporation i.e. main objects.
2. Matters which are necessary for furtherance of the main objects.

It is proposed to amend the Main objects of the Company partially to align the same with the present business activities and would include businesses, which the Company shall be enabled to pursue in future.

It is proposed to delete the other businesses, which were earlier stated in "Other Objects" and not proposed to be carried out by the Company in the future except those which become the part of the main objects and also to make it in line with the Companies Act, 2013.

It is to be noted that company has also added the other objects which were approved vide special resolution passed by the shareholders at third AGM of the Company held on 27th September, 1993.

Accordingly, the existing Clause III A, Clause III B and Clause III C of the Memorandum of Association of the Company are proposed to be replaced by substituting and inserting Clause III A and Clause III B with new numbering of the clauses and deleting Clause III C, as per the Memorandum of Association as submitted before the meeting and more particularly enumerated in the resolution.

The Board of Directors at their meeting held on 29th August, 2020 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company as aforesaid. In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company. The Board recommends for approval by the members the resolution as set out at Item No. 3 of the Notice as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, as set out at Item No. 3 of the Notice.

The Memorandum of Association of the Company is available for inspection in physical or in electronic form during specified business hours i.e. between 11:00 a.m. to 6:00 p.m. at the Registered Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office and also at the website of the Company during the AGM.

Item no. 4

It is proposed to replace the 'liability clause' of the Memorandum of Association of the Company by substituting the same with existing Clause IV to re-word the same appropriately and make it in line with the requirements of the Companies Act, 2013 as follows:-

Clause IV. "The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

The Board of Directors at their meeting held on 29th August, 2020 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company as aforesaid.

In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in liability clause of the Memorandum of Association of the Company.

The Board recommends for approval by the members the resolution as set out at Item No. 4 of the Notice as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, as set out at Item No. 4 of the Notice.

The Memorandum of Association of the Company is available for inspection in physical or in electronic form during specified business hours i.e. between 11:00 a.m. to 6:00 p.m. at the Registered Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office and also at the website of the Company during the AGM.

Item no. 5 & 6

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution passed by the shareholders in its general meeting, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves (Section 180(1)(c)) nor the Board can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure aforesaid borrowings (Section 180(1)(a). The shareholders of the Company had accorded consent by special resolutions to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not

exceeding the sum of Rs. 20 Crores (Rupees Twenty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company and to create security or create mortgages, charges and hypothecations over the assets of the Company to secure above borrowings in the 24th AGM held on 29th September 2014.The Company is proposing to enter into various projects and trading activities for which the Company may require the financial facility from the Banks/Body corporates. Hence, company proposes to enhance this limit to Rs. 120 crores (Rs. One Hundred Twenty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolutions. The Board recommends the Special Resolutions in Item no. 5 & 6 for the approval of the members.

Item no. 7

In terms of regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors of top 2000 listed entities shall comprise of not less than six directors. Before the appointment of Mr. Siddhant Kothari, Board of the Company comprised of five Directors only. Your Company is placed in top 2000 listed companies as on 31st March, 2020, and in order to comply with the above said regulation, it is mandatory to appoint one more director on the Board.

Mr. Siddhant Kothari was holding position of Executive Director (Technical) as per provisions of holding Office or Place of profit in the Company and successfully handling all the technical matters of the Company.

The Board, based on recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Siddhant Kothari, as Additional Directors in a capacity of Executive Director of the Company on August 29th, 2020 and he hold office as Additional Director up to the date of this (30th) AGM, pursuant to the provisions of Section 161(1) of the Act. Mr. Siddhant Kothari is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Siddhant Kothari proposing his appointment as Director of the company. Mr. Siddhant Kothari is not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority.

Mr. Siddhant Kothari himself and Mr. Pramod Kumar Kothari and Kavita Devi Kothari, being relative are interested in the Ordinary Resolution set out at Item No. 7 with respect to his appointment. Non of other KMPs of the company and their relative are in any way interested in the said resolution.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members. Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

A brief resume of Mr. Siddhant Kothari is provided in this Notice. Upon his appointment as a director, Mr. Siddhant Kothari shall hold office as the Whole Time Director of the Company for 5 years in the pay scale of Rs. 80,000-10,000-1,20,000 p.m. and other perquisites as set out in item no. 7 of the Notice.

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

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

1. Mr. Pramod Kumar Kothari (DIN: 00086145)

He is one of the Promoter directors of the company and has been playing a vital role in the overall structure & development of the company since its incorporation.Mr. Kothari aged about 55 years is the son of Late Shri Moti Lal Kothari, the founder of Kothari Fermentation & Biochem Limited (KFBL). He is a qualified Engineer {B.Tech – (Electronics)} and has a vast experience of Business, Trade & Industry for over 30 years. He looks after technical, legal functions and overall management of the company.His strong entrepreneurial skills, as also an undying commitment and belief in his abilities, have been instrumental in bringing KFBL to its present position.

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

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

2. Mr. Siddhant Kothari (DIN: 08620559)

Mr. Siddhant Kothari is holding degree of BE in Mechanical Engineering from BITS, Pilani, Dubai Campus and MS in Computer Science from University of Chicago. He is aged about 26 years and son of Shri Pramod Kumar Kothari, Managing Director of the company and Smt. Kavita Devi Kothari, Whole Time Director of the company. He is having experience of around more than 2 years in manufacturing business of yeast. He has been successfully handling all technical matters of the Company. He is also a Director in Levante Services Private Limited.

He holds 37,27,000 Equity Shares of face value of Rs.10/- each, constituting around 24.85% of the total paid-up share capital of the Company. His appointment is liable to retire by rotation.

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-
Kavita Tanwar
Company Secretary
ACS - 29486

Regd. Office:
16, Community Centre,
1st Floor, Saket, New Delhi – 110 017.
Dated: 29th August, 2020

DIRECTORS' REPORT

TO THE MEMBERS OF

Your directors are pleased to present the 30th Annual Report together with the Audited Accounts for the year ended on 31st March 2020:

1. FINANCIAL RESULTS

(Rs. In lacs)

	2019-20	2018-19
Turnover	9674.13	9619.85
Profit before Finance Charges & Depreciation (PBDIT)	1766.13	1784.32
Finance Charges	234.16	169.42
Depreciation	443.32	365.34
Profit before Tax(PBT)	1088.65	1249.56
Taxes:		
Current Tax	187.88	272.00
Deferred Tax	133.78	106.45
Net Profit/ (Loss) after Tax (PAT)	766.99	871.11

2. BUSINESS OPERATIONS

During the year under review, your company achieved production of 17583 MT as compared to 18340 MT in previous year. The turnover of the company has increased to Rs. 9674.13 Lakhs during the year 2019-20 as compared to Rs. 9619.85 Lakhs during previous year. .The profitability of the company is Rs. 766.99 Lakhs during the year 2019-20. The production during 2019-20 was lower due to COVID impact, however, the turnover was increased on account of higher realisation.

