



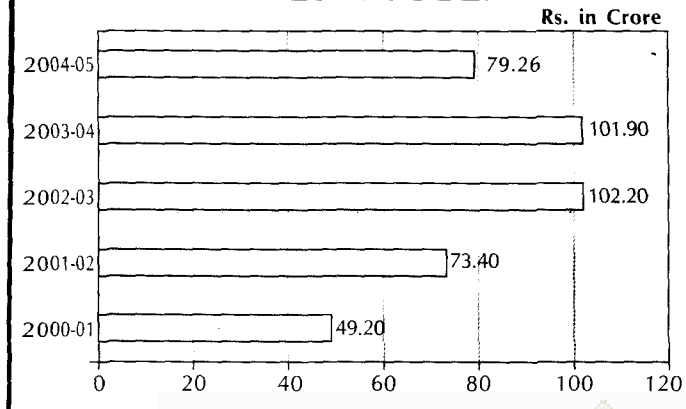
# Krebs Biochemicals & Industries Limited



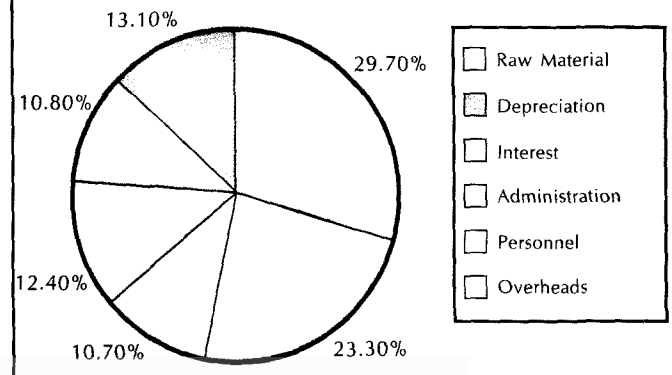
*value through Biochemistry*

*13th Annual Report  
2004-2005*

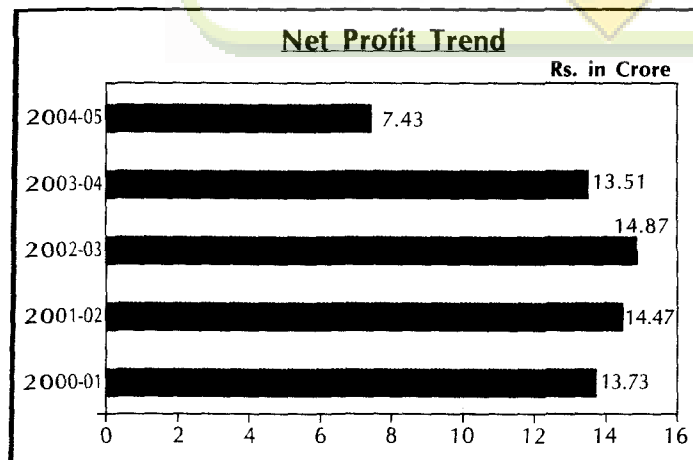
### Turnover Trend



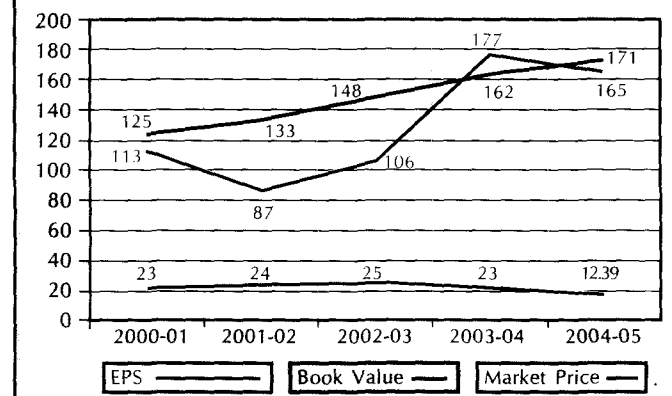
### Expenditure Breakup 2004-05



### Net Profit Trend



### Value of Shares (in Rupees)





## KREBS BIOCHEMICALS & INDUSTRIES LIMITED

### C O N T E N T S

	Page Nos.
Board of Directors	3
Mission Statement & Corporate Values	4
About the Company	5
Notice to Shareholders	6
Directors' Report	10
Annexure to the Directors' Report	17
Corporate Governance	21
Management Discussion and Analysis	30
Auditors' Report	39
Annexure to the Auditors' Report	40
Balance Sheet	42
Profit & Loss Account	43
Schedules to Balance Sheet	44
Notes on Accounts	50
Cash Flow Statement	58
Additional Information	59
Appropriation of Retained Earnings & Value Added Statement	60
Proxy Form	61
ECS Form	63



13th Annual Report 2004-05

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**KREBS BIOCHEMICALS & INDUSTRIES LIMITED****Board of Directors (AS ON 30.07.2005)**

Dr M VENKATARATNAM IAS (Retd)	Chairman
SRI S RAMACHANDRAN	IDBI Nominee
SRI THOMAS ALVA EDISON (Up to 30.07.2005)	APIDC Nominee
SRI G.V.L.PRASAD	Director
Dr T KUCHROO	Director
SRI K S S PRASAD	Director
SMT. SANGEETA SHARMA (w.e.f. 28.06.2005)	EXIM Bank Nominee
SRI M VENKATESWARA RAO (w.e.f. 30.07.2005)	APIDC Nominee
Dr R T RAVI	Managing Director

**COMPANY SECRETARY**

Sri Adalat Srikanth

**BANKERS**

Andhra Bank  
Somajiguda Branch,  
Hyderabad - 500 082

The Jammu & Kashmir Bank Limited  
J.N.Road Branch,  
Hyderabad - 500 001

United Bank of India  
Secunderabad Branch,  
Secunderabad.

HDFC Bank Limited  
Lakdikapool Branch,  
Hyderabad-500004

**AUDITORS**

M/s. G.P.Associates,  
Chartered Accountants  
105, 1<sup>st</sup> Block, 1<sup>st</sup> Floor,  
Divya Shakti Complex  
Ameerpet,  
