23rd Annual Report 2012-13

KOTHARI FERMENTATION AND BIOCHEM LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Isha Gupta

BANKERS

State Bank of Bikaner & Jaipur
ICICI Bank Limited
Standard Chartered Bank
Punjab National Bank
HDFC Bank

AUDITORS

NAHATA JAIN & ASSOCIATES
Chartered Accountants
New Delhi

REGISTERED OFFICE

1st Floor, 16, Community Centre, Saket,
New Delhi - 110 017

FACTORY

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

SHARE TRANSFER AGENT

Abhipra Capital Limited
Ground Floor - Abhipra Complex,
Dilkhush Industrial Area,
A-387, G.T. Karnal Road,
Azadpur, Delhi - 110 033

* & ** Appointment subject to approval of members in this AGM.

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KOTHARI FERMENTATION AND BIOCHEM LTD.

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

NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY THIRD ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on **Saturday, the 28th day of September, 2013 at 10:00 A.M.** at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019, to transact the following businesses:

AS ORDINARY BUSINESS

1 To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on 31st March, 2013 together with Reports of Directors and Auditors thereon.

2. To appoint a director in place of Mr. Ratan Lal Dudheria, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint the auditors and to fix their remuneration, M/s Nahata Jain & Associates, Chartered Accountants (Regn. No. 016351N), New Delhi, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

AS SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification (s), the following resolution AS ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals including of Central Government, if necessary, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Pramod Kumar Kothari, Managing Director of the Company to be designated as Chairman and Managing Director of the Company for a period of 5(Five) years w.e.f 1st April, 2013.

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below and such remuneration will not exceed the limits specified in Section I of Part II of Schedule XIII of the Companies Act, 1956:

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

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

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

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

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

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

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

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter, increase or widen the scope of remuneration and perquisites but subject to and in accordance with the provisions prescribed in the Schedule XIII 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 incurs a loss or its profits are inadequate, the Company shall pay to Mr. Pramod Kumar Kothari the remuneration by way of salary not exceeding the limits specified under Paragraph 2 of Section II, Part II of Schedule XIII of the Companies Act,1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the government from time to time as minimum remuneration.

5. To consider and if thought fit to pass with or without modification (s), the following resolution AS ORDINARY RESOLUTION:

"RESOLVED THAT Mrs. Kavita Devi Kothari, who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose, Mrs. Kavita Devi Kothari as a candidate for the office of the Director, be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 198, 269, 309, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals including of Central Government, if necessary, consent of the members of the Company be and is hereby accorded to the appointment of Mrs. Kavita Devi Kothari as the Whole Time Director of the Company for a period of 5(Five) Years w.e.f. 1st April, 2013.

RESOLVED FURTHER THAT the remuneration and terms and conditions as set out below and such remuneration will not exceed the limits specified in Section I of Part II of Schedule XIII of the Companies Act, 1956:

a) Salary Rs. 60,000/- per month.

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

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

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

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

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

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

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

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

RESOLVED FURTHER THAT notwithstanding the statements made above where in any financial year, the company incurs a loss or its profits are inadequate, the company shall pay to Mrs. Kavita Devi Kothari the remuneration by way of salary not exceeding the limits specified under Paragraph 2 of Section II, Part II of Schedule XIII of the Companies Act,1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the government from time to time as minimum remuneration.

NOTES

1. **a) A member entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. However, the company shall have the right to fully verify the identity of proxy.**

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

   c) Members / Proxies should bring the attendance slip duly filled in for attending the meeting.

2. Members attending the meeting are requested to bring their copy of Annual Report, as extra copies will not be supplied.

3. The Explanatory Statement setting out the material facts concerning Special Business as Item Nos. 4 & 5 of the accompanying notice as required by Section 173(2) of the Companies Act, 1956, is annexed hereto. The relevant details of persons seeking re-appointment under Item No. 2, 4 & 5, as required by clause 49 IV (G) (i) of the listing agreement with the Stock Exchanges are also annexed.

4. Members who are holding physical shares in identical names in more than one folio are requested to write to the Company/Share Transfer Agent to enable the Company to consolidate their holdings in one folio. Further, members are also requested to immediately notify to the Company/Share Transfer Agent any change in their address with the postal area pin code number quoting their folio number.

5. Register of Members of the Company will remain closed from Thursday, the 12th September 2013 to Saturday, the 28th September 2013 (both days inclusive) for the purpose of Annual General Meeting.

6. All documents referred to in the notice are open for inspection at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of meeting.

7. Demat facility: The shares of the company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The company had signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Limited. The company's shares bear ISIN INE991B01010 with both the depositories. The shareholders are requested to get their shares in Demat form.

8. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready at the time of Annual General Meeting.
9. The Management is confident of shareholders' co-operation for smooth conduct of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Pramod Kumar Kothari is the Director of the Company since 01.04.1992. He was appointed as Managing Director w.e.f. 01.09.2009 and the terms and conditions of his appointment were last revised on 01.09.2009 for Five Years by passing the Special Resolution by the shareholders at the AGM held on 30.09.2009.

Due to sad demise of Mr. Moti Lal Kothari, Chairman of the Company, the responsibilities of Mr. Pramod Kumar Kothari, Managing Director of the Company, have tremendously increased. Now he is also looking after technical, legal and operational functions along with day to day affairs of the Company.

Keeping in view of the increase in the responsibilities shouldered by him and his rich and diversified experience in the industry and steep rise in cost of living , it is deemed appropriate to increase his remuneration from Rs. 25,000/- to Rs. 75,000/- Per Month and also to be re-designated as Chairman cum Managing Director of the Company.

The Board recommends and proposes to pass the resolution as set out in item No. 4 of the Notice as an Ordinary Resolution.

None of the Directors except Mr. Pramod Kumar Kothari and Mrs. Kavita Devi Kothari are concerned or interested in the resolution.

ITEM NO. 5

In order to broad base the Board of Directors, Mrs. Kavita Devi Kothari was appointed by the Board as an Additional Director in the category of Executive Director of the Company w.e.f. 1st April, 2013 to hold office till the date of the ensuing Annual General Meeting. The Board ensured that this appointment was in compliance with the prevailing Corporate Governance Rules as prescribed.

Mrs. Kavita Devi Kothari has a considerable experience of finance and marketing functions as she is running an export business for over 10 years. So, it will be in the interest of the Company to designate her as a Whole Time Director of the Company.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company.

The Board recommends for the appointment of Mrs. Kavita Devi Kothari and proposes to pass the resolution as set out in item No. 5 of the Notice as an Ordinary Resolution.

None of the Directors except Mrs. Kavita Devi Kothari and Mr. Pramod Kumar Kothari are concerned or interested in the resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Mr. Ratan Lal Dudheria aged about 69 years. He is a businessman in Guwahati (Assam). He was appointed as director of the company on 10.03.2003 and continuing since then.

Mr. Pramod Kumar Kothari aged about 48 years is an Engineer and has an experience of Business, Trade and Industry for over 25 years. He is also a Promoter Director and has been associated with the Company since Incorporation.

Mrs. Kavita Devi Kothari aged about 45 years is a Graduate and has considerable experience of finance and marketing functions as she is running an export business for over 10 years.

By order of the Board

For KOTHARI FERMENTATION & BIOCHEM LTD.

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

Isha Gupta
Company Secretary

Dated: 12th August, 2013

DIRECTORS' REPORT

TO THE MEMBERS OF
KOTHARI FERMENTATION AND BIOCHEM LTD.

Your directors are pleased to present the 23rd Annual Report together with the Audited Accounts for the year ended on 31st March 2013:

1. FINANCIAL RESULTS

(Rs. in lacs)

	2012-2013	2011-2012
Turnover	**4390.50**	3524.90
Profit before Finance Charges & Depreciation	**505.48**	478.67
Finance Charges	**118.22**	103.44
Depreciation	**149.43**	143.04
Profit before Tax	**237.83**	232.19
Taxes (Deferred Tax)	**73.86**	71.80
Net Profit/ (Loss) after Tax	**163.97**	160.39

2. OPERATIONS

The introduction of professional approach towards management of the resources of the company helped in the company's growth and efficient and effective utilization of the same. During the year, capital expenditure incurred on equipments resulted in better utilization of plant & machineries. Also various steps initiated in the previous years for increasing production and improving operating efficiencies have paved the way towards meeting the growth targets of the company.

The company achieved production of 9702 MT during 2012-13 as compared to 8481 MT in previous year. Resultantly the turnover of the company from manufacturing activities has increased to Rs. 4390.50 Lacs during the year 2012-13 as compared to Rs. 3524.90 Lacs during previous year recording the growth of 24%. The profitability of the company is Rs. 163.97 Lacs during the year 2012-13 as compared to profit of Rs. 160.39 Lacs during previous year.

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

3. CURRENT YEAR'S OUTLOOK

In view of the efforts made, it is noteworthy to mention that the company achieved positive results even against the backdrop of general slowdown in the economy and greater stress in several other industries, such as textiles, steel, mining, infrastructure, etc.