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, Mr. Pramod Kumar Kothari (DIN: 00086145) Chairman and Managing Director of the Company retire by rotation and being eligible, offers himself 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 Mr. Pramod Kumar Kothari, nature of his expertise in specific functional areas and the name of the public companies in which he holds the Directorship, as stipulated under SEBI (LODR) Regulations, is given in the notice convening the Annual General Meeting. The Board recommends his appointment as such.

The Board of Directors ('Board') has, on the recommendation of Nomination & Remuneration Committee ('NRC') and in accordance with provisions of the Act and Listing Regulations, appointed Mr. Siddhant Kothari as Additional director and proposes the appointment of Mr. Siddhant Kothari as Whole Time Executive Director of the Company on the remuneration as set out in Item no. 7 of the Notice of the AGM. The Board recommends his appointment.

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 2019-20.

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 2019-20 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-/Stable' 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 were no qualifications, reservations or adverse remarks 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 2019-20, 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 appealed against the order of Income Tax Department before the appropriate appellate authority within prescribed time limit. However the Company has received the Stay Order for the demand raised by Income Tax department from the Hon'ble High Court.

The company is in the process of filing necessary From MGT-14.

The company has been willingly and prudently spending for the cause of CSR but due to COVID the desired expenses on CSR could not be incurred in FY 2019-20.

The Board at its meeting held on 31.07.2020 reappointed M/s V.K. Sharma & Company, Practising Company Secretaries as Secretarial Auditor for FY 2020-21.

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.
- 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. 15 Lakhs on CSR activities. The financial data pertaining to the Company's CSR activities for the financial year 2019-20 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. 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.

14. 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.

15. DISCLOSURES

a) Number of Board & Committee Meetings:

During the year under review, Seven Board meetings, Four Audit Committee meetings, Four Stakeholders Relationship Committee meetings, Three Nomination & Remuneration Committee meeting and Two 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 28.02.2020.

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://kothariyeast.in/financial/annual_report/MGT-9(2019-20).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.

16. 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 (Punjab National Bank as the main Banker), Dealers, Vendors and other stakeholders of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 29th August, 2020

Pramod Kumar Kothari
Chairman & Managing Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2020

[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 inour opinion, the company has, during the audit period covering the financial year ended on 31.03.2020 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 31.03.2019 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;

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

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

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

(vi) 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 BSE has not agreed with the company's request for 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. 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 demand notice from Income Tax authorities for Rs. 665.81 lacs for the A.Y. 2008-09 is still pending in appeal.
4. The company is yet to file MGT 14 to be filed for exercise of the powers of the board under section 179(3).
5. The company was required to spend Rs. 16.37 Lacs on CSR activities during the year 2019-20. However it has spent only Rs. 15 Lacs.

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
C.P. No.:-2019
FCS:-3440
UDIN: F003440B000632530

Date: 29th August 2020
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 and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
C.P. No.:-2019
FCS:-3440
UDIN: F003440B000632530

Date: 29th August 2020
Place: GREATER NOIDA

ANNEXURE-B

ANNUAL REPORT ON CORPORTE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1.	A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.	The Corporate Social Responsibility (CSR) policy has been developed in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects undertaken by Kothari Fermentation and Biochem Limited ('KFBL') as per schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalized, disadvantage, poor or deprived sections of the community and the environment with objective of engaging organizational recourses and capacity to improve the social, economical and environmental conditions of the community at large through sustainable development practices and imbibing the societal values in stakeholders.The activities that the Company has undertaken under the CSR Policy are pertaining to Employment enhancing vocational skills, Health, hygiene & sanitation and Promotion of education and sport etc. The weblink of CSR Policy is http://www.kothariyeast.in/financial/policies/CSR_Policy.pdf
2.	The composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors as: 1. Mr. Pramod Kumar Kothari, Chairman – Executive Director 2. Mr. Kavita Devi Kothari, Member – Executive Director 3. Mr. Prasanna Kumar Pagaria, Member – Non Executive Independent Director
3.	Average Net Profit of the company for last 3 financial years	Rs. 8,18,52,020/-
4.	Prescribed CSR expenditure (2% ofamount)	Rs. 16,37,040/-
5.	Details of CSR activities/projects undertaken during the year:	
	a. total amount to be spent for the financial year	Rs. 16,37,040/-
	b. total amount spent	Rs. 15,00,000/-
	c. amount un-spent, if any	1,37,040
	d. manner in which the amount spent during financial year, is detailed below:	

[Pursuance to Section 135 of Companies Act, 2013 & Rules made thereunder]

S. No	Name of the CSR Project or Activities	Activities relating to (one of the items in Schedule VII in which the Projects/ Programs fall or related to)	Geographical Location (District & State)	Amount (Outlay to be spent) Rs.	Amount spent on Projects		Cumulative Expenditure up to the reporting Period	Projects implementation details; direct or through implementation Agency (IA)
					Direct Rs.	Over heads		
1.	PM CARE Fund	contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	India	10,00,000/-	10,00,000/-		10,00,000/-	Direct

S. No	Name of the CSR Project or Activities	Activities relating to (one of the items in Schedule VII in which the Projects/ Programs fall or related to)	Geographical Location (District & State)	Amount (Outlay to be spent) Rs.	Amount spent on Projects		Cumulative Expenditure up to the reporting Period	Projects implementation details; direct or through implementation Agency (IA)
					Direct Rs.	Over heads		
2.	Pond Rejuvenation Work	Ensuring Environmental Sustainability, conservation of natural resources	Village Rajarampur and Peerbiyawani near factory, distt- Bulandshahr, Uttar Pradesh	5,00,000/-	5,00,000/-		5,00,000/-	Direct
Total – Expense towards CSR activities				15,00,000/-	15,00,000/-		15,00,000/-	
In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report.				Due to the outbreak of COVID-19, the Government of India announced nationwide lockdown in the country on 24.03.2020, few projects to be executed for CSR activities remained unexecuted.				

RESPONSIBILITY STATEMENT

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

For and on behalf of the Board

Place : New Delhi
Date: 29th August, 2020

Pramod Kumar Kothari
Chairman, CSR Committee

ANNEXURE – C

The extract of Annual Return in Form MGT-9 is available on the Company's website at http://kothariyeast.in/financial/annual_report/MGT-9(2019-20).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 9.54 in respect of Mr. Pramod Kumar Kothari and 8.59 in respect of Mrs. Kavita Devi Kothari.