Hyderabad - 500 016.

**REGISTERED OFFICE**

**Krebs Biochemicals & Industries Limited,**  
401 - 402, 4<sup>th</sup> Floor,  
Plot No.13, Cyber Heights,  
Road No.2, Banjara Hills,  
Hyderabad - 500 082.  
Tel : 040-23540415, 23540416, 55593175,  
Fax : 040 - 23540320  
E-mail: [krebsho@krebsbiochem.com](mailto:krebsho@krebsbiochem.com)  
Website: <http://www.krebsbiochem.com>

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s Sathguru Management Consultants Pvt Ltd  
Plot No. 15, Hindi Nagar, Panjagutta  
Hyderabad - 500 034  
Phone Nos.: 23356507, 23350586, 23356975  
Fax No.: +91-40-23354042  
Email: [sta@sathguru.com](mailto:sta@sathguru.com)

**13th Annual Report 2004-05****Mission Statement****KREBS is committed to:**

- \* Be the World-class, Research-driven Manufacturer of Biopharmaceuticals, Intermediaries, Agro industrial products and Food Products to produce latest and Quality Products.
- \* Add Ethical Value to the Business Practices and conduct business with Integrity.
- \* Serve Customers, Shareholders and Society at large.
- \* Operate in a Safe and Eco - Friendly atmosphere
- \* Conduct research constantly seeking innovations.

**Corporate Values**

The overall philosophy of the Company is to be an ideal and model Corporate Citizen and hence takes on itself to carry out its business by following best corporate practices like

- \* Good Corporate Governance
- \* Transparency and honesty
- \* Social Responsibility
- \* Responsibility towards

- a) Employees
- b) Shareholders
- c) Customers
- d) Suppliers and
- e) Society at large



## KREBS BIOCHEMICALS & INDUSTRIES LIMITED

### About the Company

Krebs Biochemicals & Industries Limited (KBIL) was incorporated in the year 1991 as a Public Limited Company with the main objective of establishing commercially viable biotech processes with applications in Medicine, Agriculture and Industry. The company has pioneered in the fermentation technology over the last decade.