Also the company has made additional investments in plant & machineries and is optimistic of achieving higher levels of production. Various control systems have been deployed for the reduction of costs and improving of the operating efficiencies.

Further, it is expected that the production and profitability of the company will substantially improve during the current year.

4. FIXED DEPOSITS

The Company has not accepted any deposit from public during the year under review, which would fall under section 58-A of the Companies Act, 1956.

5. DIRECTORS

During the year, the company suffered with an irreparable loss in the form of sudden demise of Mr. Moti Lal Kothari, Chairman of the Company on 03.09.2012.

Mr. Moti Lal Kothari, was a great visionary, a great leader and above all a great humanist who showered equal love and regard for all irrespective of their positions in society.

He was the Promoter Director of the Company, whose contributions were commendable and unparallel. His sincere efforts, guidance and wise advises helped the company achieve its present position and hope that it would flourish and fulfill the dreams and visions as sought by our beloved Mr. Moti Lal Kothari.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ratan Lal Dudheria is retiring from the Board by rotation and being eligible offers himself for reappointment.

Mr. Pramod Kumar Kothari was appointed as the Managing Director by the Shareholders in the AGM held on 30.09.2009. Due to the sad demise of Mr. Moti Lal Kothari, responsibilities of Mr. Pramod Kumar Kothari, Managing Director of the Company has tremendously increased, thus, he is proposed to be re-appointed with varied terms and conditions.

Mrs. Kavita Devi Kothari was appointed as Additional Director by the Board on 01.04.2013. She was also appointed as the Whole-Time Director of the Company w.e.f. 01.04.2013 for a period of 5 (Five) years, subject to the approval of the members in this Annual General Meeting.

The Board recommends their appointment as such.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec.217 (2AA) of the Companies Act, 1956 the directors 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 judgment 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 2012-13 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 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.

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

The statement containing the necessary information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed to this report as **Annexure-I.**

8. PERSONNEL

Your company maintains harmonious and cordial relations with all its employees. No employee is drawing salary more than the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

9. AUDITORS

M/s Nahata Jain & Associates, Chartered Accountants (Regn. No. 016351N), auditors of your company retire at the ensuing annual general meeting and being eligible offers themselves for re-appointment. The Board recommends their appointment as auditors from the conclusion of this meeting to the conclusion of next annual general meeting. The notes on accounts are self-explanatory with regards to auditors' observations.

10. COMPLIANCE CERTIFICATE FROM COST AUDITORS

Pursuant to section 233B of Companies Act, 1956 read with Cost Audit Rules 2011, the Company will receive the Cost Audit Report for the Financial Year - 2012-13 from M/s HMVN & Associates, Cost Accountants, Delhi and would file the same with the Government within stipulated time.

The Cost Audit Report for the financial year 2011-2012 which was due to be filed with the Ministry of Corporate Affairs on or before January 31, 2013 was filed on January 22, 2013.

The Board of Directors of your Company has recommended M/s HMVN & Associates, Cost Accountants, Delhi to be appointed as a Cost Auditors for the Financial Year-2013-14, subject to approval of the Central Government under section 233B of the Companies Act, 1956.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Corporate Governance Report is made a part of this annual report.

A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached with this report.

The Company is complying with Clause 49 of the Listing Agreement with regard to Corporate Governance and reports to that effect are being regularly filed with the Stock Exchanges. The Company has obtained declaration from the Directors and Senior Management members of the Company for compliance of code of conduct and the Certificate from CEO/CFO was placed before the Board of Directors.

12. MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis (MDA), which forms part of this Report, inter-alia, deals adequately with the operations and also the current and future outlook of the Company.

ACKNOWLEDGEMENTS

Your Board of Directors are 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, Bankers, Dealers, Vendors and other stakeholders of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 12th August, 2013

Pramod Kumar Kothari
Managing Director

ANNEXURE – I

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2013.

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

	FOR THE YEAR ENDED ON 31ST MARCH, 2013	FOR THE YEAR ENDED ON 31ST MARCH, 2012
1. CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION		
The company, in order to conserve its Energy, Power and Fuel Consumption, has started using agro - fuels in the form of Husk, which helps in better steam generation and thus reducing costs. The use of Agro-Fuel in the Manufacturing Process has the advantage of reduced emission of greenhouse gases. They are a much cleaner source of energy than conventional sources. Hence, an environment - friendly source of Steam Generation by boilers.		
a) Electricity		
Units Consumed	**8586000**	8005538
Total Amount (Rs. in Lacs)	**553.30**	458.56
Rate/Unit Rs.	**6.44**	5.73
b) HSD/Furnace Oil		
Quantity (litres)	**228000**	46540
Total Amount (Rs. in Lacs)	**92.13**	17.23
Average Rate per Ltr. (Rs.)	**40.41**	37.02
c) Agro Fuel		
Quantity (MT)	**7329.75**	3541.18
Total Amount (Rs. in Lacs)	**265.16**	125.76
Average Rate per MT (Rs.)	**3617.56**	3551.76
2. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT		
Through continuous Research and Development efforts, the company has been able to maintain the quality of yeast products as compared with its competitor multinational companies. The company is constantly working to enter into markets, other than Bakeries, and had engaged a team of talented scientists and engineers to develop technologies for the manufacturing of Yeast based products needed for Distilleries, Feed, Food Pharmaceuticals and Biotech Industries.		
EXPENDITURE ON RESEARCH AND DEVELOPMENT		
a) Capital (Rs. in lacs)	**2.66**	1.88
b) Recurring (Rs. in lacs)	**17.59**	17.95
c) Total (Rs. in lacs)	**20.25**	19.85
d) Total R & D expenditure as percentage of turnover of Manufacturing activity	**0.46**	0.56
3. FOREIGN EXCHANGE EARNINGS AND OUTGO		
Foreign exchange earnings (Rs.in lacs)	**–**	–
Foreign exchange outgo (Rs.in lacs)	**42.46**	201.82

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Kothari Fermentation & Biochem Ltd. is pleased to present its Eleventh Analysis report covering segment wise performance and outlook.

The Financial Year 2012-2013 was the year of moderation for the Indian Economy. As per the provisional estimates of the Central Statistical Organization, the GDP growth for 2012-2013 was estimated lower at 5% compared to a 6.2% in the previous year.

In such an environment, the growing companies are often hampered by business systems that simply cannot keep up with the changing requirements, but your company with the philosophy of sound business ethics and strong professional acumen aligns the interests of all the segment of its stakeholders and the society at large.

Your company has also been implementing a General Information System (GIS) in the organization and also providing Revenue Management Services to utilities over the past few years and continues to get new customers.

The company has business of Manufacturing Yeast during the year 2012-13.

Industry Structure and Developments

The Indian yeast Industry, there are three major companies manufacturing yeast including our company. The other two companies are multinational companies. With an excellent team of technical and commercial professionals with expertise in yeasts manufacture, we offer better quality of our products in comparison to the products of the other multinational companies.

Opportunities and Threats

The growth of yeast market is directly linked to the increasing trend of processed and fast food items, especially bakery items. As per the current trend, India is presently one of the most promising markets for Baker's yeast, as its demand is continuously increasing with the rise in population and changing habits of Bakery products. India's estimated per capita consumption of bread, as compared to other European and developing countries of Asia is amongst the lowest.

The company is constantly working to enter into markets, other than Bakeries, and had engaged a team of talented scientists and engineers to develop technologies for the manufacturing of Yeast based products needed for Distilleries, Feed, Food Pharmaceuticals and Biotech Industries.

Due to presence of Multi National Companies (MNCs) in yeast industries in India, the competition in the market is obvious. Your Company, through continuous Research and Development efforts, has been able to maintain the quality of yeast products as compared with the multinational companies.

Further the yeast industries is subjected to pollution problems and although the company has achieved zero discharge of polluted water by installing MEE (Multi Effect Evaporator) yet rare pollution problems cannot be ruled out.

Segment wise Performance

Manufacturing of Yeast is the only business segment of the Company during the year 2012-2013. The brand names - Kothari "SUNRISE", "KF" and "FOUR SEASONS" have been well established in the domestic and export market. The company has already exported its products to various countries.

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

Future Outlook

The company is regularly reviewing its whole structure and making changes for future improvements. Your directors are confident of further increase in production during the current year. The company is constantly working to enter into markets for the manufacturing of Yeast based products needed for Distilleries, Feed, Food Pharmaceuticals and Biotech Industries.

However, continuous increase in power tariffs and fuel costs are deterrent to the growth and profitability of the company. But, various control systems have been deployed for the reduction of costs and improving of the operating efficiencies. The Company expects to earn more profits in current year by higher production and efficiency.

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 organisation.

Discussion on Financial Performance with respect to Operational Performance

Particulars	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
	Manufacturing of Yeast	Manufacturing of Yeast
a) Revenue		
— Net sales	**4390.50**	3524.90
b) Result		
— Before Tax & Interest	**356.05**	335.63
Less:		
i) Finance Exp.	**118.22**	103.44
ii) Other Unallocable Exp.		
Net Profit before Tax.	**237.83**	232.19
c) Capital Employed	**2769.91**	2605.95

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

The Company believes that the competence and commitment of its people are the key drivers for growth of the organization. There have been excellent relations between the employees at various levels and the management. The managers help employees identify obstacles and teach them leadership techniques through training, mentoring and coaching. The Company responds to genuine grievances of employees in order to foster warm and cordial relationships between the management and the employees, increases job satisfaction of employees and ensures that employees can add value to their lives. There were 155 persons directly employed by the Company during the previous financial year on an average basis.