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

c) The percentage increase in the Median Remuneration of employees in the financial year: 11.67 %.

d) The number of permanent employees on the rolls of Company as on 31.03.2020 employees is 202.

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 2019-20 was 11.40% and the increase in mamgerial remuneration for the year was 26.67%. Since the remuneration paid to the Directors was low in comparison to the Managerial Remuneration paid to the Directors of the other companies of same size and in view of the Turnover and Profit of the company, the same has been increased this year.

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

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

ANNEXURE – 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, 2019

(I) CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION

	Particulars	For the Year ended on 31st March, 2020	For the Year ended on 31st March, 2019
1)	**Electricity**		
	a) Units Consumed	18115886	18020850
	b) Total Amount (Rs. in Lacs)	1433.90	1404.63
	c) Rate/Unit Rs.	7.92	7.79
2)	**HSD**		
	a) Quantity (Litres)	175900	261100
	b) Total Amount (Rs. in Lacs)	101.10	155.91
	c) Average Rate/Litre (Rs.)	57.48	59.71
3)	**Furnace Oil/LDO**		
	a) Quantity (Litres)	23600	30600
	b) Total Amount (Rs. in Lacs)	8.88	11.92
	c) Average Rate/Litre (Rs.)	37.63	38.95

(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, 2020	For the Year ended on 31st March, 2019
a)	Capital (Rs. in lacs)	—-	—
b)	Recurring (Rs. in lacs)	33.76	33.68
c)	Total (Rs. in lacs)	33.76	33.68
d)	Total R & D expenditure as percentage of turnover of Manufacturing activity	0.35	0.35

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Particulars	For the Year ended on 31st March, 2020	For the Year ended on 31st March, 2019
a)	Foreign exchange earnings (Rs.in lacs)	—	—
b)	Foreign exchange outgo (Rs.in lacs)	397.05	184.25

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Kothari Fermentation & Biochem Ltd. is pleased to present its Eighteenth 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 auto-matted 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 2019-2020. 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	2019-20 (Rs. In lacs)	2018-19 (Rs. in lacs)
	Manufacturing of Yeast	
a) Production (MT)	17583	18340
b) Revenue - Net sales	9674.13	9619.85
c) Result - Before Tax & Finance cost	1322.81	1418.98
Less: i) Finance cost.	234.16	169.42
ii) Other Un-allocable Exp		
Net Profit before Tax.	1088.65	1249.56
d) Net worth	5554.51	4802.45
e) PBT/NW	19.60	26.02

The company recorded a capacity utilization of 83.72% 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. Government of India declared lockdown on March 24, 2020 which was further extended time to time. The management has excercised due care in preventing the Company from the disruption to some extent. The production was slow during the initial period of lockdown but regained the normal production in later part of the first quarter of current year. However, the management will continue to closely monitor any material changes to future economic conditions.

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.The Company and its promoters have vast experience of international trading. The company is planning to commence trading division for export and import of commodities in future.

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 202 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: 29th August, 2020

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 2019-20 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 five Directors viz. Mr. Pramod Kumar Kothari (Chairman and Managing Director), Mrs. Kavita Devi Kothari (Whole-Time Director), Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria (till 29.09.2019), Mr. Piyush Kumar Goel (w.e.f. 27th September, 2019) and Mr. Hemendra Patsingh Dugar. Mr. Pramod Kumar Kothari and Mrs. Kavita Devi Kothari are the Executive Directors and the other three Directors are Independent Non-Executive Directors. The Board of the company, therefore, meets the composition criteria as required under SEBI Listing Regulations.

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

Composition & Category of Directors

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

(ii) Board meetings:

During the year, 7 Board meetings were held, i.e. on 30th May, 2019, 6th June, 2019, 12th August, 2019, 25th September, 2019, 12th November, 2019, 11th February, 2020 and 12th February. 2020. The maximum gap between any two meetings was not more than one hundred and twenty days.

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

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

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

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Director -ships #	Other Companies Board's Committees*	
					Chairman	Member
Mr. Pramod Kothari	Chairman & Managing Director	Yes	7	NIL	NIL	NIL
Mrs. Kavita Devi Kothari	Whole - Time Director	No	7	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. Prasanna Kumar Pagaria	Independent Non- executive Director	Yes	7	NIL	NIL	NIL
Mr. Hemendra Patsingh Dugar	——Do——	No	3	NIL	NIL	NIL
Mr. Piyush Kumar Goel	——Do—— (w.e.f 27.09.2019)	Yes	2	NIL	NIL	NIL
Mr. Ratan Lal Dudheria	——Do—— (Upto 29.09.2019)	No	1	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, 2020. 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, 2020, 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 1400 shares himself and through his relative of the Company. No other non-executive independent director holds any shares and convertible instruments in the Company.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 28th of February, 2020, 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 themanagement 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. Prasanna Kumar Pagaria	Corporate Governance and Compliance, Leadership, Corporate Social Responsibility, Business Planning & Strategy, Risk Management
4	Mr. Piyush Kumar Goel	Legal, Finance, Direct & Indirect taxation, Leadership, Sales & Marketing, Risk management
5	Mr. Hemendra Patsingh Dugar	Business planning and strategy, Corporate Governance and Compliance, Risk management, 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 Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The Board expressed its satisfaction of the performance of all the directors, Board and its committees which reflected the overall engagement of the Directors, the Board and its committees, with the Company.

(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.
Mrs. Kavita Devi Kothari	Whole - Time Director	Wife of Mr. Pramod Kumar Kothari, who is Chairman & Managing Director of the Company
Mr. Prasanna Kumar Pagaria	Non-executive Independent Director	No Relationship Inter se
Mr. Ratan Lal Dudheria (upto 29.09.2019)	Non-executive Independent Director	No Relationship Inter se
Mr. Piyush Kumar Goel (w.e.f 27.09.2019)	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:

  - o Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors/internal auditors, remuneration and terms of appointment of auditors.
  - o Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - o Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
  - o Approve transactions, including any subsequent modifications, of the Company with related parties.
  - o Scrutinize inter-corporate loans and investments.
  - o Valuation of undertakings or assets of the Company, wherever it is necessary.
  - o Evaluate internal financial controls and risk management systems.
  - o Review and monitor the statement of use and application of funds raised through public offers and related matters.
  - o Review the functioning of the Whistle Blower Policy/Vigil mechanism.