KBIL went into public in the year March 1994 to part finance its fermentation technology project. KBIL has a strong shareholding community of around 10000 spread across all parts of the country. Presently the equity shares are listed on HSE, BSE and NSE with active trading on BSE.

KBIL has manufacturing facilities at Ragadichelika, Nellore (Unit I) and at Kothapalli Village, Kasimkota Mandal, Visakhapatnam District (Unit II). Products manufactured from Unit I facility are Ephedrine, Pseudoephedrine and their salts, which are used for making formulations for respiratory ailments, viz., cough, cold etc.

The facility at Unit II is being used to manufacture a basket of fermentation products viz., Lovastatin, Simvastatin, (all cholesterol reducing agents) and Vitamin C and its salts (nutraceuticals), which has wider applications in Pharma, feeds, foods, beverages etc. The company is focussing on the research and development of new bio molecules and genetically engineered products by synthetic and biological approaches.

The R&D centres of KBIL situated at Unit I and ICICI Knowledge Park, Hyderabad are recognized by DSIR, New Delhi. The growth of KBIL is strengthened by its work force consisting of Doctorates, Post Graduates, Technocrats, etc.

KBIL has received ISO 9002 Certification for its Unit-I situated at Nellore from Yarsley International Certifications Services accredited by United Kingdom Accreditation Services (U.K.A.S.) in the year 2001. Unit I is also accredited with European

Certificate of Suitability from European Directorate for the Quality of Medicines (EDQM). Further, Certificate of Suitability has been submitted to EDQM for Lovastatin and Simvastatin.

The Unit I is a USFDA certified facility. Unit II is in the process of obtaining USFDA. The requirement of various criteria by USFDA involving appropriate designs, data collection, statistics and safety monitoring in concurrence with Good Manufacturing Practices and Good Laboratory Practices are followed by KBIL.

KBIL's past performance and success hold the strength for opening up new avenues for diversification, in addition to the existing line of bulk drugs. The company follows current Good Manufacturing Practices (cGMP) in addition to Good Business Practices.

Under the diversification programme and as a part of seeking new opportunities, KBIL has set up stackable potato chips plant at Gaganpahad, Hyderabad. Further, KBIL has acquired The Nannapaneni Venkat Rao Co-operative Sugar Factory, Jampani under the privatisation process and successfully completed crushing operations for the season 2003-04. However, Govt. of Andhra Pradesh has taken back the possession of the Factory by cancelling the Sale and Purchase Agreement basing on the judgement delivered by Hon'ble High Court of Andhra Pradesh. KBIL has filed a Special Leave Petition with the Hon'ble Supreme Court of India challenging the judgement of Hon'ble High Court of Andhra Pradesh and the Company is hopeful of getting the verdict of the Apex Court in our favour.

KBIL focuses on knowledge and expertise which will involve both experience and manpower skills necessary to organize suitable plant infrastructure at low cost for enabling the fermentation activities as an integral part of exploiting traditional microbial technology.



## 13th Annual Report 2004-05

## Notice to Shareholders

Notice is hereby given that the Thirteenth Annual General Meeting of the members of KREBS BIOCHEMICALS & INDUSTRIES LIMITED will be held on Wednesday, the 28<sup>th</sup> day of September 2005 at 11.00 a.m. at KLN Prasad Auditorium, FAPCCI Building, 11-6-841, Red Hills, Hyderabad – 500 004 to transact the following Business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2005, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr.T. Kuchroo who retires by rotation and

being eligible, proposed for re-appointment as a Director subject to retirement by rotation.

