ANNUAL REPORT
2021-22

Kothari Fermentation and Biochem Limited

KOTHARI FERMENTATION AND BIOCHEM LIMITED

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

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER
Silky Gupta

CHIEF FINANCIAL OFFICER
Arun Kumar Sekhani

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

AUDITORS
KOTHARI KULDEEP & Co.
Chartered Accountants
New Delhi

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

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

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

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NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SECOND ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Saturday, the 24th day of September, 2022 at 11:30 A.M. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2022, the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Siddhant Kothari (DIN: 08620559), who retires by rotation and, being eligible, offers himself for reappointment.
3. To re-appoint the Statutory Auditor of the Company, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s Kothari Kuldeep & Co., Chartered Accountants, FRN.-015960C be and is hereby re-appointed for one more term, as the Statutory Auditor of the Company to hold office for a period of 5 years from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company, on a remuneration as may be determined by the Board of Directors."

AS SPECIAL BUSINESS

4. Re-appointment of Mr. Pramod Kumar Kothari (DIN No.00086145), as Chairman and Managing Director of the Company.

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

   "**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Pramod Kumar Kothari, as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st April, 2023.

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

   a) Salary on a Pay Scale of Rs. 4,50,000-50,000-6,50,000 there by providing increase of Rs. 50,000 p.m. from 1st April every year during his tenure i.e. upto 31.03.2028.
   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) Group Medical Policy as per rules of the Company.
   f) The Company shall reimburse medical and hospital Expenses incurred for self and family members.
   g) Reimbursement of leave travel concession as per the rules of the Company.
   h) The Managing Director will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee(s) thereof.

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

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

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

5. To re-appoint Mrs. Kavita Devi Kothari, as Whole Time Director of the Company.

"**RESOLVED That** pursuant to the recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to reappoint Mrs. Kavita Devi Kothari, as Whole Time Director of the Company for a period of 5 years with effect from 1st April, 2023 .

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

a) Salary on a pay scale of Rs. 4,25,000-50,000-6,25,000 there by providing increase of Rs. 50,000 p.m. from 1st April every year during her tenure i.e. upto 31.03.2028.

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) Group Medical Policy as per rules of the Company.

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

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

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

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

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

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

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-
Silky Gupta
Company Secretary
ACS 57285

Date: 25th August, 2022
Place: New Delhi

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

NOTES

The MCA Vide General Circular No. 2/2022 dated 05.05.2022 has extended the facility of holding AGM by VC/OAVM for the financial year 2021-22 upto 31.12.2022.The deemed venue for the 32nd AGM shall be the Registered Office of the Company. Members can attend and participate in the ensuing AGM through VC/ OAVM.

In compliance with the provisions of the Companies Act, 2013 ("Act") read with rules / circulars issued thereunder and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with circulars issued thereunder, the Annual General Meeting ("AGM") of the Company can be held through Video Conference ("VC"), without the physical presence of the shareholders at a common venue. The registered office of the Company shall be deemed to be the venue of meeting for the purpose of recording of the minutes of the proceedings of the AGM.

1. In terms of the aforesaid circulars since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under section 105 of the Act will

not be available for the 32nd AGM. However, in pursuance of section 112 and section 113 of the Act, representatives by Body Corporates may be appointed for the purpose of voting through remote e-voting, for participation in the 32nd AGM through VC/OAVM facility and e-voting during the AGM.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05,2022, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e- voting on the date of the AGM will be provided by NSDL.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Electronic copy of the Notice of the 32nd Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes. The Notice calling the AGM has been uploaded on the website of the Company at www.kothariyeast.in, as part of the Annual Report for financial year 2021-22. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Ltd at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com
6. Corporate Members intending to attend and vote during the meeting or by Remote e-voting through their authorised representative(s) pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorising their representatives at Company's email id viz. info@kothariyeast.in
7. The Register of Member and Share Transfer Books will remain closed from Saturday, 17th September, 2022 to Saturday, 24th September, 2022 (both days inclusive) for the purpose of Annual General Meeting.
8. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
9. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection on the website of the Company during the Meeting.
11. The Company is providing facility for voting through electronic means before the date of AGM (Remote e-voting) as prescribed by the Companies (Management and Administration) Rules, 2014 and voting through electronic means during the AGM (E-Poll) available for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice separately.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH13.

    Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company.

14. SEBI has mandated that listed companies shall, while processing investor service requests pertaining to issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/ exchange of share certificate, endorsement, sub-division / splitting / consolidation of share certificates, transmission, transposition etc. issue securities only in demat mode. In view of this as also to eliminate all risks associated with physical shares and to get inherent benefits of dematerialization, shareholders holding shares in physical form are advised to avail of the facility of dematerialization.
15. SEBI vide its circular dated November 03, 2021 and December 14, 2021 has mandated shareholders holding securities in physical form to furnish PAN, Nomination Details, Contact details (Address with PIN, Mobile number and Email address), Bank account details (bank name, branch name, account number and IFS code) and Specimen signature before they could avail any investor service. Folios wherein any one of the above mentioned details are not available by April 01, 2023, shall be frozen. The relevant forms prescribed by SEBI for furnishing the above details are available on the website of the Company (www.kothariyeast.in). The concerned shareholders are requested to register / update the above mentioned details by submitting the prescribed forms duly filled and signed by the registered holders, by e-mail from their registered e-mail address to info@kothariyeast.in or by submitting a physical copy thereof to the RTA, Abhipra Capital Limited, Ground Floor- Abhipra Complex, Dilkhush Industrial Area, A-384, G.T. Karnal Road, Azadpur, Delhi-110033.
16. Shareholders holding shares in dematerialised mode are requested to register / update their PAN, Nomination Details, Contact details (Address with PIN, Mobile number and Email address), Bank account details (bank name, branch name, account number and IFS code) and Specimen signature with the relevant Depository Participant.
17. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company www.Kothariyeast.in in the Investors Section, as soon as possible after the Meeting is over.
18. Members are requested to notify immediately:
    I. **In case shares are held in physical form:** any change in address, if any, to the Company at 16, Community Centre, 1st Floor, Saket, New Delhi-110017, India or to the Registrar and Share Transfer Agent of the Company viz. Abhipra Capital Limited, Ground Floor- Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi-India quoting their folio number.
    II. **In case shares are held in dematerialised form:** any change in address, if any, to their Depository Participants.
    III. **Process for those members whose email ids are not registered**:
        a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder along with scan copy of any one valid share certificate (front and back both) by email to info@kothariyeast.in
        b) Members holding shares in Demat mode can get their e-mail id registered by contacting their respective Depository Participant.

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

The remote e-voting period begins on Wednesday, 21st September, 2022 at 9:00 A.M. and ends on Friday, 23rd September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th September, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th September, 2022.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting

Type of shareholders	Login Method
	service provider i.e. NSDLand you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDLand you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDLwhere the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

How to Log-in to NSDL e-Voting website?

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

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

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

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vijay.sharma@vkscosecy.com with a copy marked to evoting@nsdl.co.in.Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sono Singh, Assistant Manager at evoting@nsdl.co.in

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

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

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name,demat account number/folio number, email id, mobile number at info@kothariyeast.in atleast 10 days in advance . The same will be replied by the company suitably. The queries on accounts not sent in advance , may not be entertained during the meeting.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@kothariyeast.in atleast 10 days in advance.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Other instructions

a) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 17th September, 2022.**

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

c) Mr. V.K. Sharma, Practising Company Secretary (Membership No. – FCS -3440) has been appointed as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

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

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

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

ITEM NO. 4

Mr. Pramod Kumar Kothari was re-appointed by Shareholders in their meeting held on 28th September, 2018 as Chairman and Managing Director, for a period of 5 years w.e.f 1 April, 2018 to 31st March, 2023. The term of Mr. Pramod Kumar Kothari as Chairman and Managing Director will end on 31st March, 2023.

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

The Board of Directors of the Company in its meeting held on 25th August, 2022, on recommendation of Nomination and Remuneration Committee and subject to the shareholders' approval has approved re-appointment of Mr. Pramod Kumar Kothari as Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2023 to 31st March, 2028.

Since there has been a considerable increase in the duties and responsibilities performed by the Chairman & Managing Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting held on 25th August, 2022 and on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the Pay Scale of Mr. Pramod Kumar Kothari, Chairman & Managing Director from earlier approved pay scale of Rs. 2,50,000-50,000-4,00,000 to Rs. 4,50,000-50,000-6,50,000 there by providing increase of Rs. 50,000 p.m. from 1st April every year during his tenure i.e. upto 31.03.2028.

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

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

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

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

ITEM NO. 5

Mrs. Kavita Devi Kothari was re-appointed by Shareholders in their meeting held on 28th September, 2018 as Whole Time Director, for a period of 5 years w.e.f 1 April, 2018 to 31st March, 2023. The term of Mrs. Kavita Devi Kothari as Whole Time Director will end on 31st March, 2023.

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

The Board of Directors of the Company in its meeting held on 25th August, 2022, on recommendation of Nomination and Remuneration Committee and subject to the shareholders' approval has approved re-appointment of Mrs. Kavita Devi Kothari as Whole Time Director of the Company for a further period of 5 years w.e.f. 1st April, 2023 to 31st March, 2028.

Since there has been a considerable increase in the duties and responsibilities performed by the Whole Time Director and after considering the prevailing Managerial Remuneration in Industry, the Board of Directors at their meeting held on 25th August, 2022, and on the recommendations made by the Nomination and Remuneration Committee, has approved the proposal to increase the Pay Scale of Mrs. Kavita Devi Kothari, Whole Time Director from earlier approved pay scale of Rs. 2,25,000-50,000-3,75,000 to Rs. 4,25,000-50,000-6,25,000 there by providing increase of Rs. 50,000 p.m. from 1st April every year during her tenure i.e. upto 31.03.2028.

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

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

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

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

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

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

1. Mr. Siddhant Kothari (DIN: 08620559)

Mr. Siddhant Kothari is presently the Whole Time Director of the Company. He is one of the Promoter directors of the Company and has been playing a vital role in the overall structure & development of the Company since his appointment. Mr. Siddhant Kothari aged about 28 years is holding degree of B.E. In Mechanical Engineering from BITS, Pilani, Dubai Campus and MS in Computer Science from University of Chicago. He is son of Shri Pramod Kumar Kothari, Managing Director of the Company and Smt. Kavita Devi Kothari, Whole Time Director of the Company. He is having experience around more than 4 years in manufacturing business of yeast. He has been successfully handling all technical matters of the Company.

He holds 37,27,000 Equity Shares of face value of Rs.10/- each, constituting around 24.85 % of the total paid-up share capital of the Company.

His appointment is liable to retire by rotation.

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

2. Mr. Pramod Kumar Kothari (00086145)

Mr. Pramod Kumar Kothari is one of the Promoter directors of the Company and has been playing a vital role in the overall structure & development of the Company since its incorporation. Mr. Kothari aged about 57 years is the son of Late Shri Moti Lal Kothari, the founder of Kothari Fermentation & Biochem Limited (KFBL). He is a qualified Engineer {B.Tech – (Electronics)} and has a vast experience of Business, Trade & Industry for over 32 years. He looks after technical, legal functions and overall management of the company.His strong entrepreneurial skills, as also an undying commitment and belief in his abilities, have been instrumental in bringing KFBL to its present position.

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

He is also a Director in Kothari Thermoplast Private Limited, San Kothari Lifecare private limited (in the process of Strike off), and Chaudhry Brothers Traders and Builders Private Limited but does not hold membership of any committees of the Board of such other Company.

His appointment is liable to retire by rotation.

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

3. Ms. Kavita Devi Kothari (00120415)

Mrs. Kavita Devi Kothari is presently the Whole Time Director of the Company. She is one of the Promoter directors of the Company and has been playing a vital role in the overall structure & development of the company since her appointment.

Mrs. Kothari aged about 55 years is a Graduate and has a considerable experience of Finance and Marketing functions. Her strong entrepreneurial skills, as also an undying commitment and belief in her abilities, have been instrumental in bringing KFBL to its present position.

She holds 7,30,800 Equity Shares of face value of Rs.10/- each, constituting around 4.9 % of the total paid-up share capital of the Company.

She is also a Director in M/s. Chaudhry Brothers Traders And Builders Private Limited, Kothari Thermoplast Private Limited and San Kothari Lifecare Private Limited (in the process of Strike off) but does not hold membership of any committees of the Board of such other Company.

Her appointment is liable to retire by rotation.