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

- **Powers of the Audit Committee**

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

- **Composition, Meetings and Attendance**

  The Committee met 4 times during the year, i.e. on 30th May, 2019, 12th August, 2019, 12th November, 2019 and 11th February 2020. 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. Ratan Lal Dudheria (till 29.09.2019)	Member		2
Mr. Piyush Kumar Goel (w.e.f. 27.09.2019)	Member		1
Mr. Hemendra Patsingh Dugar	Member		3

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

- **Composition, Meetings and Attendance**

Three meetings of the committee were held during the year on 30th May, 2019, 14th August, 2019 and 28th February, 2020.The composition, names of the members, chairman, particulars of the meetings, and attendance of the members during the year is as follows:

Name of the Member	Status	Category	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	Independent/ Non–executive Directors	3
Mr. Ratan Lal Dudheria(till 29.09.2019)	Member		1
Mr. Piyush Kumar Goel(w.e.f. 27.09.2019)	Member		1
Mr. Hemendra Patsingh Dugar	Member		3

- **Performance Evaluation criteria of Independent Directors**

The criteria for evaluation of Independent Directors as well as other Directors 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 2019-20, 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 2019-2020

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

PARTICULARS	MR. PRAMOD KUMAR KOTHARI	MRS. KAVITA DEVI KOTHARI
Salaries	30.00	27.00
TOTAL	**30.00**	**27.00**

(b) Non- Executive Directors:

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. Further no sitting fee was paid to the non-executive Directors during the year 2019-20 as decided by themselves for not accepting any sitting fees.

- **Policy on Board Diversity**

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

(iii) Stakeholders Relationship Committee:

- **Terms of Reference**

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

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

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

The Committee met 4 times during the year, i.e. on 30th May, 2019, 12th August 2019, 12th November, 2019 and 11th February 2020 and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	4
Mr. Pramod Kumar Kothari	Member	4
Mr. Hemendra Patsingh Dugar	Member	4

Name, Designation & Address of the Compliance Officer

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

- **Shareholders complaints and disposal thereof**

The complaints of the shareholders are either addressed to the Company Secretary or the share transfer agents of the company i.e. Abhipra Capital Limited. The status of pending shareholder's/ investor's complaints is regularly reviewed at the Stakeholders Relationship Committee Meeting on quarterly basis. Eight complaints were received and resolved during the year under review and total 401 requests were received for change of Address, bank detail updations, etc. There was no investor complaint pending as on 31.03.2020. 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 2019-20 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:**
  - o To formulate KFBL CSR strategy, policy and goals;
  - o To monitor the KFBL CSR policy and performance;
  - o To review the CSR projects/initiatives time to time
  - o To ensure legal and regulatory compliance from a CSR view point
  - o 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 1st July, 2019 and 28th February, 2020, 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
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.
27th	2016-2017	———do———	29.09.2017	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
29th	2018-2019	Re-appointment of Independent Director	27.09.2019
28th	2017-2018	NIL	28.09.2018
27th	2016-2017	NIL	29.09.2017

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) 30th Annual General Meeting:

Day, Date & Time	**Friday, 20th day of November, 2020 at 11 A.M.**
Venue	**In terms of MCA Circular No. 20/2020 dated 5th May, 2020, the Meeting will be held through Video Conferencing (VC)/ Other audio and visual means (OAVM)**

(ii) Tentative Financial Calendar:

Financial Year 2020 – 2021		
1. First Quarterly Results	(Unaudited/Limited Review)	August-September 2020
2. Second Quarterly Results	————-Do————-	October-November 2020
3. Third Quarterly Results	————-Do————-	January-February 2021
4. Fourth Quarterly Results & Annual Results	(Audited)	April-May 2021

(iii) Book Closure

Share Transfer Books and Register of Members shall remain closed from Friday, the 13th day of November, 2020 to Friday, the 20th day of November, 2020 (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 2020-2021 have been duly paid to the above stock exchange.

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

(vii) Market Price Data for the year 2019-20:

Monthly high/low prices and trading volumes of the company's shares during the financial year 2019-20 on BSE Ltd. are given hereunder:

Month	High Price	Low Price	No. of Trades	No.of Shares Traded
Apr-19	77.00	63.00	526	53268
May-19	77.55	64.55	668	48102
Jun-19	74.40	62.50	253	18035
Jul-19	74.00	55.00	335	30154
Aug-19	63.80	51.15	149	7877
Sep-19	62.45	50.15	238	13849
Oct-19	68.90	54.00	406	20696
Nov-19	60.00	45.65	440	31543
Dec-19	53.00	37.50	313	19593
Jan-20	54.80	45.50	217	11274
Feb-20	55.00	34.50	464	38123
Mar-20	40.00	25.250	344	39919

Share price chart during the year 2019-20 :-

(viii) Registrar and Share Transfer Agents

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

(ix) Share Transfer System

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

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

(x) Distribution of Shareholding

A) Distribution of Shareholding according to size class as on 31st March 2020:

S. No	Nominal Value of Equity Shares held (Rs.)	Shareholders		Shares held in each class			
		Number	%	Physical	Demat	Total	% to Total
1	Upto 5000	9157	95.07	719015	427053	1146068	7.64
2	5001 To 10000	242	2.51	36600	164583	201183	1.34
3	10001 To 20000	100	1.04	15200	135879	151079	1.01
4	20001 To 30000	33	0.34	12000	69090	81090	0.54
5	30001 To 40000	27	0.28	14300	82364	96664	0.64
6	40001 To 50000	15	0.16	13400	56191	69591	0.46
7	50001 To 100000	27	0.28	21500	178494	199994	1.33
8	Above 100000	31	0.32	160900	12893431	13054331	87.04
	TOTAL	**9632**	**100**	**992915**	**14007085**	**15000000**	**100**

B) Distribution of Shareholding across Categories as on 31st March 2020:

S.No.	Category	No. of Shares Held	% Shareholding
1.	Promoters	11237200	74.92
2.	Financial Institutions, Banks and Mutual Funds	9993	0.07
3.	NRIs, Foreign Nationals, OCBs FIIs and clearing members.	25026	0.17
4.	Indian Public	2838145	18.91
5.	HUF	70861	0.47
6.	Private Corporate Bodies	818775	5.46
	TOTAL	**15000000**	**100**

(xi) Dematerialization of Shares and Liquidity

About **93.38%** of the total equity share capital of the company was held in Dematerialization form as on 31st March, 2020 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:

- **With the Company:**

  Kothari Fermentation & Biochem Ltd.,
  1st Floor, 16, Community Centre, Saket, New Delhi – 110017
  Tel.: 011 - 26850004, 40590944
  E-mail for investors' grievance redressal : info@kothariyeast.in
  Website: www.kothariyeast.in

- **With the R & T Agent**

  The shareholders may also address their correspondence to the RTA of the Company; their address is given in point no.6 (viii) above.

(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-/Stable' 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 2019-20, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, all RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in this Annual Report.

  The Company has formulated a policy on dealing with related party transactions which has been uploaded on the website of the Company, i.e. - www.kothariyeast.in.

- **Shareholding of directors**

  Information on shares held by directors in the Company as on 31 March 2020 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.