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 could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Place : New Delhi
Date : 12th August, 2013

Pramod Kumar Kothari
Managing Director

REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. The report on corporate governance for the year 2012-13 is given below:

1. Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The company believes that strong corporate governance practices should be integral to all activities of the company to ensure efficient conduct of the affairs, while upholding the core values of transparency, integrity, accountability and honesty. Accountability improves decision-making and transparency helps to explain the rationale behind decisions, and thereby builds shareholders and other stakeholder's confidence.

The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors:

(i) The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

Earlier in the year, the Board of Directors consisted of five Directors viz. Mr. Moti Lal Kothari (Chairman and Managing Director)*, Mr. Pramod Kumar Kothari (Managing Director), Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri. Mr. Moti Lal Kothari and Mr. Pramod Kumar Kothari were the Executive Directors and the other three Directors are Independent Non-Executive Directors. The company, therefore, meets the composition criteria. Mr. Moti Lal Kothari looked after finance and overall management of the company, and Mr. Pramod Kumar Kothari looks after the technical and marketing side of the company.

Due to the sad demise of Mr. Moti Lal Kothari, the Board's constitution had to undergo a change. To broad base the Board, Mrs. Kavita Devi Kothari was appointed as the Additional Director of the Company w.e.f. 01.04.2013.

As of now, the Board comprises of Mr. Pramod Kumar Kothari (Managing Director), Mrs. Kavita Devi Kothari (Executive Director), Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri. The company, thus, meets the composition criteria.

The appointment of Mr. Pramod Kumar Kothari as the Managing Director was approved by the Shareholders in the AGM held on 30.09.2009 but now the responsibilities of Mr. Pramod Kumar Kothari, Managing Director of the Company, has tremendously increased. He now looks after the technical, legal and overall management of the Company. Thus, he is proposed to be re-appointed as Chairman and Managing Director with varied terms and conditions. Mrs. Kavita Devi Kothari was appointed as Additional Director by the Board on 01.04.2013. She was also appointed as the Whole-Time Director of the Company w.e.f. 01.04.2013 for a period of 5 (Five) years, subject to the approval of the members in this Annual General Meeting. The required resolutions along with the explanatory statement are provided in this Annual Report.

Composition & Category of Directors

Particulars	Number of Directors	Percentage of composition
Executive Director	2	40%
Non-executive Independent Director	3	60%
Total	5	100%

* Mr. Moti Lal Kothari (Chairman and Managing Director) expired on 03.09.2012.

(ii) During the year under review, 10 Board meetings were held on April 09, 2012, May 09, 2012, May 14, 2012, July 11, 2012, August 14, 2012, August 29, 2012, September 12, 2012, November 10, 2012, December 01, 2012 and February 13, 2013. The composition of the Board of Directors, Attendance of Directors at the Board Meetings and Annual General Meeting and also the number of other directorships in Indian Public Limited Companies and memberships of the committees of the Board of such companies are as follows:

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Directorships#	Other Board's Committees	
					Chairman	Member
Mr. Moti Lal Kothari*	Executive Promoter director	No	5	1	NIL	NIL
Mr. Pramod Kumar Kothari	–Do–	Yes	10	1	NIL	NIL
Mr. Prasanna Kumar Pagaria	Independent Non-executive	No	7	NIL	NIL	NIL

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Directorships#	Other Board's Committees	
					Chairman	Member
	Director					
Mr. Ratan Lal Dudheria	–Do–	No	4	NIL	NIL	NIL
Mr. Kapil Dev Puri	–Do–	Yes	10	1	NIL	NIL

Number of other Directorships held in Public Limited Companies

*Mr. Moti Lal Kothari (Chairman and Managing Director) expired on 03.09.2012.

(iii) **Disclosure of relationships between Directors inter-se**

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

*Mr. Moti Lal Kothari (Chairman and Managing Director) expired on 03.09.2012.

** Mrs. Kavita Devi Kothari was appointed as the Whole-Time Director of the Company w.e.f. 01.04.2013 for a period of 5 (Five) years, subject to the approval of the members in this Annual General Meeting.

3. Committees of the Board

There are three committees of the Board of Directors, which have been delegated adequate powers to discharge their respective functions. These Committees are - (i) Audit Committee, (ii) Remuneration Committee, (iii) Shareholders'/Investors' Grievance Committee. The details of these committees are as follows:

(i) Audit Committee

- **Terms of Reference**

  As per clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, an Audit Committee exists in the company which has been delegated all the requisite functions and powers. The committee also approves the internal audit program and discusses with internal auditors and regular auditors, their observations, suggestions and findings, internal control system, scope of audit and other related matters. Audit Committee also advises the management on the areas where internal audit can be improved. It also discusses the major accounting policies followed by the company apart from the finalization of Quarterly Results and Annual Accounts for the recommendation to the Board of Directors. The minutes of the Audit Committee meetings are regularly placed before the Board of Directors in their meeting and approved by them.

- **Composition**

  The Committee was reconstituted on 14.11.2011 with Mr. Prasanna Kumar Pagaria as Chairman along with Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri, as members. All three of them are non-executive independent Directors. Permanent invitees to the committee included Mr. Moti Lal Kothari*, Managing Director, who was also the Director In-charge of Finance, the Statutory Auditors and the Internal Auditors.

  Mr. Pramod Kumar Kothari, Managing Director, is the permanent invitee to the Audit Committee after the sad demise of Mr. Moti Lal Kothari.

  The company secretary is the Secretary of the committee. The Committee met 5 times during the year and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	5
Mr. Ratan Lal Dudheria	Member	3
Mr. Kapil Dev Puri	Member	5

- **Whistle Blower Policy**

  The Company has communicated to all its employees the "Whistle Blower Policy" and the Company has not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and that it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

(ii) Remuneration Committee

- **Terms of Reference**

  The Board of Directors reconstituted the Remuneration Committee on 14.11.2011 with Mr. Prasanna Kumar Pagaria as Chairman along with Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri, all three non-executive independent Directors. The powers of Remuneration Committee are to recommend and approve the remuneration payable to Managing Director, Whole - Time Director and also to review and approve recruitment policy, compensation package including annual increments, promotions etc. of senior executives.

- **Composition**

  The committee consists of three non-executive independent Directors viz. Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria and Mr. Kapil Dev Puri. One meeting of the committee was held during the year and the attendance at the meeting was as follows:

Name of the Member	Status	No. of Meeting attended
Mr. Prasanna Kumar Pagaria	Chairman	1
Mr. Ratan Lal Dudheria	Member	1
Mr. Kapil Dev Puri	Member	1

- **Remuneration Policy**

  The Remuneration payable to the Directors and employees is linked with the performance of the company.

Details of Remuneration paid to Directors for the year 2012-2013

(a) Executive Directors:

PARTICULARS	MR. MOTI LAL KOTHARI* (Rs.)	MR. PRAMOD KUMAR KOTHARI (Rs.)
Salaries	1,50,000	4,50,000
TOTAL	**1,50,000**	**4,50,000**

*Mr. Moti Lal Kothari (Chairman and Managing Director) expired on 03.09.2012.

(b) Non- Executive Directors:

No Remuneration was paid to Non-executive Directors during the year 2012-13. Further no sitting fee was paid to the non-executive Directors during the year 2012-13.

(iii) Shareholders'/Investors' Grievance Committee:

- **Terms of Reference and Composition**

  The Board of Directors reconstituted the "Shareholders'/Investors' Grievance Committee" in its meeting held on 12.09.2012, with Mr. Prasanna Kumar Pagaria as Chairman along with Mr. Pramod Kumar Kothari and Mr. Kapil Dev Puri as members. The Committee deals with all the work relating to transfer & transmission of shares and redressal of shareholder and investors' complaints like transfer of shares, non-receipt of balance sheet, change of address, etc. Mrs. Isha Gupta is the Company Secretary-cum-Compliance Officer of the Company.

- **Shareholders complaints and disposal thereof**

  The complaints of the shareholders are either addressed to the company secretary or 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 Shareholders'/Investors' Grievance Committee Meeting on quarterly basis. There was no investor complaint pending as on 31.03.2013.

As per clause 47 (f) of the Listing Agreement an E-Mail ID, i.e. **kfbl@airtelmail.in** has been designated especially for the redressal of the shareholders' and investors' grievances, by the company. The mails are periodically reviewed by the Committee.

Investor Grievance Received and Attended During the Year 2012-13

S.No.	Nature	Opening	Received	Attended	Pending
1.	Non-receipt/ Loss of share certificate	Nil	Nil	Nil	Nil
2.	Letters from Stock Exchange, SEBI, etc.	Nil	Nil	Nil	Nil
3.	Non-receipt of Dividend/ Balance-Sheet	Nil	Nil	Nil	Nil
4.	Others (Change of Address, Demat., etc.)	Nil	3	3	Nil

The Company generally attends all queries of investors within a period of fortnight from the date of receipt.