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

By order of the Board
For KOTHARI FERMENTATION AND BIOCHEM LIMITED

Sd/-
Silky Gupta
Company Secretary
ACS 57285

Date: 25th August, 2022
Place: New Delhi

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

DIRECTORS' REPORT

TO THE MEMBERS OF

Your directors are pleased to present the 32nd Annual Report together with the Audited Accounts for the year ended on 31st March 2022:

1. FINANCIAL RESULTS

(Rs. In lacs)

	2021-2022	2020-21
Turnover	9702.74	9555.33
Profit before Finance Charges & Depreciation (PBDIT)	1034.01	1450.11
Finance Charges	302.09	356.07
Depreciation	581.27	515.85
Profit before Tax(PBT)	150.65	578.19
Taxes:		
Current Tax	28.17	95.40
Deferred Tax	91.91	2.25
Net Profit/ (Loss) after Tax (PAT)	30.57	480.54

2. BUSINESS OPERATIONS

During the year under review, your Company achieved production of 16542 MT as compared to 17095 MT in previous year. The turnover of the Company was Rs. 9702.74 Lakhs during the year 2021-22 and Rs. 9555.33 Lakhs during previous year, recorded a growth of 1.54 %. .The profitability of the Company is Rs. 150.65 Lakhs during the year 2021-22.

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

3. DIVIDEND

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

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company at its meeting held on 25th August, 2022 on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Pramod Kumar Kothari as Chairman and Managing Director and Mrs. Kavita Devi Kothari as Whole time Director of the Company w.e.f. 1st April, 2023.

In accordance with the provisions of the Companies Act, 2013 and pursuant to Section 152(6), the directors excluding the Independent Directors, being Executive Directors, are now made liable to retire by rotation at every Annual General Meeting. Thus, Mr. Siddhant Kothari(DIN: 08620559) Whole Time Director of the Company retire by rotation on the forthcoming AGM, and being eligible, offers himself for reappointment. Though, such determination of office by retirement and then re-appointment would not constitute a break in his tenure of service as the Whole Time Director of the Company.

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

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

5. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the Board and its committees, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2021-22.

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

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. that the directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit of the company for the year;

iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. that the directors have prepared the annual accounts on a going concern basis;

v. that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

vi. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. CREDIT RATING

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

7. CERTIFICATIONS

Your company has been certified as ISO 22000:2018 on 23.10.2021 for its quality management systems employed at every level of the organization.

8. AUDITORS AND AUDITOR'S REPORT

A) Statutory Auditors

In terms of the provisions of the section 139 of the Companies Act, 2013, the shareholders have appointed M/s Kothari Kuldeep and Co., Chartered Accountants as Statutory Auditor of the Company for a term of five years from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company. Hence, their term of 5 years is going to end in the forthcoming Annual General Meeting, the management has proposed to reappoint M/s Kothari Kuldeep and Co., Chartered Accountants, as Statutory Auditor of the Company for one more term of five years from the conclusion of 32th Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company to be held in the year 2027.

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

B) Secretarial Auditors and Secretarial Standards

The Board had appointed M/s V.K. Sharma & Company, Practising Company Secretaries, as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2021-22, pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor forms part of the Board's Report as **Annexure 'A'.**

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

The Company has filed application with Securities and Exchange Board of India regarding matter of listing of the remaining 3000000 equity shares.

The Company had applied for delisting of its shares from Calcutta Stock Exchange and completed all formalities in June 2000. However, the delisting permission is still awaited.

The Company has been regular in submitting audited results within prescribed time limit. However, there was a delay of 24 days in submitting the Audited Results for the year 2020-21 to BSE due to pandemic induced lockdown during period from night of 16.04.2021 to 07.06.2021. The Company had sought extension of time from BSE, though the BSE did not concede to our request.

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

9. CORPORATE GOVERNANCE

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

10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

provided in the Corporate Governance Report.

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

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

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act. During the Year, the Company has spent Rs.17.85 Lakhs on CSR activities. The financial data pertaining to the Company's CSR activities for the financial year 2021-22 is attached in the prescribed format in **Annexure-B** to the Board's Report.

11. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

12. VIGIL MECHANISM

A comprehensive Vigil mechanism/Whistle Blower Policy has already been adopted by the Company which provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees. The policy as approved by the Board is uploaded on the Company's website at http://www.kothariyeast.in/financial/Whistle%20Blower%20Policy%20_KFBL.pdf

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

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

The Company has complied with provisions relating to the constitution of internal complaints committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. No Complaint was filed during the Financial year 2021-2022.

14. RISK MANAGEMENT POLICY OF THE COMPANY

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

15. REMUNERATION POLICY AND BOARD EVALUATION

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

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

16. DISCLOSURES

a) Number of Board & Committee Meetings:

During the year under review, Eight Board meetings, Five Audit Committee meetings, Four Stakeholders Relationship Committee meetings, Two Nomination & Remuneration Committee meeting and Two Corporate Social Responsibility Committee meetings were convened and held. Further details are mentioned in Corporate Governance Report.

Pursuant to clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 14.02.2022.

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

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

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

e) **Annual Return -** Pursuant to Section 92(3) of the Act, as amended, draft annual return in Form MGT-7 is placed on the website of the Company at http://www.kothariyeast.in/financial/annual_report/mgt-7_21-22.pdf

f) **Disclosure pertaining to Managerial Remuneration -** Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per **Annexure 'C'.**

The information required pursuant to section 197 read with rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees will be provided upon request.

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

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

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

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

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

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

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Place: New Delhi
Date: 25th August, 2022

Pramod Kumar Kothari
Chairman & Managing Director

Annexure-'A'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KOTHARI FERMENTATION & BIOCHEM LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED**

(hereinafter called ''the Company''). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s KOTHARI FERMENTATION & BIOCHEM LIMITED** ("the Company") for the financial year ended on 31.03.2022 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(since repealed) and SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021**;**Not Applicable

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(since repealed) and SEBI (Issue and Listing of Non-convertible Securities), 2021: ; **Not Applicable**

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

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and

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

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

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

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

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

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

1. The listing permission for 30 Lac equity shares out of 89.05 Lac applied by the company in the years 2008-09 and 2009-10 have not yet been agreed for listing by BSE. The company has moved an application with SEBI seeking directions to BSE for listing of the pending shares .

2. The Company had applied for delisting of its shares from Calcutta Stock Exchange and completed all formalities in June 2000. However the delisting permission is still awaited.

3. There was a delay of 24 days in submitting the Audited Results for the year 2020-21 to BSE. The company had sought extension of time due to pandemic related issues which was denied. The company has since paid the imposed penalty

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

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

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

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

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

For V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
FCS: 3440
C.P. No. 2019
PR: 887/2020
UDIN: F003440D000753398

Place: Greater Noida
Date: 06 August, 2022

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

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'Annexure A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For V. K. Sharma & Co.
Company Secretaries

(**V. K. Sharma)**
FCS: 3440
C.P. No. 2019
PR: 887/2020
UDIN: F003440D000753398

Place: Greater Noida
Date: 06 August, 2022

ANNEXURE-B

Annual Report on Corporate Social Responsibility Activities

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

1. Brief outline on CSR Policy of the Company

   a. Company would spend not less than 2% of the average net profit of the Company, calculated in accordance with section 198 of the Companies Act, 2013, made during the three immediately preceding Financial Year.

   b. CSR activities shall be undertaken by the company as prescribed under schedule VII of the Companies Act, 2013

   c. Company will give preference to conduct CSR activities in the area wherein the company has its operation; and

   d. Board may decide to undertake the activities either by itself or through a registered trust or a registered society or a company established by the company, or its holding or subsidiary of associate company under section 8 of the Act or otherwise.

   e. Company is carrying out CSR activities mainly in the field of promoting education, capacity building, skill development, training and employment generation, promoting health care including preventive health care and sanitation, Promotion of education, art, culture and sports, Environmental Sustainability, Eradicating Hunger & Poverty.

2. Composition of CSR Committee.

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

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

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

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

   Not applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: 2,34,542/-

6. Average net profit of the company as per Section 135 (5): 9,72,13,620/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013: 19,44,272/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable

   (c) Amount required to be set-off for the financial year, if any: 234,541.98

   (d) Total CSR obligation for the financial year (7a+7b-7c): 17,09,730/-

8. CSR amount spent or unspent for the financial year:

(a) CSR amount spent or unspent for the financial year 2021-22:

Total Amount Spent for the Financial Year (₹ in Rs.)	Amount unspent (₹ in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
17,85,699	N. A.		N.A.		

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

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

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

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation–Through implementing agency	
				State	District				
1	Education	Promotion of Education	Yes	Uttar Pradesh	Bulandshahr	9,81,099	Yes	NA	NA
2	Health Care	Promoting Health Care including preventive health care	Yes	Uttar Pradesh	Bulandshahr	8,04,600	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 17,85,699

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

S.No.	Particular	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5) (after deduction of Rs. 2,34,542, the excess unspent amount of previous year)	17,09,730
2.	Total amount spent for the financial year	17,85,699
3.	Excess spent for the Financial Year (2-1)	75,969
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any	-
5	Amount available for set off in succeeding Financial Years (3-4)	75,969

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

Sl No.	Preceding Financial Year	Amount transferred to unspent CSR account under section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2020-21	Nil	1,37,040	Nil	Nil	Nil	Nil
2	2019-20	Nil	Nil	Nil	Nil	Nil	1,37,040
3	2018-19	Nil		Nil	Nil	Nil	Nil

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil
    a. Date of creation or acquisition of the capital asset(s):
    b. Amount of CSR spent for creation or acquisition of capital asset:
    c. Details of the entity or public authority or beneficiary under whose name Such capital asset is registered, their address etc.:
    d. Provide details of the capital asset(s) created or acquired (including Complete Address and location of the capital asset):
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: Not Applicable.

For and on behalf of the Board

Place: New Delhi
Date: 25th August, 2022

Pramod Kumar Kothari
Chairman & Managing Director

ANNEXURE – C

PARTICULARS OF REMUNERATION

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

a) No remuneration is paid to Non-Executive Directors. The Ratio of the Remuneration to the median remuneration of the employees of the Company for the financial year was 11.04 in respect of Mr. Pramod Kumar Kothari, 10.25 in respect of Mrs. Kavita Devi Kothari and 2.71 in respect of Mr. Siddhant Kothari.

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

c) The percentage increase in the median remuneration of employees in the financial year: 9.07 %.

d) The number of permanent employees on the rolls of Company as on 31.03.2022 is 196.

e) Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in Managerial Remuneration: The average increase in salaries of employees in 2021-22 was 9.36% and the increase in managerial remuneration for the year was 17.39 % The remuneration paid to the Directors was low in comparison to the Managerial Remuneration paid to the Directors of the other companies of same size and turnover.

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

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

ANNEXURE – D

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2022

(I) CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION

	Particulars	For the Year ended on 31st March, 2022	For the Year ended on 31st March, 2021
1)	**Electricity**		
	a) Units Consumed	17979525	19251256
	b) Total Amount (Rs. in Lacs)	1222.04	1541.68
	c) Rate/Unit Rs.	6.80	8.01
2)	**HSD**		
	a) Quantity (Litres)	62800	172100
	b) Total Amount (Rs. in Lacs)	48.84	108.33
	c) Average Rate/Litre (Rs.)	77.77	62.94
3)	**Furnace Oil/LDO**		
	a) Quantity (Litres)	-	3500
	b) Total Amount (Rs. in Lacs)	-	1.12
	c) Average Rate/Litre (Rs.)	-	32.10

(II) TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

Through continuous Research and Development efforts, the Company has been able to maintain the quality of yeast products as compared with its competitor multinational companies. The Company is constantly upgrading its technology by R&D to help in the overall development of the Company.

Expenditure on Research & Development

	Particulars	For the Year ended on 31st March, 2022	For the Year ended on 31st March, 2021
a)	Capital (Rs. in lacs)	—-	—
b)	Recurring (Rs. in lacs)	36.94	50.80
c)	Total (Rs. in lacs)	36.94	50.80
d)	Total R & D expenditure as percentage of turnover of Manufacturing activity	0.38	0.53

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Particulars	For the Year ended on 31st March, 2022	For the Year ended on 31st March, 2021
a)	Foreign exchange earnings (Rs.in lacs)	—-	95.68
b)	Foreign exchange outgo (Rs.in lacs)	133.21	129.16

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Your Company is in the business of Manufacturing Yeast and its derivatives during the year. Various types of Yeasts are produced, e.g. Baker's yeast, Nutritional yeast, feed yeast, Seasoning yeast, distiller yeast and bio-ethanol yeast. Yeast is used in various end-use applications in the Food, Distillery, Feed, Pharmaceuticals and Other Biotechnology sectors.