4. To appoint a Director in place of Dr.M. Venkataratnam who retires by rotation and being eligible, proposed for re-appointment as a Director subject to retirement by rotation.
5. To appoint M/s G P Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

by order of the Board

Sd/-

**Adalat Srikanth**

Company Secretary

Place : Hyderabad

Date : 30.7.2005

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## KREBS BIOCHEMICALS & INDUSTRIES LIMITED

### Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 16<sup>th</sup> September, 2005 to Wednesday, the 28<sup>th</sup> September, 2005 (both days inclusive) for determining the list of members eligible for dividend, if approved.
4. On the basis of particulars of beneficial ownership furnished by the depositories, dividend will be paid in respect of shares held in electronic form.
5. The Securities and Exchange Board of India (SEBI) and the Department of Company Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Services (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by SEBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above :

i. Shareholders holding shares in

**Physical Form** and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company's Registrar and Share Transfer Agent's address.

ii. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.

6. Pursuant to the provisions of the Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March 1998 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March 1999 or any subsequent financial years are requested to seek issue of duplicate warrant(s) by writing to the company's Registrar and Transfer Agents.

7. Members desirous of having any information regarding Accounts are requested to address their queries to the Deputy General Manager (Finance) at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.

by Order of the Board

Sd/-

Place : Hyderabad  
Date : 30.7.2005

**Adalat Srikanth**  
Company Secretary



## 13th Annual Report 2004-05

## Additional Information on Directors Seeking Appointment / Re-appointment at the Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

### Item No.3

Dr. T Kuchroo, aged 56 years, obtained his Ph.D in Dairying and Food Technology from National Dairy Research Institute. Starting out from being the Head of Research and Development Department at Haryana Milk Food Limited, and later to Dempo Dairy Industry Limited, he stepped into Britannia Industries Limited as Standards Quality Manager to the CEO of Shree Foods Limited and further to the Chief Promoter of Universal Food Flavour.

He embarked his pinnacle move by promoting Dr. T.K.Food Consultants, which evolved later into Dr. TK Food Consultants Pvt. Ltd. He was one of the first to introduce Pasta Technology in India. It is all his vision and dedication towards the consultancy services, made him win the Certificate of Merit from National Consultancy Centre, a subsidiary of Department of Science and Technology, Government of India. Now, Dr. TK Food Consultants Pvt. Ltd. has been providing expert project consultancy to clients to evolve new products in the field of Dairy, Pasta, Snack Foods and Bakery items.

He has got rich and varied experience in the quality management and in setting up projects and providing technical as well as managerial guidance to various manufacturing industries in the field of Dairy, Food, Pharmaceutical and specially chemicals. He received National Merit Certificate for his consultancy services in the year 1998. He has 27 years of experience in the Corporate Sector.

### **He is a director in the following Companies:**

1. Dr. TK Food Consultants Pvt. Ltd., Mumbai
2. Valley Pulses Pvt. Ltd., Mumbai

Hi is the member of Remuneration Committee of your Company.

### Item No.4

Dr.M.Venkataratnam, aged 78 years is a retired officer from Indian Administrative Service. He has graduated from Loyala College, Madras and obtained Engineering Degree from college of Engineering, Kakinada. He has done his Masters in Pre-stressed Concrete Engineering in France and attended specialisation course in Economic Development in Bangkok and was admitted as Fellow on U.N. Asian Institute of Economic Development & Planning in 1969 (UNAIEDP) and in Institute of Engineers, India (F.I.E).

Dr.M Venkataratnam has had a wide spectrum of experience at the highest levels of responsibility that I.A.S. can offer, mainly in the field of Economic Development in the Country with various governmental and public sector undertakings. He has worked as Chairman - Andhra Bank, Chairman & Managing Director - Rural Electrification Corporation, Charman - Indian Coffee Board, Chairman - Indian Tobacco Board, Vice-chairman and Managing Director - Andhra Pradesh Industrial Development Corporation, apart from the posts like Secretary - A.P. Electricity Board, Collector and District Magistrate etc., held at the earlier stages of service.

In his last post held by him was that of Chairman, Banking Service Recruitment Board, Southern Region, Hyderabad which he relinquished on 31st December 1992.

He represents a blend of an administrator, a technocrat (as an Engineer), a top level Chief Executive in Finance, Banking, International trade,