- **Pending Share Transfers**

  There was no pending share transfer as on 31.03.2013.

4. Annual General Meetings

AGM	YEAR	VENUE	DATE	TIME
22nd	2011-2012	Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019	29.09.2012	02.30 P.M.
21st	2010-2011	-do -	30.09.2011	02.30 P.M.
20th	2009-2010	-do -	30.09.2010	02:30 P.M.

No resolution requiring Postal Ballot under section 192A of the Companies Act, 1956 was placed before the last AGM. Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

Special Resolution passed in previous three Annual General Meetings

AGM	YEAR	Subject of Special Resolution	Time
22nd	2011-2012	NIL	29.09.2012
21st	2010-2011	NIL	30.09.2011
20th	2009-2010	NIL	30.09.2010

5. Disclosures

(i) The Company has no subsidiary company. The transactions with the related parties, in which Directors, relatives or the management, etc., are interested, have been incorporated in Note No. 35, forming part of Accounts, as per Accounting Standard 18.

(ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets for non-compliance by the company during the last three years.

(iii) Financial statements of the company are prepared in accordance with the Accounting Standard as issued by the ICAI.

6. Means of Communication

Half-yearly result	The results of the company are published in newspapers and sent to Stock Exchanges. The results are also displayed at the websites of Mumbai Stock Exchange www.bseindia.com and of the company www.kothariyeast.in
Quarterly results	—Do—
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 MD & A is a part of annual report or not	Yes, forms part of annual report

7. General Shareholder Information

(i) 23rd Annual General Meeting:

Venue : "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019

Time : 10:00 A.M.

Day & Date : Saturday, the 28th day of September, 2013

(ii) Tentative Financial Calendar:

Financial Year 2013 - 2014		
1. First Quarterly Results	(Unaudited - Limited Review)	July-August 2013
2. Second Quarterly Results	----------Do----------	October-November 2013
3. Third Quarterly Results	----------Do----------	January-February. 2014
4. Fourth Quarterly Results	----------Do----------	April-May 2014
5. Annual Results	(Audited)	May 2014

(iii) Book Closure

Share Transfer Books and Register of Members shall remain closed from Thursday, the 12th September 2013 to Saturday, the 28th September 2013 (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 Limited, Phiroze Jeejeebhouy Towers, 25th Floor, Dalal Street, Mumbai - 400 001.	507474
2.	The Delhi Stock Exchange Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002.	6395
3.	The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata - 700 001.	Applied for Delisting on 12th June, 2000
4.	Jaipur Stock Exchange Ltd., Stock Exchange Building, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur - 302 017.	—Do—
5.	Gauhati Stock Exchange Ltd., Saraf Building Annexe, A.T. Road, Gauhati - 781 001.	—Do—

Annual Listing Fees for the year 2013-2014 have been paid to BSE and Delhi Stock Exchange. The Listing Fees for other three stock exchanges have not been paid as the company has sought for delisting of its shares from these stock exchanges.

(vi) Market Price Data

Monthly high/low prices and trading volumes during the financial year 2012-13 on BSE are given hereunder:

Month	High	Low	No. of Trades	No. of Shares Traded
April 2012	9.84	8.10	89	7246
May 2012	10.04	8.02	81	10510
June 2012	10.00	8.22	36	3927
July 2012	9.25	7.90	79	11496
August 2012	9.45	7.66	85	8946
September 2012	11.28	9.11	286	28690
October 2012	13.49	9.90	175	21562
November 2012	11.19	7.88	196	25605
December 2012	9.99	8.05	138	6485
January 2013	10.55	8.00	350	31120
February 2013	9.30	7.21	243	20132
March 2013	9.29	6.83	123	5156

(vii) Registrar and Transfer Agents

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

(viii) Share Transfer System

The Managing Director, Executive Director and the Company Secretary/ Compliance Officer are individually authorized to attend to share transfers and issue of duplicate share certificates once a fortnight.

The share transfers effected by the above delegated authority are approved by the Investors' Grievance & Share Transfer 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 to 30 days from the date of receipt. Requests for dematerialisation received from the shareholders are effected within a period of maximum15 days.

There was no pending share transfer request as on 31.3.2013.

(ix) Distribution of Shareholding

The distribution of shareholding as on 31st March 2013 was as follows:

S. No.	Nominal Value of Equity Shares held (Rs.)	No. of Shareholders			No. of shares held			% to Total No. of shares		
		Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
1	Upto 5000	6958	2857	9815	832415	415479	1247894	5.549	2.77	8.319
2	5001 To 10000	61	195	256	51800	166277	218077	0.345	1.109	1.454
3	10001 To 20000	14	82	96	20600	126471	147071	0.137	0.843	0.98
4	20001 To 30000	8	24	32	19700	59461	79161	0.131	0.397	0.528
5	30001 To 40000	4	15	19	14300	53004	67304	0.095	0.354	0.449
6	40001 To 50000	4	8	12	18400	37633	56033	0.123	0.251	0.374
7	50001 To 100000	5	17	22	41500	131497	172997	0.277	0.876	1.153
8	Above 100000	7	22	29	282400	12729063	13011463	1.882	84.861	86.743
	Total	7061	3220	10281	1281115	13718885	15000000	8.539	91.461	100.000

S. No.	Nominal Value of Equity Shares held (Rs.)	No. of Shareholders			No. of shares held			% to Total No. of shares		
		Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
1	Upto 1,00,000	7054	3198	10252	998715	989822	1988537	6.657	6.60	13.257
2	More than 1,00,000	7	22	29	282400	12729063	13011463	1.882	84.861	86.743
	Total	7061	3220	10281	1281115	13718885	15000000	8.539	91.461	100.000

Details of shareholding as on 31st March 2013, was as under:

S.No.	Category	No. of Shares held	% Shareholding
1.	Promoters	11227200	74.848
2.	Financial Institutions, Banks and Mutual Funds	19400	0.129
3.	NRIs, Foreign Nationals, OCBs and FIIs	4314	0.029
4.	Indian Public	2878263	19.188
5.	Private Corporate Bodies	870823	5.805
	TOTAL	**15000000**	**100.000**

(x) Dematerialisation of Shares and Liquidity

The shares of the company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Limited. The company's shares bear ISIN INE991B01010 with both the depositories. About 91.461% of the issued share capital of the company was held in Demat Mode as on 31st March, 2013.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity : NIL

(xii) Location of Plant

Village Rajarampur, Industrial Area, Sikandrabad, District Bulandshahr (U.P.) - 203205

(xiii) Address for Correspondence:

1. With the Company:

Kothari Fermentation & Biochem Ltd.,
1st Floor, 16, Community Centre, Saket, New Delhi - 110017.
Tel. : 2685004, E-Mail : kfbl@airtelmail.in , Website : www.kothariyeast.in

2. With the R & T Agent

The shareholders may also address their correspondence to the R & T Agent of the Company; their address is given in point no. (vii) above.

3. As per clause 47(f) of the Listing Agreement, the company has designated an e-mail ID for the investors' grievance redressal, i.e. kfbl@airtelmail.in

(xiv) Investor Relations

All the queries received from shareholders during the Financial Year 2012-13 have been responded by the R&T Agent and generally replied to within a fortnight.

8. **CEO/ CFO Certification:** Pursuant to the provisions of Clause 49 of the Listing Agreement, a certificate on the Financial Statements from CEO / CFO is issued and is annexed and forms part of the Annual Report.

9. **Compliance:** The certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed with this report.

10. **Declaration of Compliance with Code of Conduct:** This is to certify that as provided under Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, the Board members and the Senior Management personnel have affirmed to the compliance with Code of Conduct and Ethics for the twelve months period ended 31st March, 2013.

The non-mandatory requirements, wherever necessary, have been complied with.

For and on behalf of the Board

Place : New Delhi
Date : 12th August, 2013

Pramod Kumar Kothari
Managing Director

CEO / CFO CERTIFICATION

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

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

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

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

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

We have indicated to the auditors and the Audit Committee:

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

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

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

For Kothari Fermentation & Biochem Ltd

Place: New Delhi
Date: 12th August, 2013

Arun Kumar Sekhani
Chief Financial Officer

Pramod Kumar Kothari
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of

KOTHARI FERMENTATION AND BIOCHEM LIMITED

We have examined the compliance of conditions of Corporate Governance by **Kothari Fermentation & Biochem Ltd.** during the year ended on 31st March 2013, as stipulated in revised clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of the 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 the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company, as certified by the Share Transfer Agents of the company.