Industry Structure and Developments

The Yeast Industry in India comprises of three major companies which are manufacturing yeast including our company and there is also one small manufacturer producing a small quantity of bakers fresh yeast. The two other major manufacturers are AB Mauri and Saf Yeast which are multinational Companies. Another multinational Company has established its yeast manufacturing facilities in India , and your company may face stiff competition during the current year.

There is increasing demand for yeast and yeast based products all over the world. The potential for expansion of yeast market in India is very large with country's own demand. As one of the largest cane sugar producer country, India has sufficient supply of cane molasses which is the main raw material for yeast industry. However, the molasses is now divested for production of ethanol, which is being mixed with petrol. This has reduced the availability of molasses for yeast manufacturing and also increased the prices of molasses tremendously and has dented the profitability of your company to large extent.

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

Opportunities and Threats

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

Due to presence of intense competition from multinational Companies, the Company is constantly working to enter into new markets, other than Bakeries, and had developed technologies for the manufacturing of Yeast based products needed for Distilleries, Feed, Food Pharmaceuticals and Biotech Industries.

Segment wise Performance

Manufacturing of Yeast is the only business segment of the Company during the year 2021-2022. The brand names – Kothari "SUNRISE", "KF" and "FOUR SEASONS" have been well established in the domestic market.

The comparison of financial data with previous year's data, is provided as under:

Discussion on Financial Performance with respect to Operational Performance

Particulars	2021-22 (Rs. In lacs)	2020-21 (Rs. in lacs)
	Manufacturing of Yeast	
a) Production (MT)	16542	17095
b) Revenue		
- Net sales	9702.74	9555.33
c) Result		
- Before Tax & Finance cost	452.74	934.27
Less:		
i) Finance cost.	302.09	356.07
ii) Other Un-allocable Exp	-	-
Net Profit before Tax.	150.65	578.20
d) Net worth	6057.38	6028.96
e) PBT/NW (%)	2.49	9.59

The company recorded a capacity utilization of 78.77% of its production facilities during the year. The company is having installed capacity of 25000 MT and operative capacity of 21000 MT.

Future Outlook

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

The Company has set up Yeast Extract Powder Plant at a production capacity of 50 MT/month in the last month of Financial Year 2021-22.The Production has been commenced and received the market acceptability. It is expected that there will be increase in production, turnover and profitability of the Company during current Financial Year 2022-23.

In order to reduce the power Cost, the management of the company had entered into contract with Indian Energy Exchange. This has reduced the power cost and the impact of the same is visible in the power cost during 2021-22. There was volatility in the availability of power through exchange due to restriction on import and low mining of Coal. However, the same is temporary phenomena, and now the required power is available at low prices to the Company.

The company is regularly reviewing its whole structure and making changes for future improvements. Various control systems are also deployed for the reduction of costs and improving of the operating efficiencies. The Company is constantly trying to be profitable by utilizing its available resources more effectively and efficiently.

Internal Control System and their adequacy

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

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

The Company believes that the competence and commitment of its people are the key drivers for growth of the organization. There have been excellent relations between the employees at various levels and the management. The managers' help employees identify obstacles and teach them leadership techniques through training, mentoring and coaching. The Company responds to genuine grievances of employees in order to foster warm and cordial relationships between the management and the employees. This practice increases job satisfaction of employees and ensures that employees can add value to their lives. There were 225 persons directly employed by the Company during the previous financial year on an average basis. However, there was no job loss in the Company due to the COVID induced lockdown.

Forward Looking & Cautionary Statement:

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

For and on behalf of the Board

sd/-
Pramod Kumar Kothari
Chairman & Managing Director

Place: New Delhi
Date: 25th August, 2022

REPORT ON CORPORATE GOVERNANCE

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

The Company's Corporate Governance policies and practices for the financial year 2021-22 are given below:

1. Company's Philosophy on Code of Governance:

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

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

2. Board of Directors:

(i) Composition:

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

The Board of Directors consists of Six Directors viz. Mr. Pramod Kumar Kothari (Chairman and Managing Director), Mrs. Kavita Devi Kothari (Whole-Time Director), Mr. Siddhant Kothari (Whole-Time Director), Mr. Prasanna Kumar Pagaria, Mr. Hemendra Patsingh Dugar and Mr. Piyush Kumar Goel. Mr. Pramod Kumar Kothari, Mrs. Kavita Devi Kothari and Mr. Siddhant Kothari are the Executive Directors and the other three Directors are Independent Non-Executive Directors. The Board of the company, therefore, meets the composition criteria as required under SEBI Listing Regulations.

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

Composition & Category of Directors

Particulars	Number of Directors	Percentage of composition
Executive Directors (including one woman director)	3(including Chairman)	50%
Non-executive Independent Directors	3	50%
Total	6	100%

(ii) Board meetings:

During the year, 8 Board meetings were held, i.e. on 20th May, 2021, 22nd June, 2021, 24th July, 2021, 14th August, 2021, 31st August, 2021, 20th October, 2021, 13th November, 2021 and 14th February, 2022.

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

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

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

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Director -ships #	Other Companies Board's Committees*	
					Chairman	Member
Mr. Pramod Kumar Kothari	Chairman & Managing Director	Yes	8	NIL	NIL	NIL
Mrs. Kavita Devi Kothari	Whole - Time Director	No	5	NIL	NIL	NIL

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Director -ships #	Other Companies Board's Committees*	
					Chairman	Member
Mr. Siddhant Kothari	Whole - Time Director	Yes	8	NIL	NIL	NIL
Mr. Prasanna Kumar Pagaria	Independent Non-executive Director	Yes	7	NIL	NIL	NIL
Mr. Hemendra Patsingh Dugar	——Do—-	Yes	6	NIL	NIL	NIL
Mr. Piyush Kumar Goel	——Do—-	Yes	8	NIL	NIL	NIL

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

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

(iii) Orderly succession to Board and Senior Management

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

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

The Company has adopted a Code of Conduct for Board of Director and Senior Management (referred to as the 'Code'). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at www.kothariyeast.in. All Board members and senior management have confirmed compliance with the code for the year ended 31st March, 2022. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

(v) Independent Directors:

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company, which could have potential conflict of interest with the Company at large. As mandated by Regulations 25 of the SEBI Listing Regulations as of March 31, 2022, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26, none of Directors is a member of more than ten committees or acting as Chairperson of more than five committees of the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. Also the maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI Listing Regulations.

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

Mr. Hemendra Patsingh Dugar holds company's 1400 equity shares himself and through his relative. No other non-executive independent director holds any shares and convertible instruments in the Company.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 14TH of February, 2022, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

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

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

Familiarization Programme for Independent Directors

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

The Familiarization programmes imparted to Independent Directors are disclosed on the Company's website i.e. http://www.kothariyeast.in/financial/Familiarization/Familiarization_Policy.pdf

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

Key Board Skills/ Expertise/ Competence

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

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

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

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

(vii) Independent Directors confirmation by the Board

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

(viii) Performance Evaluation

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

(ix) Disclosure of relationships between Directors inter-se

Name of the Director	Designation of Director	Relationships Inter-se
Mr. Pramod Kumar Kothari	Chairman & Managing Director	Husband of Mrs. Kavita Devi Kothari, Whole-Time Director of the Company.
Mrs. Kavita Devi Kothari	Whole – Time Director	Wife of Mr. Pramod Kumar Kothari, who is Chairman & Managing Director of the Company
Mr. Siddhant Kothari	Whole – Time Director	Son of Mr. Pramod Kumar Kothari, who is Chairman & Managing Director of the Company
Mr. Prasanna Kumar Pagaria	Non-executive Independent Director	No Relationship Inter se
Mr. Piyush Kumar Goel	Non-executive Independent Director	No Relationship Inter se
Mr. Hemendra Patsingh Dugar	Non-executive Independent Director	No Relationship Inter se

3. Committees of the Board

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

(i) Audit Committee

- **Terms of Reference**

  As per Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit Committee has been delegated all the requisite functions and powers to impart the role defined in Part C of Schedule II to the Listing Regulations and in Section 177 of the Companies Act, 2013. The broad terms of reference are:

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

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

- **Powers of the Audit Committee**

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

- **Composition, Meetings and Attendance**

  The Committee met 5 times during the year, i.e. on 20th May, 2021, 24th July, 2021, 14th August, 2021, 13th November, 2021 and 14th February 2022. The composition, names of the members, chairman, particulars of the meetings, and attendance of the members during the year are as follows:

Name of the Member	Status	Category	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	Independent/ Non–executive Directors	5
Mr. Piyush Kumar Goel	Member		5
Mr. Hemendra Patsingh Dugar	Member		4

  Majority of the members of Audit Committee have accounting and financial management expertise. Mr. Pramod Kumar Kothari, Chairman & Managing Director, is the permanent invitee to the Audit Committee. The Chief Financial Officer, Internal Auditors and Statutory Auditors also invited and attended the committee meeting to clarify and discuss queries raised by the Committee.

(ii) Nomination & Remuneration Committee

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

- **Composition, Meetings and Attendance**

  Two meetings of the committee were held during the year on 24th July, 2021 and 31st March, 2022. The composition, names of the members, chairman, particulars of the meeting, and attendance of the members during the year is as follows:

Name of the Member	Status	Category	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	Independent/ Non–executive Directors	2
Mr. Piyush Kumar Goel	Member		2
Mr. Hemendra Patsingh Dugar	Member		2

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

  The criteria for evaluation of Independent Directors as well as other Directors and Managerial Personnels, is formulated by Nomination and Remuneration Committee, which includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, motivation/ commitment/diligence, integrity/ethics/values and openness/receptivity.

- **Remuneration of Directors**

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

  The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive directors. During the year under review, none of the directors was paid any performance-linked incentive/ commission. In 2021-22, the Company did not advance any loans to any of the executive and/or non-executive directors.

  Details of Remuneration paid to Directors for the year 2021-2022

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

PARTICULARS	MR. PRAMOD KUMAR KOTHARI	MRS. KAVITA DEVI KOTHARI	MR. SIDDHANT KOTHARI
Salaries	42.00	39.00	10.30
TOTAL	**42.00**	**39.00**	**10.30**

  (b) Non- Executive Directors:

  During the year under review, there were no pecuniary transactions with any non-executive director of the Company. Further no sitting fee was paid to the non-executive Directors during the year 2021-22 as decided by themselves for not accepting any sitting fees.

- **Policy on Board Diversity**

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

(iii) **Stakeholders Relationship Committee:**

- **Terms of Reference**

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

  - o The security holders' complaints on matters relating to transfer/transmission of securities, non-receipt of annual report, non-receipt of dividends and matters related thereto, issuing of duplicate certificates, etc.
  - o Approval of shares transfer, transmission and issue of duplicate share certificate, etc.
  - o The matters that can facilitate better investor services and relations.

- Reviewing the performance of the RTA and recommending measures for the overall improvement in the quality of investor services.

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

The Committee met 4 times during the year, i.e. on 15th April, 2021, 24th July, 2021, 13th November, 2021 and 14th February, 2022 and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Prasanna Kumar Pagaria	Chairman	4
Mr. Pramod Kumar Kothari	Member	4
Mr. Hemendra Patsingh Dugar	Member	3

Name, Designation & Address of the Compliance Officer

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

• **Shareholders complaints and disposal thereof**

The complaints of the shareholders are either addressed to the Company Secretary or the share transfer agents of the company i.e. Abhipra Capital Limited. The status of pending shareholder's/ investor's complaints is regularly reviewed at the Stakeholders Relationship Committee Meeting on quarterly basis. Only two complaints were received during the year under review. There was no investor complaint pending as on 31.03.2022. There were no valid share transfers pending for registration for more than 15 days on the said date.

As per Regulation 85 of the Listing Regulations, an email id, i.e. **info@kothariyeast.in** has been designated especially for the redressal of the security holders' grievances, by the company. The mails are periodically reviewed by the Committee. All the queries received from the shareholders during the Financial Year 2021-22 have been responded by the R&T Agent and replied to within a fortnight.

(iv) Corporate Social Responsibility:

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

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

Composition, Meetings and Attendance during the year

The Committee met 2 times during the year, i.e. on 24.07.2021 and 31.03.2022, and the attendance at the meetings was as follows:

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

4. Annual General Meetings

AGM	YEAR	VENUE	DATE	TIME
31st	2020-2021	Through VC/OAVM at Registered Office	30.09.2021	11:30 A.M.
30th	2019-2020	Through VC/OAVM at Registered Office	20.11.2020	11:00 A.M.
29th	2018-2019	Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019	27.09.2019	01:00 P.M.