- **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 2019-20.

- **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 2019-20	:	NIL
Number of Complaints disposed of during the year 2019-20	:	N.A.
Number of Complaints pending as on 31st March, 2020	:	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 29.08.2020 and was approved.

For and on behalf of the Board

Place: New Delhi
Date: 29.08.2020

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: 31.07.2020
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, 2020.

For and on behalf of the Board

Place: New Delhi
Date: 31.07.2020

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, 2020 as stipulated in 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

Place: New Delhi
Dated: 31.07.2020

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, 2020 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

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: F003440B000602984

Place: Greater Noida
Date: 21.08.2020

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 2020, 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, 2020, 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 31,2020. 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, 2020, the Company inventories aggregating Rs. 1549.37 lakhs, comprising 15% 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, wewere 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 theinventory 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, 2020 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 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31 March 2020 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, 2020 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:- 20413714AAAAAU3197

Place: New Delhi
Dated: 31/07/2020

Annexure - I to the Independent Auditors' Report -31st March, 2020

Referred to our' report to the members of the Kothari Fermentation & Biochem Limited as at and for the year ended 31 March 2020,

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, sales tax, value added tax, duty of customs, duty of excise, Goods and service tax, cess and other statutory dues applicable to it.

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

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

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum Where the dispute is pending
Income Tax Act	Demand of Tax (addition U/s 41(1) of the Income Tax Act,1961)	# Rs. 665.81 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:- 20413714AAAAAU3197

Place: New Delhi
Dated: 31/07/2020

Annexure - II to the Independent Auditors' Report -31st March, 2020

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 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and

testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch 2020, 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:- 20413714AAAAAU3197

Place: New Delhi
Dated: 31/07/2020

Balance sheet as at 31 March 2020

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

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3'	7,446.12	5,156.15
Capital work-in-progress		291.24	1,429.97
Financial assets			
(a) Other non-current financial assets	4'	63.29	73.29
Other non-current assets	5'	65.63	54.56
Total non-current assets		**7,866.28**	**6,713.97**
Current assets			
Inventories	6'	1,549.37	811.14
Financial assets			
(i) Trade receivables	7'	756.46	689.48
(ii) Cash and cash equivalents	8'	32.53	74.46
(iii) Bank balances other than (ii) above	9'	22.69	17.41
(iv) Other current financial assets	10'	4.15	2.67
Other current assets	11'	361.05	275.64
Total current assets		**2,726.25**	**1,870.80**
Total assets		**10,592.53**	**8,584.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12'	1,500.00	1,500.00
Other equity		4,054.51	3,302.45
Total equity		**5,554.51**	**4,802.45**
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	13'	2,004.27	1,584.49
Long-term provisions	14'	235.36	182.68
Deferred tax liabilities (net)	15'	474.54	346.89
Total non-current liabilities		**2,714.17**	**2,114.06**
Current liabilities			
Financial liabilities			
(i) Borrowings	16'	1,040.67	449.95
(ii) Trade payables	17'	480.38	357.37
(iii) Other financial liabilities	18'	532.06	617.53
Other current liabilities	19'	243.85	213.07
Current tax liabilities (net)	20'	26.89	30.34
Total Current liabilities		**2,323.85**	**1,668.26**
Total liabilities		**5,038.02**	**3,782.32**
Total equity and liabilities		**10,592.53**	**8,584.77**
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 : 31/07/2020

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Statement of profit and loss for the year ended 31 March 2020

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

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	21'	9,674.13	9,619.85
Other income	22'	315.69	9.39
Total income		**9,989.82**	**9,629.24**
Expenses			
Cost of materials consumed	23'	3,334.82	2,915.53
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	24'	(90.81)	(60.45)
Employee benefits expense	25'	804.91	724.32
Finance costs	26'	234.16	169.42
Depreciation and amortization expense	3'	443.32	365.34
Other expenses	27'	4,174.77	4,265.52
Total Expenses		**8,901.17**	**8,379.68**
Profit before tax (VI-VII)		**1,088.65**	**1,249.56**
Tax expense:			
Current tax		187.88	272.00
Deferred tax		133.78	106.45
Profit for the year (A)		**766.99**	**871.11**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(21.06)	5.67
Tax relating to remeasurement of defined benefit plans		6.13	(1.65)
Total other comprehensive income for the period (B)		**(14.93)**	**4.02**
Total comprehensive income for the year (A + B)		**752.06**	**875.13**
Earnings per equity share	28'		
Basic		5.11	5.81
Diluted		5.11	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 : 31/07/2020

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Cash Flow Statement for the year ended 31 March 2020

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

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	1,088.66	1,249.56
	Adjustments for:		
	Depreciation and amortization expense	443.32	365.34
	(Profit)/Loss on sale/discard of property, plant and equipment (net)	1.70	0.02
	Finance cost	234.16	169.42
	Interest Income	(20.51)	(9.39)
	Operating Profit Before Working Capital Changes	**1,747.33**	**1,774.95**
	Movements in working capital :-		
	(Increase)/ Decrease in Inventories	(738.23)	(302.08)
	(Increase)/ Decrease in Trade and Other receivables	(153.47)	(224.69)
	Increase/ (Decrease) in Trade and other payables	32.77	235.27
	Cash used in operations	**888.40**	**1,483.45**
	Direct taxes paid	(191.33)	(304.47)
	Net Cash Flow From operating activities	**697.07**	**1,178.98**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale/Deletion of Fixed Assets	1.56	0.94
	Interest Received on Fixed Deposits & Others	19.03	8.25
	Movement in Fixed Deposits	(5.28)	-
	Purchase of Fixed Assets including Capital Work in Progress	(1,597.81)	(1,731.42)
	Net Cash used in investing activities	**(1,582.50)**	**(1,722.23)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(Repayment) of Long Term borrowings	486.95	704.30
	Proceeds from Short Term borrowings	590.72	4.84
	Interest paid	(234.16)	(169.42)
	Net Cash Flow from Financing Activities	**843.51**	**539.72**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(41.92)**	**(3.53)**
	Cash and Cash Equivalents at the beginning of the year *	74.46	77.99
	Cash and Cash Equivalents at the end of the year *	32.53	74.46
		(41.93)	**(3.53)**

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, 2020	31st March, 2019
Cash in hand	26.40	19.14
Cheques / Drafts on hand		
Bank balances	6.13	55.32
- Current account		
	32.53	74.46

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

As per our report of even date attached.