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

For **NAHATA JAIN & ASSOCIATES**
Chartered Accountants
Regn. No. 016351-N

Place : New Delhi
Date : 12th August, 2013

(ANIL K. JAIN)
Partner, M. No.93912

AUDITORS' REPORT

To,

The Members of

KOTHARI FERMENTATION AND BIOCHEM LIMITED

We have audited the accompanying financial statements of **Kothari Fermentation And Biochem Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **NAHATA JAIN & ASSOCIATES**
Chartered Accountants
Regn. No. 016351-N

Place : New Delhi
Date: 30th May, 2013

(ANIL K. JAIN)
Partner, M. No.93912

ANNEXURE REFERRED TO IN PARA-1 OF THE AUDITORS' REPORT TO THE MEMBERS OF KOTHARI FERMENTATION AND BIOCHEM LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31.03.2013.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

01. In respect of its fixed assets:
    a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
    b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
    c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
02. In respect of inventories
    a) As explained to us inventories have been physically verified by the management at regular intervals during the year.
    b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
    c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account
03. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
    a) During the year, the company has granted unsecured loan to two parties covered in the register maintained u/s 301 of the Companies Act, 1956 and the same was received back during the year. The amount involved was Rs. 182.10 lacs. However, during the year no interest has been charged on such accounts.
    b) During the year, the company has taken unsecured loan from one party covered in the register maintained u/s 301 of the Companies Act, 1956 and repaid back the same during the year. The amount involved was Rs.2.65 lacs and no interest has been paid during the year on such account. In our opinion the terms and conditions of unsecured loan taken by the company, are not, prima-facie, prejudicial to the interest of the company.
04. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets and sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
05. In respect of transactions covered under Section 301 of the Companies Act, 1956:
    a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance to Section 301 of the Companies Act, 1956 have been so entered.
    b) In our opinion and according to the information and explanations given to us, the transaction, if any, made in pursuance of contract or arrangements entered in the registers maintained under Section 301 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
06. The company has not accepted any deposits from the public thus the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable.
07. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
08. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.
09. In respect of statutory dues:
    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 generally regular in depositing the undisputed statutory dues including provident fund, ESI

contributions, income tax, service tax, cess and other statutory dues as applicable with appropriate authorities except few cases of delays in deposit of provident fund, ESI contributions and tax deducted at source. According to the information and explanations given to us, generally there are no undisputed amounts payable in respect of statutory dues which have remained outstanding as at 31st March, 2013 for a period of more than six months.

b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of income tax, sales tax, service tax, wealth tax, excise duty, custom duty, cess, etc., which have not been deposited on account of any dispute, except following:

Name of the Statute	Nature of dues	Amount involved (Rs. in Lacs)	Period	Forum where dispute is pending
Central Excise Act	Demand of duty due to non-allowability of expenses	2.52	1994-95	Dy. Commissioner, Central Excise, Division V, Noida

10. The company has no accumulated losses as at 31st March, 2013. The company has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks. The company has no debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly clause (xiii) of para no. 4 of the Companies (Auditor's Report) (amended) Order, 2004 is not applicable.
14. According to the information & explanation given to us the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause (xiv) of para no.4 of the Order is not applicable.
15. According to the information & explanation given to us and on our overall examination of balance sheet of the company we are of the opinion that the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanation given to us and on our overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term purposes.
18. During the year, the Company has not made any preferential allotment of shares.
19. The company has not issued any debentures during the year.
20. The company has not made any public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **NAHATA JAIN & ASSOCIATES**
Chartered Accountants
Regn. No. 016351-N

(ANIL K. JAIN)
Partner, M. No.93912

Place : New Delhi
Date : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

PARTICULARS	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	**150,000,000**		150,000,000	
Reserves and Surplus	3	**126,991,415**	**276,991,415**	110,594,937	260,594,937
Non-current Liabilities					
Long-term borrowings	4	**38,876,525**		41,872,549	
Deferred tax liabilities(net)	5	**6,985,658**		(400,641)	
Long-term provisions	6	**5,350,888**	**51,213,071**	3,851,514	45,323,422
Current Liabilities					
Short-term borrowings	7	**62,958,972**		24,488,312	
Trade payables	8	**17,358,751**		11,197,405	
Other current liabilities	9	**20,592,536**		23,665,507	
Short-term provisions	10	**718,367**	**101,628,626**	399,195	59,750,419
TOTAL			**429,833,112**		365,668,778
ASSETS					
Non-current Assets					
Fixed assets					
Tangible assets	11	**212,796,427**		149,037,472	
Capital work-in-progress		**29,233,256**	**242,029,683**	49,157,718	198,195,190
Long-term loans and advances	12	**52,732,136**		48,689,134	
Other non-current assets	13	**156,993**	**52,889,129**	244,668	48,933,802
Current Assets					
Inventories	14	**49,729,298**		40,498,820	
Trade receivables	15	**32,027,877**		28,634,327	
Cash and cash equivalents	16	**10,688,701**		10,680,924	
Short-term loans and advances	17	**42,447,971**		38,627,750	
Other current assets	18	**20,453**	**134,914,300**	97,965	118,539,786
TOTAL			**429,833,112**		365,668,778
Significant Accounting Policies	1		–		–

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for NAHATA JAIN & ASSOCIATES
Chartered Accountants
Regn. No. 016351-N

ANIL K. JAIN
Partner
M. No. : 093912

Place : New Delhi
Dated : 30th May, 2013

For and on behalf of the board

PRAMOD KUMAR KOTHARI
Managing Director

KAPIL DEV PURI
Director

PRASANNA KUMAR PAGARIA
Director

VIKAS KHANDELWAL
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

PARTICULARS	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue			
Revenue from operations	19	**439,049,560**	352,490,112
Other Income	20	**3,662,618**	1,758,838
		442,712,178	354,248,950
Expenses			
Cost of materials consumed	21	**198,294,573**	137,773,662
Purchases of stock-in-trade	22	**77,621**	170,285
Decrease /(Increase) in Finished Stock & work in Progress	23	**(6,900,250)**	1,002,560
Employee benefit expenses	24	**33,147,753**	29,728,471
Finance costs	25	**11,821,840**	10,344,434
Depreciation and amortization expenses	26	**14,943,170**	14,303,776
Other expenses		**167,544,692**	137,706,233
		418,929,399	331,029,421
Profit / (Loss) before tax		**23,782,779**	23,219,529
Tax expense			
Current tax		**–**	–
Deferred tax		**7,386,299**	7,180,164
Profit / (Loss) for the year		**16,396,480**	16,039,365
Earnings per equity share (EPS)			
Basic		**1.09**	1.07
Diluted		**1.09**	1.07
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for NAHATA JAIN & ASSOCIATES
Chartered Accountants
Regn. No. 016351-N

ANIL K. JAIN
Partner
M. No. : 093912

Place : New Delhi
Dated : 30th May, 2013

For and on behalf of the board

PRAMOD KUMAR KOTHARI
Managing Director

KAPIL DEV PURI
Director

PRASANNA KUMAR PAGARIA
Director

VIKAS KHANDELWAL
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount In Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**23,782,779**	23,219,529
Adjustments for:		
– Depreciation	**14,943,170**	14,303,776
– (Profit)/Loss on Sale of Assets	**899,782**	190,584
– Earlier Year Depreciation Adjustment	**(232,160)**	**–**
– Interest Paid	**10,934,617**	9,310,695
– Interest Income	**(853,895)**	(1,116,648)
Operating Profit before working capital changes	**49,474,293**	45,907,936
Adjustment for:		
– Increase / (decrease) in Trade Payable & Other Current Liabilities	**2,597,550**	(1,117,103)
– Increase / (decrease) in Long Term Provisions	**1,499,374**	3,527,195
– Increase / (decrease) in Short Term Provisions	**319,172**	103,728
– Decrease /(Increase) in Trade Receivable	**(3,393,551)**	5,549,382
– Decrease /(Increase) in Long Term Loan Advances & Non Current Assets	**(3,955,327)**	(11,800,012)
– Decrease /(Increase) in Short Term Loan Advances & Other Current Assets	**(3,742,709)**	35,902,251
– Decrease /(Increase) in Inventories	**(9,230,478)**	(16,264,278)
Cash used in operations	**33,568,324**	61,809,099
Direct taxes paid	**–**	–
Net Cash used in operating activities (A)	**33,568,324**	61,809,099
B. CASH FLOW FROM INVESTING ACTIVITIES		
– Sale of Fixed Assets	**2,378,470**	231,500
– Interest Received on Fixed Deposits & Others	**853,895**	1,116,648
– Purchase of Fixed Assets including Capital Work in Progress	**(61,823,755)**	(67,288,905)
Net cash used in investing activities (B)	**(58,591,390)**	(65,940,757)
C. CASH FLOW FROM FINANCING ACTIVITIES		
– Proceeds/(Repayment) of Long Term borrowings	**(2,505,200)**	(1,341,832)
– Proceeds from Short Term borrowings	**38,470,659**	15,367,539
– Interest paid	**(10,934,617)**	(9,310,695)
Cash Generated/ used in Financing Activities (C)	**25,030,842**	4,715,012
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**7,776**	583,354
Cash & Cash Equivalents being Cash & Bank Balance (Opening Balance)	**10,680,925**	10,097,571
Cash & Cash Equivalents being Cash & Bank Balance (Closing Balance)	**10,688,701**	10,680,925

As per our report of even date attached

for NAHATA JAIN & ASSOCIATES
Chartered Accountants
Regn. No. 016351-N

ANIL K. JAIN
Partner
M. No. : 093912

Place : New Delhi
Dated : 30th May, 2013

For and on behalf of the board

PRAMOD KUMAR KOTHARI
Managing Director

KAPIL DEV PURI
Director

PRASANNA KUMAR PAGARIA
Director

VIKAS KHANDELWAL
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956 and are based on the historical cost conventions. The Company follows the mercantile system of accounting and recognise income and expenses (including financial charges) on accrual basis except claims.