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

Special Resolution passed in previous three Annual General Meetings

AGM	Year	Subject of Special Resolution	Date
31st	2020-21	NIL	30.09.2021
30th	2019-20	1. Alteration in Object Clause of Memorandum of Association 2. Alteration in Liability Clause of Memorandum of Association 3. Authorization of Board to Borrow money. 4. To approve creation of charge/security over the assets/ undertaking of the Company in respect of borrowing 5. Appointment of Whole Time Director	20.11.2020
29th	2018-2019	Re-appointment of Independent Director	27.09.2019

5. Means of Communication

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

6. General Shareholder Information

(i) 32nd Annual General Meeting:

Day, Date & Time	**Saturday, 24th day of September, 2022 at 11:30 A.M.**
Venue	**Video Conferencing (VC)/ Other audio and visual means (OAVM) at Registered Office, 16,community Centre, 1st floor, New Delhi-110017**

(ii) Tentative Financial Calendar:

Financial Year 2022 – 2023		
1. First Quarterly Results	(Unaudited/Limited Review)	July-August 2022
2. Second Quarterly Results	————Do————	October-November 2022
3. Third Quarterly Results	————Do————	January-February 2023
4. Fourth Quarterly Results & Annual Results	(Audited)	April-May 2023

(iii) Book Closure

Share Transfer Books and Register of Members shall remain closed from Saturday, the 17th day of September, 2022 to Saturday, the 24th day of September, 2022 (both days inclusive).

(iv) Dividend Payment Date

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

(v) Listing on Stock Exchanges and Stock Codes

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

Note: Annual Listing Fees for the year 2021-2022 have been duly paid to the above stock exchange.

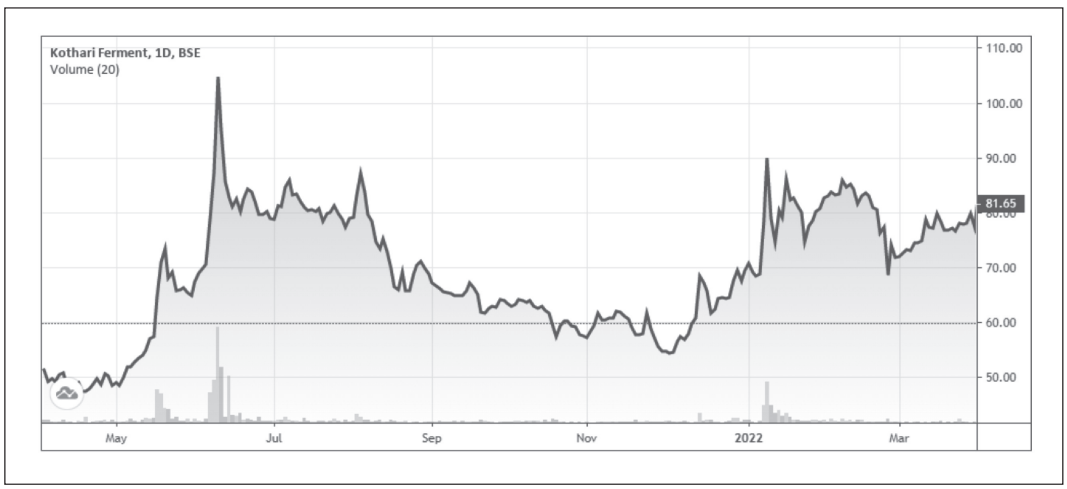
(vi) DEMAT ISIN Number in NSDL & CDSL - INE991B01010

(vii) Market Price Data for the year 2021-22:

Monthly high/low prices and trading volumes of the company's shares during the financial year 2021-22 on BSE Ltd. are given hereunder:

Month	High Price	Low Price	No. of Trades	No.of Shares Traded
Apr-21	53	46.25	799	92594
May-21	77.45	47	4075	366575
Jun-21	112.9	63.1	8363	899226
Jul-21	87.7	76.55	2211	128844
Aug-21	90.7	63.2	2109	117609
Sep-21	70.8	60	1563	69109
Oct-21	65.8	55.2	1362	78998
Nov-21	64.5	55.1	898	54331
Dec-21	74	53.7	1585	128195
Jan-22	94.35	65.15	4792	385319
Feb-22	88.2	68	1321	98888
Mar-22	83.5	70.05	848	50854

Share price chart during the year 2021-22 :-



(viii) Registrar and Share Transfer Agents

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

(ix) Share Transfer System

As per Regulation 40 of SEBI Listing Regulations as amended, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Valid requests for dematerialization received from the shareholders are affected within a period of maximum15 days.

(x) Distribution of Shareholding

A) Distribution of Shareholding according to size class as on 31st March 2022:

S. No	Nominal Value of Equity Shares held (Rs.)	Shareholders		Shares held in each class			
		Number	%	Physical	Demat	Total	% to Total
1	Upto 5000	10182	95.44	709415	4949303	1183005	7.89
2	5001 To 10000	254	2.38	35400	171853	207253	1.38
3	10001 To 20000	97	0.91	15200	125944	141144	0.94
4	20001 To 30000	40	0.37	12000	85479	97479	0.65
5	30001 To 40000	20	0.19	14300	56713	71013	0.47
6	40001 To 50000	23	0.22	13400	92547	105947	0.71
7	50001 To 100000	26	0.24	21500	179838	201338	1.34
8	Above 100000	27	0.25	160900	12831921	12992821	86.62
	TOTAL	**10,669**	**100**	**9,82,115**	**1,40,17,885**	**1,50,00,000**	**100**

B) Distribution of Shareholding across Categories as on 31st March 2022:

S.No.	Category	No. of Shares Held	% Shareholding
1.	Promoters	11237200	74.91
2.	Financial Institutions, Banks and Mutual Funds	100	0.00
3.	NRIs, Foreign Nationals, OCBs FIIs and clearing members.	16063	0.11
4.	Indian Public	2852843	19.02
5.	HUF	73738	0.49
5.	Private Corporate Bodies	820056	5.47
	TOTAL	**15000000**	**100**

(xi) Dematerialization of Shares and Liquidity

About **93.45%** of the total equity share capital of the company was held in Dematerialization form as on 31st March, 2022 with NSDL/ CDSL. The shares of the company fall under the category of compulsory delivery in dematerialized form by all categories of investors and is listed on BSE Ltd except 30 lakhs shares pertaining to promoters are in the process of Listing at BSE.

Kindly note that SEBI, has mandated that in all listed companies, only Dematerialized securities are allowed to be transferred except for transmission or transposition of securities. The Company is not allowed to undertake any transfers in physical mode. Accordingly, the Physical Shareholders are requested to kindly convert their shareholding in Demat mode at the earliest.

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

(xiii) Location of Plant

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

(xiv) Address for Correspondence

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

b **With the R & T Agent:**
The shareholders may also address their correspondence to the RTA of the Company; their address is given in point no.6 (viii) above.

(xx) Credit Rating: Also, your company's domestic credit rating by CRISIL is 'BBB-/Negative' for long term debt facilities and an 'A3' for the short term debt facilities.

7. Other Disclosures

- **Related Party Transactions (RPT)**

  There were no materially significant transactions with the related parties during the financial year that may have potential conflict with interest of the Company at large.

  All transaction entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations during the financial year were on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013.

  During the year 2021-22, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, all RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the accompanying Financial Statements.

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

- **Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority**

  No penalties, and strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years, except a penalty of Rs. 15000 Plus GST for Financial Year 2020-2021 on late filing of Auditor Report due to clerical mistake and Rs. 1,20,000 plus GST on late filing of Financial Results under Regulation 33 of the SEBI (LODR) Regulations, 2015, due to continuous lock down imposed by Government w.e.f. night of 16th April, 2021 and continued the Complete lockdown w.e.f 19.04.2021 (10 p.m.) vide DDMA order no.381 dated 19.04.2021 initially, and further extended from time to time till 7th June,2021 even with 50% Staff.

- **Material Subsidiaries**

  The Company does not have a subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations and hence this clause is not applicable on the company.

- **Proceeds from public issue, rights issue, preferential issue, etc.**

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

- **Disclosure of material transactions by Senior Management**

  Under regulation 26(5) of SEBI Listing Regulations, Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was NIL during the year 2021-22.

- **Compliances regarding Insider Trading**

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

  The code referred above is placed on the Company's website - www.kothariyeast.in.

- **Vigil mechanism and Whistle Blower Policy**

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

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

Number of Complaints filed during the year 2021-22	:	NIL
Number of Complaints disposed of during the year 2021-22	:	N.A.
Number of Complaints pending as on 31st March, 2022	:	NIL

- **Disclosure of Accounting Treatment and Directors' Responsibility Statement**

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

- **Disclosure with respect to demat suspense account/ unclaimed suspense account.**
  There are no Shares in the demat suspense account or unclaimed suspense account.
- **Details of compliance with mandatory and discretionary requirements as per SEBI Listing Regulations**
  All the mandatory requirements have been complied with in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance as prescribed in sub-paras (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI Listing Regulations, 2015.
  The Corporate Governance requirements specified in Regulation 17 to 27 and under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations has also been duly complied with in this Report as well as on the website of the company.
  The Discretionary requirements as stipulated in Part E of Schedule II have been adopted to the extent and in the manner as stated hereunder:
  - o The Board: Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable to the Company.
  - o Shareholder rights: A quarterly, half-yearly and annual financial results are published in the newspapers and are also posted on the website of the company.
  - o Modified opinion(s) in the audit report: The Company confirms that its financial statements for the year under reference are with unmodified audit opinion.
  - o Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.
- **CEO/ CFO Certification**
  Pursuant to the provisions specified in Part B of Schedule II and in terms of Regulation 17(8) of the SEBI Listing Regulations, a certificate on the Financial Statements from CEO and the CFO is issued and forms part of the Annual Report.
- **Compliance Certificate**
  Compliance certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.
- **Non Disqualification of Directors**
  A certificate from a company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies, by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed herewith
  The above report has been placed before the Board at its meeting held on 25.08.2022 and was approved.

For and on behalf of the Board

Place: New Delhi
Date: 25.08.2022

Pramod Kumar Kothari
Chairman & Managing Director

CEO /CFO CERTIFICATION

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

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

We have indicated to the auditors and the Audit Committee:

i. Significant changes in internal control over financial reporting during the year;
ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Kothari Fermentation & Biochem Ltd.

Date: 30.05.2022
Place: New Delhi

Arun Kumar Sekhani
Chief Financial Officer

Pramod Kumar Kothari
Chairman & Managing Director

DECLARATION

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, hereby certify that the Board Members and the Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31st March, 2022.

For and on behalf of the Board

Place: New Delhi
Date: 30.05.2022

Pramod Kumar Kothari
Chairman & Managing Director

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Kothari Fermentation & Biochem Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Kothari Fermentation & Biochem Ltd ("the Company") for the year ended 31st of March, 2022 as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2022.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical FinancialInformation, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C , D and E of schedule v of the Listing Regulations during the year ended 31st March, 2022.

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

Restriction of Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing

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

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN:- 22413714AONPTZ4306

Place: New Delhi
Dated: 10/06/2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

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

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

V.K. Sharma & Co
Company Secretary

(V. K Sharma)
FCS NO.: 3440
C P NO. : 2019
UDIN: F003440D000753244
PR: 887/2020

Place: Greater Noida
Date: 06.08.2022

Independent Auditor's Report

To
The Members of
Kothari Fermentation & Biochem Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kothari Fermentation & Biochem Limited ('the Company'), which comprise the balance sheet as at 31st March 2022, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair View in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of Affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31,2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.

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

S. No.	Key Audit Matter	Auditor's Response
1	**Existence of Inventories** As at March 31, 2022, the Company inventories aggregating Rs. 1820.22 lakhs,comprising 14% of the total assets of the Company as on that date, which inventories are geographically spread across multiple locations such as factory/ depots.These inventories are physically verified by the Management in accordance with a physical verification plan. For the aforementioned reason and also since the inventory balance is material, the existence and condition thereof has been considered as a key audit matter.	We have performed the following principal audit procedures in relation to validating the existence and condition of inventories, which include a combination of testing internal controls and substantive testing as under: • Understood Management's control over physical inventory counts. • Evaluation of the design and testing the operating effectiveness of the internal controls relating to physical inventory counts. • Performed alternate procedures including inspection of documentation of the subsequent sale of inventories to audit the existence and condition of inventory as per guidance providedin SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence. • We have also performed roll-forward procedures for establishing the existence of inventory as at year-end by validating purchases, sales, stock movement of inventory during the inter vening period i.e. from the date physical verification was done till the year end date.