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

Kuldeep Kothari
Proprietor
Membership No - 413714

Place : Delhi
Date : 31/07/2020

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

Pramod Kumar Kothari
Chairman & Managing Director

Hemendra Patsingh Dugar
Director

Prasanna Kumar Pagaria
Director

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2020

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

	As at 31 March 2020		As at 31 March 2019	
(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,2018	**2,430.80**	**(3.48)**	**2,427.32**
Profit for the year	871.11	**-**	**871.11**
Other comprehensive income/ (loss) for the year	-	**4.02**	**4.02**
Total comprehensive income for the year	**871.11**	**4.02**	**875.13**
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 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**

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 : 31/07/2020

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary

Notes to the financial statements for the year ended 31st March 2020

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 31st July, 2020.

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 lows.

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 Changes in Accounting policies and disclosures

New and amended Standards

The company applied Ind AS 116 for the first time. the nature and effect of the changes as a result of adoption of new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The adoption of Ind AS-116 has no material impact on the financial statements of the company.

2.26 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, 2020.

Notes to the financial statements for the year ended 31 March 2020

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

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	For the Year	Deletions	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020
Tangible Assets										
Freehold land	41.42			41.42	-			-	41.42	41.42
Leasehold land*	54.86			54.86	-				54.86	54.86
Building	323.38	23.37		346.75	179.60	8.24	-	187.84	143.78	158.91
Plant and equipment	6,991.62	2,615.13	-	9,606.75	2,339.05	375.22	-	2,714.27	4,652.57	6,892.48
Vehicles	153.02	90.62	11.07	232.57	82.78	18.30	(8.01)	93.07	70.24	139.50
Effluent Treatment Plant	532.75	-	-	532.75	388.92	27.14	-	416.06	143.83	116.69
R & D Laboratory Equipments	28.48	-	-	28.48	16.21	1.66	-	17.87	12.27	10.61
Furniture and fixtures	33.29	0.45	-	33.74	20.38	1.93	-	22.31	12.91	11.43
Factory equipments	3.91			3.91	3.45	0.13	-	3.57	0.46	0.34
Computers	-			-			-	-		-
Office equipments	87.04	6.96	2.07	91.93	63.23	10.70	(1.88)	72.05	23.81	19.88
Total	8,249.77	2,736.53	13.14	10,973.16	3,093.62	443.32	(9.89)	3,527.04	5,156.15	7,446.12
Capital work-in-progress	1,429.97	1,476.40	2,615.13	291.24	-	-	-	-	1,429.97	291.24
Total	**9,679.74**	**4,212.93**	**2,628.27**	**11,264.40**	**3,093.62**	**443.32**	**(9.89)**	**3,527.04**	**6,586.12**	**7,737.36**

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 2020

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

		As at 31 March 2020	As at 31 March 2019
4'	**Other non-current financial assets**		
	(Unsecured, Considered Good)		
	Security Deposits	63.29	73.29
		63.29	**73.29**
5'	**Other non-current assets**		
	(Unsecured, Considered Good)		
	Bank balance on deposit accounts	0.55	0.55
	Capital Advance	64.55	53.56
	Interest accrued but not due	0.53	0.45
		65.63	**54.56**
6'	**Inventories**		
	(Valued at lower of cost or net realisable value except waste at net realisable value)		
	Raw Materials & Components	975.53	371.48
	Work-in-Progress	289.71	151.01
	Finished Goods	60.60	108.48
	Stores & Spares	192.23	143.97
	Others	31.30	36.20
		1,549.37	**811.14**
	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	14.28	18.47
	Others	742.18	671.01
		756.46	**689.48**

(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	6.13	55.32
	Cash on hand	26.40	19.14
		32.53	**74.46**
9'	**Other bank balances**		
	Earmarked balances with banks:		
	in Depsosit Accounts held as Margin Money	22.69	17.41
		22.69	**17.41**
10'	**Other current Financial assets**		
	(Unsecured, Considered Good)		
	Interest Accrued on deposits	4.15	2.67
		4.15	**2.67**

Notes to the financial statements for the year ended 31 March 2020

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

		As at 31 March 2020	As at 31 March 2019
11'	**Other Current assets**		
	(Unsecured, Considered Good)		
	Advances Recoverable in cash or in kind	87.36	146.13
	Prepaid Expenses	14.79	9.75
	Recoverable from Statutory Authorities	258.90	119.76
		361.05	**275.64**
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 01.04.2019	15,000,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2020	15,000,000

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

Name of shareholder	As at 31st March,2020		As at 31st March,2019	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
(i) Sidhhant Kothari	3,727,000	24.85	3,727,000	24.85
(ii) Chaudhry Brother Traders & Builders Pvt. Ltd.	2,945,000	19.63	2,945,000	19.63
(iii) Pramod Kumar Kothari-HUF	2,451,100	16.34	2,451,100	16.34

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

			As at 31 March 2020	As at 31 March 2019
13'	**Borrowings**			
	(i) Secured			
	(a) Term Loans From a Bank		1,930.75	1,702.11
	(b) Vehicle Loan From a Bank		38.12	-
			1,968.87	**1,702.11**
	Less : Current maturity of long term borrowings disclosed under "Other financial liabilities" (Refer Note no.- 18)		359.74	292.57
		Total (i)	**1,609.13**	**1,409.54**
	(ii) Unsecured			
	- from Others (Unsecured) (From Related Party)	**Total (ii)**	395.14	174.95
		Total (i+ii)	**2,004.27**	**1,584.49**

a. Securities

(a) Loan outstanding at the end of current financial year of Rs. 426.21 (As at 31st March'2019 Rs. 460.69) carrying interest @ 10.50 - 11.25% 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. 1504.54 (As at 31st March'2019 Rs. 1241.42) carries interest @ 8.65% to 10.45% 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'2020	As at 31st March'2019	As at 31st March'2020	As at 31st March'2019
8.65 to 11.25% (previous year 9.80 to 10.50.%) linked with MCLR *	Monthly Graded	35 to 94	47 to 106	**1,609.13**	**1,409.54**

		As at 31 March 2020	As at 31 March 2019
14	**Long-term provisions**		
	Provision for employee benefits	235.36	182.68
		235.36	**182.68**

15 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31 March 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
Accrued expenses allowable on payment basis	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**

	As at 1 April 2018	Recognized in P&L	Recognized in OCI	As at 31 March 2019
Deferred Tax Assets				
MAT Credit Entitlement @	71.18	3.79	-	74.97
Employees Separation and Retirement Exp.	38.33	9.65	(1.65)	46.33
Other Timing Differences	9.81	7.47	-	17.28
Sub- Total (a)	**119.32**	**20.91**	**(1.65)**	**138.58**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/ amortization for financial reporting	358.11	127.36	-	485.47
Sub- Total (b)	**358.11**	**127.36**	**-**	**485.47**
Net Deferred Tax Liability (b)-(a)	**238.79**	**106.45**	**1.65**	**346.89**