(ii) USE OF ESTIMATES

The Preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(iii) FIXED ASSETS

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and pre- operative expenses relating to period prior to commencement of commercial production and net of VAT credit availed.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long Term Loan and Advances and cost of fixed assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

(iv) DEPRECIATION

a) Depreciation is provided as per the Straight Line Method at the rates provided in Schedule XIV to the Companies Act, 1956. Assets costing less than Rs.5000/- are fully depreciated in the year of addition.
b) Depreciation has been calculated on a pro-rata basis from the date of acquisition / installation of additions to assets during the year, and pro-rata upto the date of disposal in case of deletion.
c) No amount is being written off on Leasehold land and Freehold land.

(v) INVENTORIES

a) Stores, spare parts, loose tools, raw material and packing material are valued at cost or net realizable value, whichever is less.
b) Finished goods are valued at material cost plus expenses or net realizable value, whichever is less.
c) Stock in trading division is valued at cost and related expenses or net realizable value, whichever is less.
d) Stock in process is valued at material cost plus attributable expenses or net realizable value, whichever is less.

(vi) RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on Research and Development is included in Fixed Assets.

(vii) SALES

Sales of goods are recognised at the point of despatch from factory to customers and sales from Depot are recognised at the time of billing to the customers. Sales are net of returns, rebate, damaged goods and exclusive of VAT/sales tax.

(viii) PROVISION FOR TAXATION

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

(ix) EMPLOYEE BENEFITS

Defined Contribution Plan

Fixed contribution to Provident Fund and Employees State Insurance are recognized in the accounts at actual cost to the company.

Defined Benefit Plan

A) Gratuity: The Company makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity based on independent actuarial valuation as at the balance sheet date, using Projected Unit Credit Method.
B) Accumulated Compensated Absence: Provision for liabilities in respect of leave encashment is made on the basis of actual leaves as at the balance sheet date.

Short Term Benefits

Short Term Employees benefits are recognized as an expense on an undiscounted basis in the Profit & Loss Account of the year in which the related service is rendered.

(x) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of acquisition. Monetary items are translated at the rates prevailing on reporting dates. The exchange difference between rate prevailing on the date of transaction and on the date of settlement and also on translation of monetary items at the reporting date is recognized as income or expense.

(xi) EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

(xii) BORROWING COST

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost till the assets is ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

(xiii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

(xiv) EVENTS OCCURING AFTER BALANCE SHEET DATE

Events occurring after balance sheet date have been considered in the preparation of financial statement.

(xv) IMPAIRMENT OF ASSETS

An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to profit and loss account, in the year in which asset is identified as impaired.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd....)

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 2 : SHARE CAPITAL		
AUTHORISED		
Equity shares of Rs.10/- par value		
1,50,00,000 (Previous Year 1,50,00,000)	**150,000,000**	150,000,000
Issued, Subscribed & Paid-up		
Equity shares of Rs.10/- par value		
1,50,00,000 (Previous Year 1,50,00,000)	**150,000,000**	150,000,000
	150,000,000	**150,000,000**
Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:		
outstanding at the beginning of the year		
1,50,00,000 (Previous Year 1,50,00,000)	**150,000,000**	150,000,000
outstanding at the end of the year		
1,50,00,000 (Previous Year 1,50,00,000)	**150,000,000**	150,000,000

Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled for pari pasu voting right. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% equity shares in the Company:

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i) Moti Lal Kothari	**3,727,000**	**24.85**	3,727,000	24.85
(ii) Pramod Kumar Kothari-HUF	**2,451,100**	**16.34**	2,451,100	16.34
(iii) Chaudhry Brother Traders & Builders Pvt. Ltd.	**3,515,000**	**23.43**	3,515,000	23.43
(iv) Tridal Builders and Traders Pvt. Ltd.	**–**	**–**	816,110	5.44

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 3 : RESERVES & SURPLUS		
Capital Reserves		
As per last Balance Sheet	**56,289,542**	56,289,542
(A)	**56,289,542**	56,289,542
Surplus / (deficit) in the statement of profit and loss		
balance at the beginning of the year	**54,305,393**	30,685,225
Add: Net Profit / (Net Loss) for the current year	**16,396,480**	16,039,365
	70,701,873	46,724,590
Add : Deferred Tax surplus for earlier years	**–**	7,580,805
balance at the end of the year (B)	**70,701,873**	54,305,395
(A+B)	**126,991,415**	110,594,937

(Amount in Rs.)

	As at 31st March, 2013		As at 31st March, 2012	
	Non-Current portion	Current maturities	Non-Current portion	Current maturities
NOTE 4 : LONG TERM BORROWINGS				
Term Loan				
from Religare Finvest Ltd. (secured)	**38,161,270**	**2,458,303**	40,619,573	2,062,589
Vehicles Loans (secured)	**715,255**	**1,162,529**	1,252,976	1,067,418
	38,876,525	**3,620,832**	41,872,549	3,130,007
Less:Amount disclosed under head "Other Current Liabilities" (Note No. 9)	**–**	**3,620,832**	–	3,130,007
	38,876,525	**–**	41,872,549	–

4.1 Term Loan of Rs.432.00 lacs and Rs.20.00 lacs from Religare Finvest Limited was taken during the financial year 2010-11. The loan of Rs.432.00 lacs carries interest @ 11.5% -14.5% p.a. and as per revised schedule repayable in 154 monthly installment from the due date of repayment viz. 1st Feb 2011.The loan of Rs.20.00 lacs carries a fixed rate of interest @ 17% p.a.and repayable in 36 monthly installment from the due date of repayment viz. 1st Feb 2011.The aforesaid loans are secured by immovable property belonging to the relatives of directors of the company and also guaranteed by the directors of the company and their associate concern.

4.2 Vehicle loans are secured against hypothecation of motor vehicles purchased thereunder which are repayable on different dates.

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

In line with the method recommended by the Accounting Standard AS-22 on "Acounting for Taxes on Income" components of deferred tax assets and liabilities as on 31st March, 2013 are given as under:

A.	**Deferred Tax Liabilities**		
	a. Timing Difference in depreciable assets	**17,723,500**	16,693,458.00
	Total (A)	**17,723,500.00**	16,693,458.00
B.	**Deferred Tax Assets**		
	a. Unabsorbed depreciation & B/f Losses	**8,206,270**	15,224,055.00
	b. Expenses allowable in future	**2,531,572**	1,870,044.00
	Total (B)	**10,737,842.00**	17,094,099.00
	Net Deferred Tax Assets (A-B)	**6,985,658.00**	(400,641.00)

NOTE 6 : LONG TERM PROVISIONS

Provision for Employee Benefits		
Gratuity (funded)	**5,350,888**	3,851,514
	5,350,888	3,851,514

NOTE 7 : SHORT TERM BORROWINGS SECURED

From Banks		
Cash Credits	**45,767,772**	7,746,652
Buyers Credit in foreign currency	**17,191,200**	16,741,660
	62,958,972	24,488,312

7.1 Cash Credit facilities from banks together with interest and other charges thereon are secured by way of equitable mortgage on the immovable properties of the Company situated at village Rajarampur tehsil and pargana Sikandrabad distt. Bulandshahar (U.P.) and by way of hypothecation charge over all moveable assets forming part of fixed/block of assets viz. plant &.machinery, vehicles, effluent treatment plant, R & D laboratory equipments, furniture & fixtures, factory equipments etc., and also by way of hypothecation charge on various raw materials, stock in process, finish and semi finish goods, book debts, outstanding decrees, money receivables, government subsidies, claims, bill contracts, investments of the Company and also personally guaranteed by the directors of the Company. The same are repayable on demand and carries interest @ 3.25% over base rate on monthly rest. Buyers Credit is secured against non fund based facility sanctioned to the Company and carries interest @ Libor plus 1.75% - 3.5% p.a.