S. No.	Key Audit Matter	Auditor's Response
		• Verification of documentary evidences of damaged and expired stock and the adequacy of recorded allowance in respect of Inventories.
2	**Evaluation of uncertain tax positions** Refer Notes 29 to the Financial Statements. The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	We have obtained details of complete tax assessments and demand as at March 31, 2022 from management. We considered management's assessment of the validity and adequacy of provisions for uncertain tax positions, evaluating the basis of assessment and reviewing relevant correspondence and legal advice, where available, including any information regarding similar cases with the relevant tax authorities. We assessed validity and adequacy of provisions for uncertain tax positions in respect of Income tax demandand have discussed the probable outcome of the case with the key management and considered their views on the same.We have found the appropriateness of management's assumptions and estimates reasonable.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statementsor our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required toreport that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") withrespect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, includingthe Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Company (Indian Accounting Standards) Rules,2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficientand appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's abilityto continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease tocontinue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in amanner that achieves fair presentation.

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

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

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicatedin our report

  because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - I, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations whichto the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with companies (Indian accounting Standards) Rule, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure II to this report";

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial Position in its Ind AS financial statements – Refer Note 29 to the financial Statements;

ii. The company did not have any long –term contracts including derivative contracts for which there were any material for eseeable losses;

iii. There was no amount which were required to be transferred to the Investor education and Protection Fund by the company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate)have been advanced or loaned or invested (eitherfrom borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding,whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Companyfrom any person or entity, including foreign entity ("Funding Parties"), with the understanding,whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of theUltimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared and paid any dividend during the year.

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

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN:- 22413714AJXDYV4242

Place: New Delhi
Dated: 30/05/2022

Annexure - I to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of Kothari Fermentation & Biochem Limited on the financial statements as of and for the year ended 31 March 2022,

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

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

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

(c) According to the information and explanations provided to us and on the basis of our examination of the registered sale deed/conveyance deed (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee),We report that , the title deeds, comprising the immovable Properties of land and building which are freehold, are held in the name of the Company, as at the balance sheet date.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company

(e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988(as amended in 2016) and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.

ii. (a) The management has conducted Physical Verification of inventory at reasonable intervals during the year, other than stock lying with third parties, and in our opinion, the coverage and procedure of such verification by the management is appropriate. As explained to us and on the basis of records examined by us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.

(b) The Company has been sanctioned working capital limits during the year in excess of five crores rupees, in aggregate, from a bank on the basis of security of current assets. Based on the examinations of the books of accounts and quarterly statements submitted to the bank, aggregate value of stocks and debtors are not in agreement with the books of accounts as mentioned in note no. 42 to the financial statements.

iii. In Our opinion and according to the information provided to us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited liability partnerships or any other parties during the year. Accordingly, para 3(iii) a to para 3(iii) f are not applicable.

iv. The Company has no transaction with respect to loan,investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause3(iv) of the Order are not applicable to the Company.

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

vi. According to the information and explanations given to us, the Central Government has not Prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013 in respect of the activities carried on by the company.Therefore, the provisions of clause (vi) of paragraph 3 of the order is not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and service tax, cess and other statutory dues applicable to it. There were no undisputed outstanding statutory dues as at year end for a period of more than 6 months from the date they became payable.

(b) According to the information and explanation given to us and the records of the company examined by us, there are not statutory dues referred to in sub clause (a) on account of any dispute except followings :

Name of the Statute	Nature of Dues	Amount (in Lacs)	Period to which the amount relates	Forum Where the dispute is pending
Income Tax Act	Demand of Tax (Addition U/s 41(1) of the Income Tax Act,1961)	# Rs. 981.80 lacs	A.Y. 2008-09	CIT(A), New Delhi & Hon'ble High Court, Delhi

Amount of Tax disputed and not deposited.

viii. According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest there on to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender and hence, reporting under clause 3(ix)(b) of the Order is not applicable.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company. Accordingly, reporting under this clause 3(ix)(d) of the Order is not applicable.

(e) The Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.

(f) The Company has no subsidiaries hence, reporting under clause 3(ix)(f) of the Order is not applicable

x. (a) The Company did not raise any money by way of initial public offer or further public offer(including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of theOrder are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

xi. (a) As per the information and explanation given to us and on the basis of our examination of the records, we have neither come across any instance of material fraud by the company or on the company or reported during the year, nor have been informed of such case by the management.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have been informed that there are no whistle blower complaints received by the Company during the year (and upto the date of this report). Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.

xii. The company is not Nidhi Company. Accordingly, Clause (xii) (a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.

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

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

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

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable to the company.

(b) According to the information and explanations given to us and based on our examination of the records,the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly,paragraph 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group does not have any core investment company (CIC) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. In our opinion and according to the explanation given to us the Company has not incurred any cash losses during the year and in the immediately preceding financial year, hence clause (xvii) of paragraph 3 is not applicable to the company.

xviii. There has been no resignation of the statutory auditors of the company, hence clause (xviii) of paragraph 3 is not applicable to the company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. In our opinion and according to the explanation given to us no material uncertainty exists on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, hence clause (xix) of the paragraph 3 is not applicable to the company.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in ScheduleVII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year. In our opinion and according to the explanation given to us there is no ongoing project of the company, hence clause (xx) of paragraph 3 is not applicable to the company.

xxi. The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

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

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN:- 22413714AJXDYV4242

Place: New Delhi
Dated: 30/05/2022

Annexure - II to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls over financial reporting of Kothari Fermentation and Biochem Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered

Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and;

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA KULDEEP KOTHARI
Partner
Membership No.: 413714
UDIN:- 22413714AJXDYV4242

Place: New Delhi
Dated: 30/05/2022

Balance Sheet as at 31 March 2022

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

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3'	7,963.04	8,212.23
Capital work-in-progress	3A'	1,626.30	672.16
Financial assets			
(a) Other non-current financial assets	4'	65.01	64.26
Other non-current assets	5'	7.20	134.56
Total non-current assets		**9,661.55**	**9,083.21**
Current assets			
Inventories	6'	1,820.22	1,448.81
Financial assets			
(i) Trade receivables	7'	566.40	616.85
(ii) Cash and cash equivalents	8'	17.61	16.12
(iii) Bank balances other than (ii) above	9'	56.47	54.48
(iv) Other current financial assets	10'	115.10	114.21
Other current assets	11'	628.77	309.59
Total current assets		**3,204.57**	**2,560.06**
Total assets		**12,866.12**	**11,643.27**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12'	1,500.00	1,500.00
Other equity		4,557.38	4,528.96
Total equity		**6,057.38**	**6,028.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	13'	2,813.43	2,376.84
Long-term provisions	14'	315.89	273.31
Deferred tax liabilities (net)	15'	565.53	474.44
Total non-current liabilities		**3,694.85**	**3,124.59**
Current liabilities			
Financial liabilities			
(i) Borrowings	16'	1,728.69	1,536.20
(ii) Trade payables	17'		
a) total outstanding dues of micro and small enterprises		200.14	45.24
b) total outstanding dues of creditors other than micro and small enterprises		729.98	267.49
(iii) Other financial liabilities	18'	157.99	237.08
Other current liabilities	19'	274.44	353.56
Current tax liabilities (net)	20'	22.65	50.15
Total Current liabilities		**3,113.89**	**2,489.72**
Total liabilities		**6,808.74**	**5,614.31**
Total equity and liabilities		**12,866.12**	**11,643.27**

Summary of significant accounting policies and other notes on financial statements1 to 42'
The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

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

Kuldeep Kothari	**Pramod Kumar Kothari**	**Hemendra Patsingh Dugar**	**Prasanna Kumar Pagaria**
Partner	Chairman & Managing Director	Director	Director
Membership No - 413714	DIN:00086145	DIN:05227746	DIN:00162904
Place : Delhi	**Arun Kumar Sekhani**	**Kavita Tanwar**	
Date : 30/05/2022	Chief Financial Officer	Company Secretary	
		ACS:29486	

Statement of Profit and Loss for the year ended 31 March 2022

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

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations	21'	9,702.74	9,555.33
Other income	22'	13.85	17.17
Total income		**9,716.59**	**9,572.50**
Expenses			
Cost of materials consumed	23'	4,580.69	3,496.68
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	24'	(572.43)	(446.96)
Employee benefits expense	25'	963.47	878.90
Finance costs	26'	302.09	356.07
Depreciation and amortization expense	3'	581.27	515.85
Other expenses	27'	3,710.85	4,193.76
Total Expenses		**9,565.94**	**8,994.31**
Profit before tax (VI-VII)		**150.65**	**578.20**
Tax expense:			
Current tax		28.17	95.40
Deferred tax		91.91	2.25
Profit for the year (A)		**30.57**	**480.54**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(2.98)	(8.44)
Tax relating to remeasurement of defined benefit plans		0.83	2.35
Total other comprehensive income for the period (B)		**(2.15)**	**(6.09)**
Total comprehensive income for the year (A + B)		**28.42**	**474.45**
Earnings per equity share	28'		
Basic		0.20	3.20
Diluted		0.20	3.20
Summary of significant accounting policies and other notes on financial statements	1 to 42'		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

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

Kuldeep Kothari	**Pramod Kumar Kothari**	**Hemendra Patsingh Dugar**	**Prasanna Kumar Pagaria**
Partner	Chairman & Managing Director	Director	Director
Membership No - 413714	DIN:00086145	DIN:05227746	DIN:00162904
Place : Delhi	**Arun Kumar Sekhani**	**Kavita Tanwar**	
Date : 30/05/2022	Chief Financial Officer	Company Secretary	
		ACS:29486	

Cash Flow Statement for the year ended 31 March 2022

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

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	150.65	578.20
	Adjustments for:		
	Depreciation and amortization expense	581.27	515.85
	(Profit)/Loss on sale/discard of property, plant and equipment (net)	0.15	-
	Finance cost	302.09	356.08
	Interest Income	(13.85)	(17.17)
	Operating Profit Before Working Capital Changes	**1,020.31**	**1,432.96**
	Movements in working capital :-		
	(Increase)/ Decrease in Inventories	(371.41)	100.56
	(Increase)/ Decrease in Trade and Other receivables	(140.21)	10.43
	Increase/ (Decrease) in Trade and other payables	498.78	36.33
	Cash used in operations	**1,007.47**	**1,580.28**
	Direct taxes paid	(55.67)	(72.14)
	Net Cash Flow From operating activities	**951.80**	**1,508.14**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale/Deletion of Fixed Assets	10.64	-
	Interest Received on Fixed Deposits & Others	11.05	17.85
	Movement in Fixed Deposits	(1.98)	(31.79)
	Purchase of Fixed Assets including Capital Work in Progress	(1,297.01)	(1,662.89)
	Net Cash used in investing activities	**(1,277.30)**	**(1,676.83)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/(Repayment) of Long Term borrowings	578.85	385.09
	Proceeds from Short Term borrowings	50.23	123.27
	Interest paid	(302.09)	(356.08)
	Net Cash Flow from Financing Activities	**326.99**	**152.28**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1.49**	**(16.41)**
	Cash and Cash Equivalents at the beginning of the year *	16.12	32.53
	Cash and Cash Equivalents at the end of the year *	17.61	16.12
		1.49	**(16.41)**

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

	31st March, 2022	31st March, 2021
Cash in hand	11.85	14.24
Cheques / Drafts on hand		
Bank balances	5.76	1.88
- Current account		
	17.61	16.11

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

As per our report of even date attached.

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

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

Kuldeep Kothari	**Pramod Kumar Kothari**	**Hemendra Patsingh Dugar**	**Prasanna Kumar Pagaria**
Partner	Chairman & Managing Director	Director	Director
Membership No - 413714	DIN:00086145	DIN:05227746	DIN:00162904
Place : Delhi	**Arun Kumar Sekhani**	**Kavita Tanwar**	
Date : 30/05/2022	Chief Financial Officer	Company Secretary	
		ACS:29486	

Statement of Changes in Equity for the year ended 31 March 2022

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

	As at 31 March 2022		As at 31 March 2021	
(a) Equity share capital	**No. of Shares (Lacs)**	**Amount**	**No. of Shares (Lacs)**	**Amount**
Balance at the beginning of the year	150.00	1,500	150.00	1,500
Changes in equity share capital during the year				
Changes in equity share capital due to prior period errors				
Restated balance at the beginning of the year	-	-	-	-
Balance at the end of the reporting period	150.00	1,500.00	150.00	1,500.00

(b) Other equity	**Reserves and Surplus**	**Remeasurement of defined benefit**	**Total**
	Retained earnings	**plans**	
Balance as at 31 March,2020	**4,068.90**	**(14.39)**	**4,054.51**
Profit for the year	480.54	**-**	**480.54**
Other comprehensive income/ (loss) for the year	-	**(6.09)**	**(6.09)**
Total comprehensive income for the year	**480.54**	**(6.09)**	**474.45**
Balance as at 31 March, 2021	**4,549.44**	**(20.48)**	**4,528.96**
Profit for the year	30.57	-	**30.57**
Other comprehensive income for the year	-	(2.15)	**(2.15)**
Total comprehensive income for the year	**30.57**	**(2.15)**	**28.42**
Balance as at 31 March 2022	**4,580.01**	**(22.63)**	**4,557.38**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

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

Kuldeep Kothari
Partner
Membership No - 413714

Pramod Kumar Kothari
Chairman & Managing Director
DIN:00086145

Hemendra Patsingh Dugar
Director
DIN:05227746

Prasanna Kumar Pagaria
Director
DIN:00162904

Place : Delhi
Date : 30/05/2022

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary
ACS:29486

Notes to the financial statements for the year ended 31st March 2022

1. Reporting Entity

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

These financial statements were authorised for issue by the Board of Directors on their meeting held on 30th May, 2022.