@ 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

Current tax expense	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
	187.88	272.00
	-	-
Current year	**187.88**	**272.00**
Deferred tax expense	**-**	-
Origination and reversal of temporary differences	239.32	110.24
MAT Credit Entitlement	(105.54)	(3.79)
	133.78	**106.45**
Total Tax Expense	**321.66**	**378.45**

C. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2020			**For the year ended 31 March 2019**		
	Before tax	**Tax (Expense)/ Income**	**Net of tax**	**Before tax**	**Tax (Expense)/ Income**	**Net of tax**
Remeasurements of definedbenefit liability	(21.06)	6.13	(14.93)	5.67	(1.65)	4.02
	(21.06)	6.13	(14.93)	5.67	(1.65)	4.02

D. Reconciliation of effective tax rate

	For the year ended 31 March 2020 Amount	**For the year ended 31 March 2019 Amount**
Profit before tax from continuing operations	1,088.65	1,249.56
Tax using the Company's domestic tax rate @ 29.12%	317.01	363.87
(31 March 2020: 29.12 %)		
Tax effect of:		
Non-deductible expenses	7.17	9.65
Others (Including due to change in future tax rate)	(2.53)	4.93
Income tax expenses reported in the statement of profit and loss	**321.66**	**378.45**
Effective tax rate	**29.55%**	**30.29%**

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	1,040.67	449.95
	1,040.67	**449.95**

* 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 2020 Amount	For the year ended 31 March 2019 Amount
17	**Trade Payables***		
	For Goods and Services (including acceptances) - Other Than Micro and Small Industries	409.05	288.74
	For Goods and Services (including acceptances) - Micro and Small Industries	71.33	68.63
		480.38	**357.37**

* 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 MSME Act, 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	359.74	292.57
	Interest accrued and due on borrowings	-	-
	Creditors for capital goods	172.32	324.96
		532.06	**617.53**
19	**Other current liabilities**		
	Credit balance and advances received from customers	23.02	7.42
	Statutory dues	17.94	14.31
	Others	202.89	191.34
		243.85	**213.07**
20	**Current tax liabilities**		
	Provision for Income Tax (Net)	26.89	30.34
		26.89	**30.34**

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

		For the year ended 31 March 2020	For the year ended 31 March 2019
21'	**Revenue from operations**		
	Sale of products	9,674.13	9,619.85
	Revenue from Operations (Net)	**9,674.13**	**9,619.85**
22'	**Other Income**		
	Claims Received	295.17	-
	Interest income	7.84	8.27
	Excess provisions and unspent liabilities written back	12.68	1.12
		315.69	**9.39**
23'	**Cost of materials consumed**		
	Raw material Consumed	3,334.82	2,915.53
		3,334.82	**2,915.53**

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

		For the year ended 31 March 2020	For the year ended 31 March 2019
24'	**Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**		
	Closing Inventory		
	Work-in-Progress	289.71	151.01
	Finished Goods	60.59	108.48
	Total (A)	**350.30**	**259.49**
	Opening Inventory		
	Work-in-Progress	108.48	79.88
	Finished Goods	151.01	119.16
	Total (B)	**259.49**	**199.04**
	Total (B-A)	**(90.81)**	**(60.45)**
25'	**Employee benefits expense**		
	Salaries, Wages and Bonus	685.71	601.84
	Contribution to provident and other funds	65.24	67.16
	Staff welfare expenses	53.96	55.32
		804.91	**724.32**
26'	**Finance cost**		
	Interest expenses	218.16	160.21
	Other borrowing costs	16.00	9.21
		234.16	**169.42**
27'	**Other expenses**		
	Consumption of stores and spares	329.05	260.06
	Power, fuel and water charges	2,561.28	2,858.51
	Rent	42.90	32.17
	Rates and taxes	9.06	35.53
	Repairs & Maintenance		
	- Building	43.20	35.05
	- Plant & Machinery	252.65	210.73
	- Others	40.96	44.27
	Research & Development	33.76	33.68
	Printing,Postage & Telephone	16.61	20.49
	Travelling & Conveyance	77.92	69.26
	Legal & Professional Charges	15.13	27.02
	Auditors Remuneration #	3.11	3.11
	Bad Debts/ Claims	55.07	22.36
	Handling, Forwarding & Transportation	598.79	523.81
	Loss on Sale of Assets	1.70	0.02
	Miscellaneous expenses ^	93.58	89.45
		4,174.77	**4,265.52**
	# 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	767.00	871.11
	Weighted average number of equity shares of Rs. 10/- each (Nos)	15,000,000	15,000,000
	EPS - Basic and Diluted (per share in Rs.)	**5.11**	**5.81**

Notes to the financial statements for the year ended 31 March 2020

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

		As at 31 March 2020	As at 31 March 2019
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.665.81 Lakhs under Income Tax Act disputed in Appeal.*	665.81	665.81
(c)	Outstanding Bank Guarantees	208.24	169.38

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 is asessisng all the legal options availavle for an early resolution of the issue. it 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	317.82	126.15

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 on retained earnings as on 1 April 2019 and the audited financial results for the quarter and year ended 31 March ,2020.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. 42.90 lacs for the year ended March 31,2020

32' Borrowing Cost

During the year, company has capitalized borrowing cost amounting to Rs. 36.61 Lacs (Previous year Rs.22.90 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 ~10.10%).

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. 32.05).

(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 2020. 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 2020	31 March 2019
Net defined benefit (liability) / asset	(204.77)	(159.07)
Liability for Gratuity		
Non-current	220.02	181.86
Current	21.02	11.74

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 2020			31 March 2019		
	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	193.60	34.53	159.06	170.39	28.29	142.10
Included in profit or loss						
Service costs	15.51	-	15.51	12.63	-	12.63
Interest cost / (income)	13.55	(2.42)	11.13	13.20	(2.20)	11.00
	29.06	(2.42)	26.64	25.83	(2.20)	23.63
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	14.00	-	14.00	(0.68)	-	(0.68)
- experience adjustment	6.52	-	6.52	(1.66)	-	(1.66)
- on plan assets		0.54	0.54	-	(3.32)	(3.32)
	20.52	0.54	21.06	(2.34)	(3.32)	(5.66)
Other						
Contributions paid by the employer		2.00	(2.00)		1.00	(1.00)
Benefits paid	(2.14)	(2.14)	-	(0.28)	(0.28)	-
Acquisition adjustment			-			-
	(2.14)	(0.14)	(2.00)	(0.28)	0.72	(1.00)
Balance as at 31 March	241.04	36.27	204.77	193.60	34.53	159.07

C. Plan assets

	31 March 2020	31 March 2019
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 2020	31 March 2019
Discount rate	7.00%	7.75%
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 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(17.85)	20.20	(14.55)	16.45
Expected rate of future salary increase (1% movement)	19.80	(17.85)	16.25	(14.64)