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 8 : TRADE PAYABLE		
Due to Micro, Small & Medium Enterprises (Refer Note No.29)	–	–
Others	**17,358,751**	11,197,405
	17,358,751	11,197,405
NOTE 9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowing		
Term Loan- Religare Finvest Ltd. (secured)	**2,458,303**	2,062,589
Vehicles Loans (secured)	**1,162,529**	1,067,418
Advance from Customers	**1,622,748**	937,333
Interest Accrued but not due	**633,118**	855,206
Creditors for Capital Goods	**5,605,871**	8,788,648
Statutory Dues Payable	**1,455,122**	1,824,277
Other payables	**7,654,845**	8,130,036
	20,592,536	23,665,507
NOTE 10 : SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	**718,367**	399,195
	718,367	399,195

NOTE 11 : FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance as on 1st April 2012	Additions/	Deletion	Balance as on 31st March, 2013	Balance as on 1st April 2012	For the year	Adjustment on Disposals	Balance as on 31st March, 2013	Balance as on 31st March, 2013	Balance as on 31st March, 2012
Tangible Assets										
Land										
—Freehold	2,376,298	917,800	-	3,294,098	-	-	-	-	3,294,098	2,376,298
—Leasehold	1,689,567	-	-	1,689,567	-	-	-	-	1,689,567	1,689,567
Building	28,569,454	1,066,196	-	29,635,650	12,212,050	862,810	-	13,074,860	16,560,790	16,357,404
Plant and Machineries	191,653,338	76,492,927	384,375	267,761,890	108,123,151	10,111,014	137,752	118,096,413	149,665,477	83,530,187
Effluent Treatment Plant	53,714,019	1,260,965	2,059,570	52,915,414	19,797,117	2,743,772	232,160	22,308,729	30,606,685	33,916,902
R&D Laboratory Equipments	1,330,664	265,765	-	1,596,429	1,028,993	71,223	-	1,100,216	496,213	301,671
Furniture and Fixtures	1,583,717	32,159	-	1,615,876	1,183,272	28,036	-	1,211,308	404,568	400,445
Vehicles	11,538,952	1,300,605	1,692,754	11,146,803	3,796,709	888,508	720,695	3,964,522	7,182,281	7,742,243
Office Equipments	5,421,750	381,304	-	5,803,054	2,861,881	221,280	-	3,083,161	2,719,893	2,559,869
Factory Equipment	360,880	30,496	-	391,376	197,994	16,527	-	214,521	176,855	162,886
TOTAL	**298,238,639**	**81,748,217**	**4,136,699**	**375,850,157**	**149,201,167**	**14,943,170**	**1,090,607**	**163,053,730**	**212,796,427**	**149,037,472**
Previous Year	280,271,681	19,430,685	1,463,727	298,238,639	135,939,034	14,303,776	1,041,643	149,201,167	149,037,472	144,332,647
Capital Work in Progress									29,233,256	49,157,718

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 12 : LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances	**45,609,694**	42,039,743
Security Deposits	**5,665,018**	5,685,418
Recoverable from Statutory Authorities	**1,457,424**	963,973
	52,732,136	48,689,134
NOTE 13 : OTHER NON-CURRENT ASSETS		
*Bank balance on deposit accounts	**138,369**	241,991
Accrued Interest but not due	**18,624**	2,677
	156,993	244,668

*Pledged with bank/Government Authorities as margin money/ security against the borrowings and guarantees maturing after 12 months.

NOTE 14 : INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials & Components	**21,787,435**	20,924,262
Work-in-progress	**11,640,556**	5,426,445
Finished Goods	**6,213,792**	5,527,653
Stores & Spares	**4,622,856**	4,231,133
Others	**5,464,659**	4,389,327
	49,729,298	40,498,820
NOTE 15 : TRADE RECEIVABLES		
(Unsecured, considered good)		
Over six months from the due date	**6,835,731**	7,048,351
Others	**25,192,146**	21,585,976
	32,027,877	28,634,327
NOTE 16 : CASH AND CASH EQUIVALENTS		
Balances with Banks		
in Current Accounts	**6,605,843**	7,218,920
held as Margin Money	**2,087,344**	1,764,800
Cash on hand	**1,995,514**	1,697,204
	10,688,701	10,680,924
NOTE 17 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in cash or in kind or for value to be received or pending adjustments	**35,408,020**	32,098,113
Prepaid Expenses	**557,703**	374,692
Recoverable from Statutory Authorities	**6,482,248**	6,154,945
	42,447,971	38,627,750

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 18 : OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest Accrued on deposits	**20,453**	97,965
	20,453	97,965
NOTE 19 : REVENUE FROM OPERATIONS		
Sale of Manufactured Goods		
Yeast	**439,049,560**	352,490,112
	439,049,560	352,490,112
NOTE 20 : OTHER INCOME		
Interest Income		
– Bank Deposits	**165,227**	119,187
– Others	**688,668**	997,461
Claims Received	**45,254**	200,619
Misc. Receipts	**262,668**	441,571
Exchange Rate Fluctuation	**13,166**	–
Earlier Year Depreciation Adjustment	**232,160**	–
Liabilities no longer required W/back	**2,255,475**	–
	3,662,618	1,758,838
NOTE 21 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Inventory at the beginning of the year	**20,924,262**	8,046,876
Add : Purchases	**199,157,746**	150,651,048
	220,082,008	158,697,924
Less: Inventory at the end of the year	**21,787,435**	20,924,262
Cost of Raw Material Consumed	**198,294,573**	137,773,662
Details of Raw Material Consumed		
Molasses	**135,425,363**	85,299,360
Chemicals	**29,583,364**	24,707,518
Packing Materials	**33,285,846**	27,766,784
	198,294,573	137,773,662
NOTE 22 : PURCHASE OF STOCK-IN-TRADE		
Purchase of Trading Goods	**77,621**	170,285
	77,621	170,285

NOTE 23 : DECREASE /(INCREASE) IN INVENTORIES

Inventories at the end of the year				
Finished Goods	**6,213,792**		5,527,653	
Work-in-progress	**11,640,556**		5,426,445	
		17,854,348		10,954,098
Inventories at the beginning of the year				
Finished Goods	**5,527,653**		5,012,162	
Work-in-progress	**5,426,445**		6,944,496	
		10,954,098		11,956,658
Decrease /(Increase) in Inventories		**(6,900,250)**		1,002,560

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 24 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and others Allowances	**27,633,772**	25,507,444
Contribution to Provident & Other Funds	**3,871,781**	2,943,649
Staff Welfare Expenses	**1,642,200**	1,277,378
	33,147,753	29,728,471
NOTE 25 : FINANCE COST		
Interest on working capital	**4,634,096**	3,009,719
Other Interest	**6,300,521**	6,300,976
Bank Charges & Others	**887,223**	1,033,739
	11,821,840	10,344,434
NOTE 26 : OTHER EXPENSES		
Consumption of Stores & Spare Parts	**10,068,646**	9,654,764
Power & Fuel and Water Charges	**98,809,581**	71,662,701
R & D Expenses	**1,759,163**	1,796,646
Repairs & Maintenance		
Repairs & Maintenance - Building	**1,072,038**	1,532,867
Repairs & Maintenance - Plant & Machinery	**5,572,478**	7,118,100
Security Expenses	**1,359,718**	1,218,205
Rent	**842,409**	860,264
Insurance	**636,605**	715,117
Rates,Fee & Taxes	**3,486,051**	2,032,982
Postage & Telephone	**1,315,299**	1,326,420
Printing & Stationary	**452,002**	437,891
Travelling & Conveyance	**3,026,876**	3,095,018
Legal & Professional Charges	**1,704,278**	856,712
Vehicle Running & Maintenance	**1,641,991**	1,719,637
Payment to Auditors (refer details below)	**147,450**	123,801
Membership, Subscription & Periodicals	**356,703**	178,724
Listing & Share Transfer Expenses	**40,076**	93,755
Tender, Registration & Filing Fees	**–**	–
Meeting Expenses	**71,733**	69,096
General Office Expenses	**1,103,331**	1,172,037
Misc. Expenses	**381,506**	380,726
Advertisement & Publicity Expenses	**95,687**	112,815
Selling Expenses	**419,190**	479,492
Handling, Forwarding & Transportation	**32,138,786**	19,022,606
Loss on Sale of Assets	**899,782**	190,584
Bad Debts/ Sundries Balances W/off	**143,313**	8,897,262
Prior Period Expenses	**–**	2,958,011
	167,544,692	137,706,233

(Amount in Rs.)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
NOTE 26.1 : Payment to Auditors		
Statutory Audit Fee	**78,652**	56,180
Tax Audit Fee	**16,854**	16,545
Limited Review & Certification Fee	**44,944**	44,326
Out of Pocket Expenses	**7,000**	6,750
	147,450	123,801

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

27. Contingent Liabilities not provided for (As certified by the Management)

(a) Claims against the company towards listing fee for three stock exchanges not acknowledged as debt is Rs. 4.80 Lacs (Previous Year Rs. 4.59 Lacs) as company has sought delisting from these stock exchanges.

(b) Outstanding Bank Guarantees for Rs.15.55 lacs (Previous Year Rs.31.03 lacs)

(c) Demand of excise duty amounting to Rs. 2.52 Lacs (Previous Year Rs. 2.52 Lacs) due to non- allowability of certain expenses by the department. Against the appeal of the company, the Custom, Excise & Service Tax Appellate Tribunal (CESTAT) remanded the matter to original adjudicating authority to decide the said issue and the matter is pending before the appropriate authority.

28. Amount recoverable from Statutory Authorities shown under schedule "Short Term Loans & Advances" of the balance sheet includes a sum of Rs.46,13,849/- for which the company filed a claim before the trade tax authorities during the F.Y.2009-10 for refund of Trade Tax paid on purchases and stock transfer in respect of Molasses for the earlier years in view of the decision of the Hon'ble Allahabad High Court in the case of M/s. SAF Yeast Company Private Limited vs. State of U.P. and Another. Further, against the Special Leave Petition (SLP) preferred by the State of U.P. in this matter, Hon'ble Supreme Court has stayed the payment of refund till final hearing of the matter and the SLP is still pending before the Court.