2. Significant Accounting Policies

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

2.1 Basis of preparation

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

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

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

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

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

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

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

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

2.6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

On transition to Ind AS In Case of Property Plant and Equipment, The Company has availed the carrying Value as Deemed Cost on the date of Transition i.e. 1st April, 2016.

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

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

Subsequent Measurement

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

Depreciation

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

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

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

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

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

Capital work-in-progress

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

2.7 Intangible assets

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

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

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

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

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

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

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

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

2.9 Impairment of non-financial assets

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

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

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

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

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised in the year in which they occur.

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

2.11 Foreign currency transactions

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

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

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

2.12 Employee benefits

a. Short term employee benefits

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

b. Defined contribution plans

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

a) Provident fund b) Gratuity

c. Defined benefit plans

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

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

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

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

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

d. Other long-term employee benefits

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

2.13 Revenue Recognition

a. **Revenue from Contract with customers**

The company derives revenue from sale of "Yeast".

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

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

b. The Company recognises revenue from sale of goods when the titles have been passed at which time all the following conditions are satisfied:

i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods are recognized at the point of dispatch from factory to customers and sales from Depot are recognized at the time of billing to the customers. Sales are net of returns, rebate, trade discounts, rate differences, damaged goods and exclusive of taxes.

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

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

2.14 Government Grants and Subsidies

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

Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are reduced from Plant, Property and Equipment and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets.

2.15 Inventories

i. Inventories are valued as follows:

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

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

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

2.16 Trade Receivables

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

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

2.17 Provisions and contingencies, Contingent liabilities and Contingent Assets

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

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

2.18 Measurement of fair value

a. Financial instruments

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

b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data,

primarily cash flow-based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

c. Derivatives

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

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

2.19 Financial instruments

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

a. Financial Assets

Initial recognition and measurement

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

Classifications

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

Business model assessment

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

Financial Assets at amortised cost

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

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

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

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

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

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

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

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

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

De-recognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;

and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

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

Impairment of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition of financial liabilities

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

c. Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in

OCI. This election is made on an investment-by-investment basis. All other Financial Instruments are classified as measured at FVTPL.

2.20 Income tax

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

i. Current tax

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

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

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

ii. Deferred tax

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

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

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

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

2.21 Leases

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

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

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

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

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

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

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

2.22 Segment Reporting

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

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

2.23 Cash and cash equivalents

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

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

2.24 Earnings per share

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

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

2.25 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies(Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies(Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

ii. **Ind AS 16 – Proceeds before intended use** -The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the financial statements for the year ended 31 March 2022

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

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2021	Additions	Deletions	As at 31 March 2022	As at 31 March 2021	For the Year	Deletions	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022
Tangible Assets										
Freehold land	41.42	-	9.18	32.24	-	-	-	-	41.42	32.24
Leasehold land*	54.86	-	-	54.86	-	-	-	-	54.86	54.86
Building	346.75	-	-	346.75	196.08	8.25	-	204.33	150.66	142.42
Plant and equipment	10,881.75	328.45	-	11,210.20	3,163.21	512.61	-	3,675.82	7,718.54	7,534.38
Vehicles	232.57	9.04	14.87	226.74	113.00	21.74	(13.79)	120.95	119.57	105.79
Effluent Treatment Plant	532.75	-	-	532.75	443.16	27.08	-	470.24	89.59	62.51
R & D Laboratory Equipments	28.48	-	-	28.48	19.52	1.55	-	21.07	8.96	7.41
Furniture and fixtures	33.81	0.81	0.06	34.56	24.25	1.83	-	26.08	9.56	8.48
Factory equipments	3.91			3.91	3.65	0.06	(0.02)	3.69	0.25	0.22
Computers	-	-	-	-	-					
Office equipments	98.82	4.57	2.01	101.38	80.02	8.15	(1.52)	86.65	18.80	14.73
Total	12,255.12	342.87	26.12	12,571.87	4,042.89	581.27	(15.33)	4,608.83	8,212.23	7,963.04
Capital work-in-progress	672.16	1,282.59	328.45	1,626.30	-	-	-	-	672.16	1,626.30
Total	**12,927.28**	**1,625.46**	**354.57**	**14,198.17**	**4,042.89**	**581.27**	**(15.33)**	**4,608.83**	**8,884.39**	**9,589.34**

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

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

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

3A 1. Age wise details of Capital work in progress

	As at 31 March 2022	As at 31 March 2021
Project in progress		
< 1 Year	1626.30	672.16
1-2 Year	-	-
2-3 Year	-	-
> 3 Year	-	-

3A 2. Above project is not overdue and not exceeds its cost of original plan as at the reporting date.

Notes to the financial statements for the year ended 31 March 2022

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

		As at 31 March 2022	As at 31 March 2021
4'	**Other non-current financial assets**		
	(Unsecured, Considered Good)		
	Security Deposits	64.46	63.71
	Bank balance on deposit accounts	0.55	0.55
		65.01	**64.26**
5'	**Other non-current assets**		
	(Unsecured, Considered Good)		
	Capital Advance	6.49	133.94
	Interest accrued but not due	0.71	0.62
		7.20	**134.56**
6'	**Inventories**		
	(Valued at lower of cost or net realisable value except waste at net realisable value)		
	Raw Materials & Components	243.02	336.43
	Work-in-Progress	1,239.60	702.46
	Finished Goods	130.10	94.80
	Stores & Spares	181.94	183.39
	Others	25.56	131.71
		1,820.22	**1,448.81**
	Goods in transit included in above inventories are as under :		
	Raw Materials & Components	-	-
7'	**Trade receivables**		
	Unsecured		
	Over six months from the due date	28.14	24.55
	Others	538.26	592.30
		566.40	**616.85**
	Credit Impaired		
	Less : Allowances for credit losses	-	-
		566.40	**616.85**

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

(b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member.

(c) **Trade Receivables aging schedule**

Outstanding for following periods from due date of payment

As at March 31, 2022	Outstanding for following periods from due date of payment						
	Not due	Up-to 6 Month	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed							
Considered good		**522.70**	**12.78**	**3.07**	**3.13**	**9.16**	**550.84**
which have significant increase in credit risk							**-**
Credit Impaired							**-**
Disputed							**-**
Considered good		**15.56**					**15.56**
which have significant increase in credit risk							**-**
Credit Impaired							**-**

As at March 31, 2021	Outstanding for following periods from due date of payment						
	Not due	Up-to 6 Month	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed							
Considered good		**592.30**	**0.92**	**17.11**	**6.52**		**616.85**
which have significant increase in credit risk							-
Credit Impaired							-
Disputed							-
Considered good							-
which have significant increase in credit risk							-
Credit Impaired							-

* Ageing of debtor on FIFO basis of payments

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

		As at 31 March 2022	As at 31 March 2021
8'	**Cash and cash equivalents**		
	Balances with Banks		
	in Current Accounts with Scheduled Bank	5.76	1.88
	Cash on hand	11.85	14.24
		17.61	**16.12**
9'	**Other bank balances**		
	Earmarked balances with banks:		
	in Depsosit Accounts held as Margin Money	56.47	54.48
		56.47	**54.48**
10'	**Other current Financial assets**		
	(Unsecured, Considered Good)		
	Loans & Advances	**108.84**	110.74
	Interest Accrued on deposits	6.26	3.47
		115.10	**114.21**
11'	**Other Current assets**		
	(Unsecured, Considered Good)		
	Advances Recoverable in cash or in kind	135.83	61.13
	Prepaid Expenses	19.04	20.56
	Recoverable from Statutory Authorities	435.81	227.90
	I.T. Refund Receivables	38.09	-
		628.77	**309.59**
12'	**Share capital**		
	Authorised:		
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00
	Issued, subscribed & fully paid up:		
	1,50,00,000 (Previous Periods 1,50,00,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00
		1,500.00	**1,500.00**

a. Terms and rights attached to equity shares

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

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

Equity Shares outstanding as at 01.04.2021	1,50,00,000
Equity Shares allotted during the year	-
Equity Shares outstanding as at 31.03.2022	1,50,00,000

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

Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
(i) Sidhhant Kothari	37,27,000	24.85	37,27,000	24.85
(ii) Chaudhry Brother Traders & Builders Pvt. Ltd.	29,45,000	19.63	29,45,000	19.63
(iii) Pramod Kumar Kothari-HUF	24,51,100	16.34	24,51,100	16.34

d. Details of Shareholding of Promoters:

Shares held by promoters at the end of the year	As at 31st March, 2022			As at 31st March, 2021		
	Number of shares	% of shares	% increase/ (decrease) during the year	Number of shares	% of shares	% increase/ (decrease) during the year
Pramod Kumar Kothari	714200	4.76	0	714200	4.76	0
Pramod Kumar Kothari HUF	2451100	16.34	0	2451100	16.34	0
Kavita Devi Kothari	730800	4.87	0	730800	4.87	0
Sampat Devi Kothari	367300	2.45	0	367300	2.45	0
Siddhant Kothari	3727000	24.85	0	3727000	24.85	0
Motilal Kothari HUF	301800	2.01	0	301800	2.01	0
Chaudhry Brothers Traders and Builders Private Limited	2945000	19.63	0	2945000	19.63	0

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

		As at 31 March 2022	As at 31 March 2021
13' Borrowings			
(i) Secured			
(a) Term Loans From a Bank		2,031.36	1,824.29
(b) Vehicle Loan From a Bank		25.69	33.07
		2,057.05	**1,857.35**
Less : Current maturity of long term borrowings disclosed under "Short Term Borrowings" (Refer Note no.- 16)		514.52	372.26
	Total (i)	**1,542.53**	**1,485.09**
(ii) Unsecured			
- from Others (Unsecured) (From Related Party)	**Total (ii)**	1,270.90	891.74
	Total (i+ii)	**2,813.43**	**2,376.84**

a. Securities

(a) Loan outstanding at the end of current financial year of Rs. 330.09 (As at 31st March'2021 Rs. 373.98) carrying interest @ 7.45 - 7.75% p.a. is repayable in monthly intallments as per the terms of sanction. The same is secured by an immovable property owned by one of the director and one of the promoters of the company and also secured by personal guarantee of two directors of the company. Loans taken for purchase/ installation of various plant & machineries and other fixtures, outstanding at the end of current financial year of Rs. 1701.27 (As at 31st March'2021 Rs. 1450.31) carries interest @ 7.25% to 11.35% p.a. The same is repayable in monthly

installments as per their terms of sanctions and secured by hypothecation of the respective plant and machineries and other fixtures required for its operations and carry a pari passu charge on stock and debtors which are also hypothecated for CC Limit.