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	Tech. Director (Son of Mr. Pramod Kumar Kothari)
Mr. Prasanna Kumar Pagaria	Non Executive Director
Mr.Hemendra Patsingh Dugar	Non Executive Director
Mr. Ratan Lal Dudheria	Non Executive Director (Term Expired on 29.09.2019)
Mr.Piyush Kumar Goel	Non Executive Director (Appointed on 27.09.2019)
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 2020**	**31 March 2019**
a)	**Payments to Key Managerial Personnel and their relatives**				
	Mr. Pramod Kumar Kothari	Directors' Remuneration	Short Term Employee Benefits	30.00	24.00
		Rent Paid	Others	12.00	9.50
	Mrs. Kavita Kothari	Directors' Remuneration	Short Term Employee Benefits	27.00	21.00
		Rent Paid	Others	12.00	9.50
	Mr. Siddhant Kothari	Salary	Short Term Employee Benefits	7.20	4.80
		Advance	Others	-	1.00
	Chief Financial Officer	Salary	Short Term Employee Benefits	6.55	6.93
	Company Secreatary	Salary	Short Term Employee Benefits	5.50	4.89

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	4.95
Loan taken	395.25	192.00
Interest paid	17.98	13.67

			For the year ended	
	Closing Balance		**31 March 2020**	**31 March 2019**
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	395.14	174.95

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 2020		As at 31 March 2019	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Loans				
Non Current	-	-	-	-
Current				
Trade receivables	-	756.46	-	689.48
Cash and cash equivalents	-	32.53	-	74.46
Bank balances other than above	22.69	17.41		
Others				
Non Current	-	63.29	-	73.29
Current	-	4.15	-	2.67
	-	879.12	-	857.31

	As at 31 March 2020		As at 31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Long Term Borrowings	-	2,004.27	-	1,584.49
Other non-current financial liabilities	-	-		
Short terms borrowings	-	1,040.67	-	449.95
Trade payables	-	480.38	-	357.37
Other current financial liabilities	-	532.06	-	617.53
	-	4,057.38	-	3,009.34

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 2020			
	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 2020		As at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non-current financial assets	63.29	63.29	73.29	73.29
Trade receivables	756.46	756.46	689.48	689.48
Cash and cash equivalents	32.53	32.53	74.46	74.46
Bank balances other than above	22.69	22.69	17.41	17.41
Other current financial assets	4.15	4.15	2.67	2.67
	879.12	**879.12**	**857.31**	**857.31**

	As at 31 March 2020		As at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	2,004.27	2,004.27	1,584.49	1,584.49
Other non-current financial liabilities	-	-	-	-
Short term borrowings	1,040.67	1,040.67	449.95	449.95
Trade payables	480.38	480.38	357.37	357.37
Other current financial liabilities	532.06	532.06	617.53	617.53
	4,057.38	**4,057.38**	**3,009.34**	**3,009.34**

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 31,2020.

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. 756.46 (31 March 2019– Rs. 689.48).

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2020	742.18	4.69	9.59	756.46
As at 31.03.2019	671.01	7.69	10.78	689.48

During the period, the Company has made write-offs of trade receivables for Rs.8.38 lakhs and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment

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

Reconciliation of loss allowance provision – Trade receivables

	31 March 2020	31 March 2019
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 2020	31 March 2019
Floating rate		
Expiring within one year (bank overdraft and other facilities)	259.33	50.05
Expiring beyond one year (bank loans)	-	
	259.33	**50.05**

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 2020	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2364.01	2,364.01	359.74	812.55	946.86	244.87
Short term borrowings	1040.67	1040.67	1040.67	-	-	-
Trade & Other payables	652.70	652.70	652.70	-	-	-
Total non-derivative liabilities	**4057.38**	**4057.38**	**2053.11**	**812.55**	**946.86**	**244.87**

	Carrying Amounts			Contractual cash flows		
	31 March 2019	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1877.06	1877.06	292.57	535.09	672.75	376.65
Short term borrowings	449.95	449.95	449.95	-	-	-
Trade & Others payables	682.33	682.33	682.33	-	-	-
Total non-derivative liabilities	**3,009.34**	**3,009.34**	**1,424.85**	**535.09**	**672.75**	**376.65**

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 2020	31 March 2019
i. Receivable	-	-
ii. Payable	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 2020 and 31 March 2019, 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 2020	31 March 2019
Fixed-rate instruments		
Financial assets	85.98	90.70
Financial liabilities		-
	85.98	90.70
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	3,404.67	2,327.01
	3,404.67	2,327.01

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 2020				
Variable-rate instruments	17.02	(17.02)	12.07	(12.07)
Cash flow sensitivity	**17.02**	**(17.02)**	**12.07**	**(12.07)**
31 March 2019				
Variable-rate instruments	11.64	(11.64)	8.25	(8.25)
Cash flow sensitivity	**11.64**	**(11.64)**	**8.25**	**(8.25)**

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	**31.03.2020**	**31.03.2019**
Equity Share Capital	1,500.00	1,500.00
Other Equity	4,054.52	3,302.45
Total Equity	**5,554.52**	**4,802.45**
Non-Current Borrowings	2,004.27	1,584.49
Current maturities of Non-Current Borrowings	359.74	292.57
Current Borrowings	1,040.67	449.95
Total Debts	**3,404.68**	**2,327.01**
Capital and Net debt	8,959.20	7,129.46
Gearing Ratio	38%	33%

38' The accelarated outbraeak of Coronavirus (Covid-19) across the globe and in india , has disrupted the economic activities with high uncertanity.Goverment of India Declared Lockdown on March 24,2020 which was further extended from time to time. The management 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 31,2020. There is no material impact on these financial results and performance of the company for the year ended March 31,2020 owing to the pandemic. The company, being in manufacture of product covered under essential supplies, has seen a steady improvement in the supply chain with increased regulator support and labour availability since the annoucement of Lockdown on March 24,2020. 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 from 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 : 31/07/2020	Chief Financial Officer	Company Secretary	

NOTES

HIGH QUALITY YEAST PRODUCTS
FOR DOMESTIC AND EXPORT MARKET

INSTANT YEAST
COMPRESSED YEAST
LIVE YEAST CULTURE
INACTIVE DRIED YEAST
DISTILLER'S DRIED YEAST
MONO OLIGO SACCHARIDES
YEAST AUTOLYZATE EXTRACT POWER

FOR

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

KF INSTANT Yeast IMPROVED QUALITY

KOTHARI'S FOUR SEASONS

KF MOS

KOTHARI'S SUNRISE INACTIVE DRIED YEAST

KF LIVE Yeast

KOTHARI'S SUNRISE FRESH YEAST

HIGH POWER

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