29. The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore, it is not possible to give the information required under the Act.

30. In the opinion of the Board, the Current Assets, Loans and Advances including Sundry Debtors are of the value as stated in financial statement in the ordinary course of business, although, some of them are outstanding for a long period. The provision of all known liabilities has been made. The accounts of certain debtors, creditors, other liabilities and advances are subject to confirmation and reconciliation.

31. The arbitration cases relating to supply of rice to Govt. of Bangladesh during 1995-96 pending in Bangladesh have been awarded in favour of company allowing our claims of USD 427,021.89 against Govt. of Bangladesh. The arbitration awards have been filed with the appropriate court in Bangladesh and the Court has made the award as rule of law. In this matter the appeal filed by the Govt. of Bangladesh before the hon'ble High Court at Bangladesh has been dismissed in July, 2012. However, the Govt. of Bangladesh preferred an appeal before the Hon'ble Supreme Court of Bangladesh, which is pending yet before the Court.

32. As the Company's business activity falls within a single primary business segment viz. "Manufacturing of Yeast" and there is no reportable secondary segment i.e. geographical segment, the disclosure requirement of Accounting Standard-17 "Segmental Reporting" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.

33. a) Provision for tax under Income Tax Act, 1961 has not been made in view of the adjustable brought forwarded accumulated losses/unabsorbed depreciation.

b) No provision for minimum alternative tax (MAT) on book profit has been made in the accounts in light of the direction of Board for Industrial and Financial Reconstruction (BIFR) in the sanctioned scheme and the matter is under consideration with the appropriate authority.

34. Defined Benefit Plan:

The employees' gratuity fund scheme of the Company managed by Life Insurance Corporation of India (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation.

		Gratuity Funded (Rs. In lacs)	
I.	**Reconciliation of opening and closing balance of Defined Benefit Obligations:**	**2012-13**	**2011-12**
	Present value of the obligation at the beginning of the period	**60.14**	50.60
	Interest cost	**4.95**	4.43
	Current service cost	**5.97**	5.04
	Benefits paid (if any)	**(4.30)**	(1.65)
	Actuarial (gain)/loss	**6.80**	1.72
	Present value of the obligation at the end of the period	**73.56**	60.14
II.	**Reconciliation of opening and closing balance of Fair Value of Planned Assets:**		
	Fair value of plan assets at the beginning of the period	**21.63**	18.40
	Expected return on plan assets	**1.72**	1.76
	Contributions	**1.00**	3.12
	Benefits paid	**(4.30)**	(1.65)
	Actuarial gain/(loss) on plan assets	**–**	–
	Fair Value of Plan Asset at the end of the Period	**20.05**	21.63
III:	**Reconciliation of fair value of assets and Obligations:**		
	Present value of the obligation at the end of the period	**73.56**	60.14
	Fair value of plan assets at end of period	**20.05**	21.63
	Net liability/(asset) recognized in Balance Sheet and related analysis	**53.51**	38.51
	Funded Status	**(53.51)**	(38.51)
IV:	**Expense recognized in the statement of Profit and Loss:**		
	Interest cost	**4.95**	4.43
	Current service cost	**5.97**	5.04
	Expected return on plan asset	**(1.72)**	(1.76)
	Net actuarial (gain) / loss recognized in the period	**6.80**	1.73
	Expenses to be recognized in the statement of profit and loss accounts	**15.99**	9.44

V: The assumptions employed for the calculations are tabulated:

Discount rate	8.25 % per annum	8.75 % per annum
Salary Growth Rate	8 % per annum	8 % per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	8 % per annum	9 % per annum
Withdrawal rate (Per Annum)	2 % p.a.	2 % p.a.

VI: Benefits valued:

Normal Retirement Age	58 Years	58 Years
Salary	Terminal Basic Salary (Excluding all other Allowances and Perquisites)	Terminal Basic Salary (Excluding all other Allowances and Perquisites)
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Number of completed Years of Service	15/26 * Salary * Number of completed Years of Service
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	Rs. 10 lacs	Rs. 10 lacs

35. Related Party Disclosures (AS- 18):

Related party disclosures as required by AS-18 are given below

(a) Key Managerial Personnel & their Relatives

(i) Mr. Moti Lal Kothari — Managing Director
(ii) Mr. Pramod Kothari — Managing Director

Note: 1. Mr. Pramod Kothari is the son of Mr. Moti Lal Kothari.
2. Mr. Moti Lal Kothari deceased on 03.09.2012.

Entities over which company or managerial personnel or their relatives exercise significant influence

- Chaudhry Bros.Traders and Builders Pvt. Ltd.
- Kothari Thermoplast Pvt. Ltd.

(b) Transaction with Related Parties (Rs. in Lacs)

Name of the Related Party	Nature of Transaction	Current Year 2012-13	Previous Year 2011-12
Chaudhry Bros.	Rent Paid	2.53	2.48
Traders and Builders Pvt. Ltd.	Loan/Advances Given	96.60	181.05
Loan/ Adv. Recov. back	96.60	181.05	
	Loan Received	2.65	–
	Loan Paid Back	2.65	–
Kothari Thermoplast Pvt. Ltd.	Loan/Advances Given	85.50	–
	Loan/Adv. Received back	85.50	–
Mr. Moti Lal Kothari	Directors' Remuneration	1.50	3.30
Mr. Pramod Kothari	Directors' Remuneration	4.50	3.90
	Loan Given	–	14.10
	Loan Recovered Back	–	14.10

Note:
(i) Related party relationship is as identified by the management and relied upon by the Auditors.
(ii) There is no amount written off / written back in respect of debts due from or to related parties.

36. Earning per share (EPS) (AS –20)	**2012-13**	**2011-12**
(a) Number of Equity Shares of Rs. 10 each		
Number of shares at the beginning of the year	**15000000**	15000000
Number of shares at the close of the year	**15000000**	15000000
Weighted average number of Equity Shares during the year	**15000000**	15000000
(b) Net Profit/(loss) for the year attributable to Equity Shares (in Rupees)	**16396480**	16039365
(c) Basic EPS (in Rupees) per share	**1.09**	1.07
(d) Diluted EPS (in Rupees) per share	**1.09**	1.07

(Rs. in Lacs)

37. Additional Information:	**2012-13**	**2011-12**
A) Value of Raw Materials and Stores and spares Consumed		
Raw Material Consumed:		
Indigenous	**1961.64**	1362.25
Imported	**21.31**	15.49
Stores and Spares Consumed:		
Indigenous	**100.69**	96.55
Imported	**NIL**	NIL
B) C.I.F. Value of Imports		
Capital Goods	**NIL**	174.79
Raw Materials	**21.31**	15.49
C) Earning in Foreign Currency	**NIL**	NIL
D) Expenditure in Foreign Currency		
Travelling and other matter	**3.25**	8.36
Professional Charges	**12.79**	NIL
Interest on buyers' Credit	**5.11**	3.18

38. Previous year's figures have been re-grouped/reclassified wherever necessary, to make them comparable

As per our report of even date attached

for NAHATA JAIN & ASSOCIATES
Chartered Accountants
Regn. No. 016351-N

ANIL K. JAIN
Partner
M. No. : 093912

Place : New Delhi
Dated : 30th May, 2013

For and on behalf of the board

PRAMOD KUMAR KOTHARI
Managing Director

KAPIL DEV PURI
Director

PRASANNA KUMAR PAGARIA
Director

VIKAS KHANDELWAL
Company Secretary

KOTHARI FERMENTATION AND BIOCHEM LIMITED

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

PROXY FORM

Folio No. / DP ID No ..... # No. of equity shares held.....

I/We.....of..... in the district of.....being a Member/Members of the above Company hereby appoint Sh./Smt.....of..... in the district of..... or failing him/her.....of.....in the district of..... as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019 on Saturday the 28th day of September, 2013 at 10:00 a.m. and any adjournment thereof.

Signed this.....day of.....2013.

Signature.....

Affix Revenue Stamp

Note : The form should be signed across the stamp as per specimen signature registered with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

Proxy without this information will not be accepted.

Tear Here

KOTHARI FERMENTATION AND BIOCHEM LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

#Folio No./DP ID No..... #No. of equity shares held.....

Name of the Member..... .....
(in block letters)

Name of the Proxy..... .....
(if any)

I hereby record my presence at the Annual General Meeting of the Company held on 28th day of September, 2013 at 10:00 a.m. at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019

.....
Signature of the Member/Proxy

Attendance slip without this information will not be accepted.
Please bring your copy of Annual Report at the Meeting Hall.
No Gift/Gift coupons will be provided to the members.

BOOK POST

To,

_____

_____

_____

_____

If undelivered, please return to :-

KOTHARI FERMENTATION AND BIOCHEM LIMITED
1st Floor, 16, Community Centre, Saket,
New Delhi - 110 017

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