(b) Secured by hypothecation of the vehicle financed

b. Terms of Repayments of Non-Current Portion:

Rate of Interest	Repayment Periodicity	Installments Outstanding		Total Amount	
		As at 31st March'2022	As at 31st March'2021	As at 31st March'2022	As at 31st March'2021
7.25 to 11.35% (previous year 7.75 to 10.25%) linked with MCLR *	Monthly Graded	6 to 70	18 to 82	1,542.53	1,485.09

		As at 31 March 2021	As at 31 March 2020
14	**Long-term provisions**		
	Provision for employee benefits	315.89	273.31
		315.89	**273.31**

15 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31 March 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
Deferred Tax Assets				
MAT Credit Entitlement @	220.82	24.59		245.41
Employees Separation and Retirement Exp.	66.64	9.57	0.83	77.03
Accrued expenses allowable on payment basis	19.16	1.36		20.52
Sub- Total (a)	**306.62**	**35.52**	**0.83**	**342.96**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/ amortization for financial reporting	781.06	127.43		908.49
Sub- Total (b)	**781.06**	**127.43**	**-**	**908.49**
Net Deferred Tax Liability (b)-(a)	**474.44**	**91.91**	**(0.83)**	**565.53**

	As at 1 April 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Assets				
MAT Credit Entitlement @	180.51	40.31	-	220.82
Employees Separation and Retirement Exp.	59.63	4.66	2.35	66.64
Other Timing Differences	19.14	0.02	-	19.16
Sub- Total (a)	**259.28**	**44.99**	**2.35**	**306.62**
Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference in depreciation in tax account and depreciation/ amortization for financial reporting	733.82	47.24	-	781.06
Sub- Total (b)	**733.82**	**47.24**	**-**	**781.06**
Net Deferred Tax Liability (b)-(a)	**474.54**	**2.25**	**(2.35)**	**474.44**

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

B. Amounts recognised in profit or loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense	28.17	95.40
	-	-
Current year	**28.17**	**95.40**
Deferred tax expense	**-**	-
Origination and reversal of temporary differences	116.49	42.56
MAT Credit Entitlement	(24.59)	(40.31)
	91.91	**2.25**
Total Tax Expense	**120.09**	**97.66**

C. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	(2.98)	0.83	(2.15)	(8.44)	2.35	(6.09)
	(2.98)	0.83	(2.15)	(8.44)	2.35	(6.09)

D. Reconciliation of effective tax rate

	For the year ended 31 March 2022 Amount	For the year ended 31 March 2021 Amount
Profit before tax from continuing operations	150.65	578.20
Tax using the Company's domestic tax rate @ 27.82% (31 March 2021: 27.82 %)	41.91	160.86
Tax effect of:		
Non-deductible expenses	9.57	4.66
Others (Including due to change in future tax rate)	68.61	(67.85)
Income tax expenses reported in the statement of profit and loss	**120.09**	**97.66**
Effective tax rate	**79.71%**	**16.89%**

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

16 Short term borrowings

Current maturities of long-term debt	514.52	372.26
Loan repayable on demand *(Secured)**		
- From banks	1,214.17	1,163.94
	1,728.69	**1,536.20**

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

17 Trade Payables

For Goods and Services (including acceptances) - Other Than Micro and Small Industries	729.98	267.49
For Goods and Services (including acceptances) - Micro and Small Industries*	200.14	45.24
	930.12	**312.73**

17.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME), have been determined based on the information availablewith the company and the details of amount outstanding due to them are as given below *:

		For the year ended 31 March 2022 Amount	For the year ended 31 March 2021 Amount
a	'(i) Principal amount remaining unpaid to any supplier	200.14	45.24
	(ii) Interest due on princile amount remaining unpaid to any supplier	-	-
b	Interest paid by the company in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c	the amount of interest due and payable for the year of delay in making payament (which have been paid but beyond the appointed day during the year) but without adding the interst specified under this act	-	-
d	the amount of interest accrued and remaining unpaid during the accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, 'until such date when the interest dues above are actually paid to the small enterprise for purpose of disallowance as a deductible expenditure under section 23 of this act.	-	-

*the necessary disclosure required under MSMEAct, 2006 are being made accordingly. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material. Further based on the assessment, the management has not provided Interest on dues outstanding to MSMEs for more than 45 Days.

17.2 As at March 31, 2022	Outstanding for following periods from due date of payment					
	Not due	**Up-to 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
i) MSME		200.14				200.14
ii) Others		728.97	1.01			729.98
iii) Disputed dues-MSME						-
iv) Disputed dues-others						-
Total						-

As at March 31, 2021	Outstanding for following periods from due date of payment					
	Not due	**Up-to 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
i) MSME		45.24				45.24
ii) Others		267.49				267.49
iii) Disputed dues-MSME						-
iv) Disputed dues-others						-
Total						-

		For the year ended 31 March 2022 Amount	For the year ended 31 March 2021 Amount
18	**Other financial liabilities**		
	Creditors for capital goods - Others	149.82	234.87
	Creditors for capital goods - MSME	8.17	2.21
		157.99	**237.08**

		For the year ended 31 March 2022 Amount	For the year ended 31 March 2021 Amount
19	**Other current liabilities**		
	Credit balance and advances received from customers	54.81	106.59
	Statutory dues	21.86	26.47
	Others	197.77	220.50
		274.44	**353.56**
20	**Current tax liabilities**		
	Provision for Income Tax (Net)	22.65	50.15
		22.65	**50.15**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
21'	**Revenue from operations**		
	Sale of products	9,702.74	9,555.33
	Revenue from Operations (Net)	**9,702.74**	**9,555.33**
22'	**Other Income**		
	Claims Received	-	-
	Interest income	3.59	8.06
	Excess provisions and unspent liabilities written back	10.26	9.11
		13.85	**17.17**
23'	**Cost of materials consumed**		
	Raw material Consumed	4,580.69	3,496.68
		4,580.69	**3,496.68**
24'	**Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**		
	Closing Inventory		
	Work-in-Progress	1,239.60	702.46
	Finished Goods	130.10	94.80
	Total (A)	**1,369.70**	**797.27**
	Opening Inventory		
	Work-in-Progress	702.46	60.60
	Finished Goods	94.80	289.71
	Total (B)	**797.27**	**350.30**
	Total (B-A)	**(572.43)**	**(446.96)**
25'	**Employee benefits expense**		
	Salaries, Wages and Bonus	831.71	753.94
	Contribution to provident and other funds	81.94	74.08
	Staff welfare expenses	49.83	50.89
		963.47	**878.90**

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
26'	**Finance cost**		
	Interest expenses*	284.50	291.45
	Other borrowing costs	17.59	64.62
		302.09	**356.07**

*'Interest Expenses Includes Interest on late payment of Income Tax of Rs. 17.79 Lakhs (31.03.2021 - Rs. 1.34 Lakhs)

27'	**Other expenses**		
	Consumption of stores and spares	287.82	276.93
	Power, fuel and water charges	2,004.53	2,722.04
	Consumption of FBD	78.78	-
	Rent	42.44	45.02
	Rates and taxes	35.13	8.91
	Repairs & Maintenance		
	- Building	28.92	59.67
	- Plant & Machinery	246.28	197.88
	- Others	52.92	41.41
	Research & Development	36.94	50.80
	Printing,Postage & Telephone	20.32	19.02
	Travelling & Conveyance	31.74	30.22
	Legal & Professional Charges	17.05	19.01
	Auditors Remuneration #	3.11	3.11
	Bad Debts/ Claims	19.89	-
	Handling, Forwarding & Transportation	595.15	565.46
	Loss on Sale of Assets	0.15	-
	Miscellaneous expenses ^	191.31	128.80
	CSR Expenses	18.37	25.49
		3,710.85	**4,193.76**
	# Details of payments to auditors		
	As auditor:		
	Statutory audit fee	1.76	1.76
	Tax audit fee	0.35	0.35
	For limited review	1.00	1.00
		3.11	**3.11**

28'	**Earning per share**		
	Total profit for the year	30.57	480.54
	Weighted average number of equity shares of Rs. 10/- each (Nos)	1,50,00,000	1,50,00,000
	EPS - Basic and Diluted (per share in Rs.)	**0.20**	**3.20**

Notes to financial statements for the year ended 31 March 2022

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

			As at 31 March 2022	As at 31 March 2021
29'	**Contingent liabilities, contingent assets and commitments**			
A.	**Contingent liabilities (not provided for) in respect of:**			
	(a)	Claims against the company towards listing fee for one stock exchange not acknowledged as debt as company has sought delisting from the concerned stock exchanges.	1.36	1.36
	(b)	Demand of Income Tax amounting to Rs.981.80 Lakhs under Income Tax Act disputed in Appeal.*	981.80	981.8
	(c)	Outstanding Bank Guarantees	145.38	130.87
	(d)	Duty on export commitment	36.23	-

i) *The management based on its assessment of facts, outcome of cases with tax authorities with similar issues and legal advice believes that the Company has a strong chance of favourable decision in above case, hence no provision has been considered necessary for this demand or any interest & penalty.The Company has appealed against the order of The Income Tax Department before the appropriate appeallate authority. The matter is also under consideration before Hon'ble Delhi High Court and the company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

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

iv) There is an estimated duty liability of Rs 36.23 lacs on account of export commitment subject to extension of time line by the concerned authority and the same is under consideration before the cocerened authority.

B.	**Commitments**			
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for		5.67	601.16

30' Segment Reporting

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

31' Leases

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

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

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

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

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

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

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

(iii) Rental Expenses recorded for Short term leases was Rs. 42.44 lacs for the year ended March 31,2022

32' Borrowing Cost

During the year, company has capitalized borrowing cost Rs 47.20 Lacs (Previous year Rs. NIL).The capitalized rate used to determine the amount of borrowing cost to be capitalized is weighted average interest rate applicable to the entities general borrowing including term loan and working capital during the year is ~ 7.93 % (Previous Year ~7.72%).

33' Employee benefits

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

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund Rs. 44.75 (Previous year Rs. 41.11).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liabilty is being contributed to the Group Gratuity-cum-life Assurance Cash Accumulation Policy administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	31 March 2022	31 March 2021
Net defined benefit (liability) / asset	(276.90)	(239.53)
Liability for Gratuity		
Non-current	280.69	252.50
Current	20.30	17.57

B. Movement in net defined benefit (asset) liability

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

	31 March 2022			31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	270.07	30.54	239.53	241.04	36.27	204.77
Included in profit or loss						
Service costs	18.62	-	18.62	16.98	-	16.98
Interest cost / (income)	18.91	(2.14)	16.77	16.87	(2.53)	14.34
	37.53	(2.14)	35.39	33.85	(2.53)	31.32
Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	-	-	-	-	-	-
- experience adjustment	2.71	-	2.71	7.72	-	7.72
- on plan assets	-	0.26	0.26	-	0.72	0.72
	2.71	0.26	2.97	7.72	0.72	8.44
Other						
Contributions paid by the employer	0.99	(0.99)	5.00	(5.00)		
Benefits paid	(9.32)	(9.32)	-	(12.54)	(12.54)	-
Acquisition adjustment	-	-				
	(9.32)	(8.33)	(0.99)	(12.54)	(7.54)	(5.00)
Balance as at 31 March	300.99	24.09	276.90	270.07	30.54	239.53

C. Plan assets

	31 March 2022	31 March 2021
Fund managed by insurer	100%	100%
	100%	100%

D. Actuarial assumptions

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

	31 March 2022	31 March 2021
Discount rate	7.00%	7.00%
Salary Growth Rate	8.00%	8.00%
Mortality (% of ILAM 2012-14)	100%	100%

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

E. Sensitivity analysis

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

	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(20.71)	23.32	(19.55)	22.07
Expected rate of future salary increase (1% movement)	22.86	(20.71)	21.64	(19.55)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures: Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow - A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

34' Related parties

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

A. Related parties and their relationships

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

Name	Relationship
Mr. Pramod Kumar Kothari	Managing Director
Mrs. Kavita Kothari	Director (Wife of Mr. Pramod Kumar Kothari)
Mr. Siddhant Kothari	Director (Son of Mr. Pramod Kumar Kothari)
Mr. Prasanna Kumar Pagaria	Non Executive Independent Director
Mr. Hemendra Patsingh Dugar	Non Executive Independent Director
Mr. Piyush Kumar Goel	Non Executive Independent Director
Mr. Arun Kumar Sekhani	Chief Financial Officer
Mrs. Kavita Tanwar	Company Secretary

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

Chaudhry Bros. Traders and Builders Pvt. Ltd.

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

				Key Managerial Personnel For the year ended (Rs. In lacs)	
	Name	**Nature**	**Category**	**31 March 2022**	**31 March 2021**
a)	**Payments to Key Managerial Personnel and their relatives**				
	Mr. Pramod Kumar Kothari	Directors' Remuneration	Short Term Employee Benefits	42.00	36.00
		Rent Paid	Others	12.00	12.00
	Mrs. Kavita Kothari	Directors' Remuneration	Short Term Employee Benefits	39.00	33.00
		Rent Paid	Others	12.00	12.00
	Mr. Siddhant Kothari	Salary	Short Term Employee Benefits	10.30	9.60
		Advance	Others	-	
	Chief Financial Officer	Salary	Short Term Employee Benefits	8.00	7.40
	Company Secreatary	Salary	Short Term Employee Benefits	6.58	6.07

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

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

Chaudhry Bros. Traders and Builders Pvt. Ltd		
Rent paid	10.80	10.80
Loan taken	381.40	516.10
Interest paid	65.87	42.11

			For the year ended	
	Closing Balance		**31 March 2022**	**31 March 2021**
c)	**With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence. are as under**			
	Chaudhry Bros. Traders and Builders Pvt. Ltd.	Inter Corporate Loans	1270.90	891.74

35' Financial instruments

I. Fair value measurements

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

	As at 31 March 2022		As at 31 March 2021	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Loans				
Non Current	-	-	-	-
Current				
Trade receivables	-	566.40	-	616.85
Cash and cash equivalents	-	17.61	-	16.12
Bank balances other than above	-	56.47	54.48	
Others				
Non Current	-	65.01	-	64.26
Current	-	6.26	-	3.47
	-	711.75	-	755.18

	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Long Term Borrowings	-	2,813.43	-	2,376.84
Other non-current financial liabilities	-	-		
Short terms borrowings	-	1,728.69	-	1,536.20
Trade payables	-	930.12	-	312.73
Other current financial liabilities	-	157.99	-	237.08
	-	5,630.23	-	4,462.85

B. Fair value hierarchy

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

(a) recognised and measured at fair value and

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

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

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

	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

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

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

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

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

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

	As at 31 March 2022		As at 31 March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non-current financial assets	65.01	65.01	64.26	64.26
Trade receivables	566.40	566.40	616.85	616.85
Cash and cash equivalents	17.61	17.61	16.12	16.12
Bank balances other than above	56.47	56.47	54.48	54.48
Other current financial assets	6.26	6.26	3.47	3.47
	711.75	**711.75**	**755.18**	**755.19**

	As at 31 March 2022		As at 31 March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	2,813.43	2,813.43	2,376.84	2,376.84
Other non-current financial liabilities	-	-	-	-
Short term borrowings	1,728.69	1,728.69	1,536.20	1,536.20
Trade payables	930.12	930.12	312.73	312.73
Other current financial liabilities	157.99	157.99	237.08	237.08
	5,630.23	**5,630.23**	**4,462.85**	**4,462.85**

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

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

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

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

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:- credit risk;- liquidity risk; and- market risk

i. Risk management framework

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

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

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

ii. Credit risk

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

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

Trade and other receivables

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

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

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed

according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and based on that no expected credit loss was estimated by the management as on March 31,2022.

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

The carrying amount net of loss allowances of trade receivables is Rs. 566.40 (31 March 2021– Rs. 616.85).

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2022	538.26	12.78	15.36	566.40
As at 31.03.2021	592.30	0.92	23.63	616.85

The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment

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

Reconciliation of loss allowance provision – Trade receivables

	31 March 2022	31 March 2021
Opening balance		
Changes in loss allowance	-	-
Closing balance	**-**	**-**

iii. Liquidity risk

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

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

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

(a) Financing arrangements

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

	As at 31 March 2022	As at 31 March 2021
Floating rate		
Expiring within one year (bank overdraft and other facilities)	34.00	84.00
Expiring beyond one year (bank loans)	250.00	151.88
	284.00	**235.88**

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

(b) Maturities of financial liabilities

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

	Carrying Amounts			Contractual cash flows		
	31 March 2022	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3327.95	3,327.95	514.52	866.49	1,701.59	245.34
Short term borrowings	1214.17	1214.17	1214.17	-	-	-
Trade & Other payables	1088.11	1088.11	1088.11	-	-	-
Total non-derivative liabilities	**5630.22**	**5630.23**	**2816.80**	**866.49**	**1701.59**	**245.34**

	Carrying Amounts			Contractual cash flows		
	31 March 2021	Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2749.10	2749.10	372.26	729.19	1,479.44	168.21
Short term borrowings	1163.94	1163.94	1,163.94	-	-	-
Trade & Others payables	549.81	549.81	549.81	-	-	-
Total non-derivative liabilities	**4,462.85**	**4,462.85**	**2,086.01**	**729.19**	**1,479.44**	**168.21**

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

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

Foreign currency exposure not hedged by derivatives instrument or otherwise :

	31 March 2022	31 March 2021
i. Receivable	-	-
ii. Payable*	-	27.62

*total outstanding of payables in foreign currency as on 31.03.22 is Nil (31.03.21 EURO 30,000).

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2022 and 31 March 2021, the Company's borrowings at variable rate were denominated in Indian Rupees.

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

Exposure to interest rate risk

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

	Nominal Amount	
	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets	121.48	118.75
Financial liabilities		-
	121.48	118.75
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,542.12	3,913.03
	4,542.12	3,913.03

Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 March 2022				
Variable-rate instruments	22.71	(22.71)	16.39	(16.39)
Cash flow sensitivity	**22.71**	**(22.71)**	**16.39**	**(16.39)**
31 March 2021				
Variable-rate instruments	19.57	(19.57)	14.12	(14.12)
Cash flow sensitivity	**19.57**	**(19.57)**	**14.12**	**(14.12)**

Fair value sensitivity analysis for fixed-rate instruments

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

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

37' Capital management

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

Particulars	**31.03.2022**	**31.03.2021**
Equity Share Capital	1,500.00	1,500.00
Other Equity	4,557.38	4,528.96
Total Equity	**6,057.38**	**6,028.96**
Non-Current Borrowings	2,813.43	2,376.84
Current maturities of Non-Current Borrowings	514.52	372.26
Current Borrowings	1,214.17	1,163.94
Total Debts	**4,542.12**	**3,913.04**
Capital and Net debt	10,599.50	8,959.19
Gearing Ratio	43%	39%

38' The accelarated outbreak of Coronavirus (Covid-19) across the globe and in india , had disrupted the economic activities in early part of the financial year 2021-2022. The management has exercised due care, in concluding on significant accounting judgements and estimates, Inter-alia recoverbality of receivables , assessment for impairment of intangible assets, inventory and investments, based on the information available to date , both internal and external , to the extent relevant , while preparing these financial results as of and for the year ended March 31,2022. There is no material impact on these financial results and performance of the company for the year ended March 31,2022 owing to the pandemic. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

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

39 Ratio analysis and its Components

Ratio

Particulars	31st March 2022	31st March 2021	% Change from 31st March 2021 to 31st March 2022	Reason for deviations
Current Ratio	1.03	1.03	0%	
Debt- Equity Ratio	0.75	0.65	16%	
Debt Service Coverage Ratio	1.36	1.89	38%	Change is due to increase in borrowings and reduction in profits on account of reduced margins.
Return on Equity Ratio	1%	8%	-94%	Change is due to reduction in profits on account of reduced margins.
Invetory Turnover Ratio	5.94	6.37	-7%	
Trade Receivable Turnover ratio	16.40	13.92	18%	
Trade Payable Turnover Ratio	15.61	24.10	-35%	Change is due to increase in input cost and trade payables.
Net Capital Turnover Ratio	107.00	135.85	-21%	
Net Profit Ratio	0%	5%	-94%	Change is due to reduction in profits on account of reduced margins.
Return on Capital Employed	4%	9%	-55%	Change is due to reduction in profits on account of reduced margins.
Return on Investment	NA	NA	NA	

Components of Ratio

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt- Equity Ratio	Total Debts	Total Equity (Equity Share Capital + Other Equity)
Debt Service Coverage Ratio	Earning available for debt servive (Net profit after taxes + Depariciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + Principle repayment of long term borrowing during the year
Return on Equity Ratio	Net Profit after Tax	Average total Equity [(opening equity share capital + opening other equity + closing equity share capital + closing other equity)/2]
Invetory Turnover Ratio	Revenue from operations	Average inventory [(opening balance + closing balance)/2]
Trade Receivable Turnover ratio	Revenue from operations	Average trade receivable [(opening balance + closing balance)/2]

Ratio	Numerator	Denominator
Trade Payable Turnover Ratio	Cost of material consumed and purchase of stock in trade	Average trade Payable [(opening balance + closing balance)/2]
Net Capital Turnover Ratio	Revenue from operations	Working capital (Current assets - current liabilities)
Net Profit Ratio	Net Profit after Tax	Revenue from operations
Return on capital Employed	Before profit interest & Tax (before exceptional items)	Total Equity + Total Debts + Deferred tax liabilities
Return on Investment	Interst income on fixed deposits + profit on sale of investments + income of investment - impairment on value of investment	Current Investments + Non current Investments +Fixed depost with banks

40 Other Statutory Informations :

i) Thre are no balance outstanding on account of any transaction with the companies struck off under section 248 of the comapany Act, 2013 or section 56 of company Act,1956.

ii) The Company does not have more than two layers of subsidiary as prescribed under section 2 (87) of comapany Act, 2013 read with companies (Restriction number of layers) Rules, 2017.

iii) The Company has not advanced or loaned or invested fund to any other persons or entity including foreign entities (intermediary) with the understandinh (whether recorded in writing or otherwise) that the company shall :

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate benificiary) or

b) provided any guarantee, security or the like to or on behalf of the ultimate benificiaries.

iv) The company has not received any fund from any person or entities including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalfof the company (ultimate benificiary) or

b) provided any guarantee, security or the like to or on behalf of the ultimate benificiaries.

v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrenderred or disclosed as income during the year in the tax assessments under the Income Tax act,1961.

vi) The Company is not declared as willful defaulter by any bank or financial institution or other lender.

vii) There are no charges or satisfaction thereof which are yet to be registered with ROC beyond the statutory period.

41 CSR Expenditure

The company undertook Corporate social responsibility (CSR) programme and activities through a registered under the Income tax Act,1961.

Particulars	31.03.2022	31.03.2021
Amount required to be spend during the year	19,44,272.00	20,37,677.00
Amount spend during the year	17,85,699.00	24,09,259.00
(Excess)/ Shortfall during the year	75,969.00	2,34,542.00
Total of previous year shortfall [net]/(Excess)	(2,34,542.00)	1,37,040.00
Excess amount spend shall be setoff against subsequent years obligation	75,969.00	2,34,542.00
Details of related party transaction such as contribution to trust controlled by the company	-	-
Where a provision is made with respect to a libility incurred by entering into a contractual obligation , the movements in the provision during the period / year should be shown separately	-	-
Nature of CSR ativities		
Promotion of Eductaion	9,81,099.00	5,53,430.00
Promoting Health care including preventive health care	8,04,600.00	18,55,829.00

42 Disclosure on Bank/ Financial institutions compliances

The quarterly statements including revision thereon of inventories and trade receivable filed by the company with banks/ financial institution are in agreement with the books of accounts.

Summary of reconcilation of quarterly statements of current assets filed by the company with banks are as below:

Particulars	For the quarter ended	Amount as per books of account	Amount as reported to Bank	Amount of Difference	Reason
Inventories and Trade receivables	31-03-2022	2376.82	2350.28	26.54	Difference in value due to estimation and actual stock valuation done by the management
	31-12-2021	2481.99	2370.47	111.52	Difference in value due to change arised on completion of limited review
	30-09-2021	2285.85	2256.77	29.08	
	30-06-2021	2101.67	2141.63	(39.96)	

Particulars	For the quarter ended	Amount as per books of account	Amount as reported to Bank	Amount of Difference	Reason
Inventories and Trade receivables	31-03-2021	1,975.97	1,902.39	73.59	Difference in value due to estimation and actual stock valuation done by the management
	31-12-2020	1,896.18	1,881.60	14.58	Difference in value due to change arised on completion of limited review
	30-09-2020	1,869.38	1,936.97	(67.59)	
	30-06-2020	2,147.51	2,138.72	8.79	

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

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

Kuldeep Kothari
Partner
Membership No - 413714

Pramod Kumar Kothari
Chairman & Managing Director
DIN:00086145

Hemendra Patsingh Dugar
Director
DIN:05227746

Prasanna Kumar Pagaria
Director
DIN:00162904

Place : Delhi
Date : 30/05/2022

Arun Kumar Sekhani
Chief Financial Officer

Kavita Tanwar
Company Secretary
ACS:29486

Notes

HIGH QUALITY YEAST PRODUCTS
FOR DOMESTIC AND EXPORT MARKET

INSTANT YEAST
COMPRESSED YEAST
LIVE YEAST CULTURE
INACTIVE DRIED YEAST
DISTILLER'S DRIED YEAST
YEAST CELL WALL(MOS)
YEAST AUTOLYZATE EXTRACT POWER

FOR

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

KOTHARI'S SUNRISE INACTIVE DRIED YEAST

KOTHARI'S SUNRISE FRESH YEAST
HIGH POWER

SUPER FAST
INSTANT YEAST

ALCOMAX
DISTILLER'S INSTANT YEAST

KF INSTANT Yeast
IMPROVED QUALITY

KF LIVE Yeast

KF MOS

KOTHARI'S FOUR SEASONS

KOTHARI FERMENTATION AND BIOCHEM LIMITED

(AN ISO 22000 : 2018 & HALAL CERTIFIED COMPANY)
(CIN: L72411DL1990PLC042502)
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