

**20th Annual Report  
2009-2010**



**KOTHARI FERMENTATION AND BIOCHEM LIMITED**



**KOTHARI FERMENTATION AND BIOCHEM LTD.**

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

**NOTICE OF TWENTIETH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of "KOTHARI FERMENTATION AND BIOCHEM LIMITED" will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 02:30 P.M. at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019, to transact the following businesses:

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended on 31<sup>st</sup> March, 2010 and the Balance Sheet as at 31<sup>st</sup> March, 2010 together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ratan Lal Dudheria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the auditors and to fix their remuneration. M/s Nahata Jain & Associates, Chartered Accountants, New Delhi are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

**NOTES**

1. a) A member entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. However, the company shall have the right to fully verify the identity of proxy.  
b) Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.  
c) Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
2. Members attending the meeting are requested to bring their copy of Annual Report, as extra copies will not be supplied.
3. Members who are holding physical shares in identical names in more than one folio are requested to write to the Company/ Share Transfer Agent to enable the Company to consolidate their holdings in one folio. Further, members are also requested to immediately notify to the Company/Share Transfer Agent any change in their address with the postal area pin code number quoting their folio number.
4. Register of Members of the Company will remain closed from Wednesday, the 15<sup>th</sup> September 2010 to Thursday, the 30<sup>th</sup> September 2010 (both days inclusive) for the purpose of Annual General Meeting.
5. All documents referred to in the notice are open for inspection at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of meeting.
6. Demat facility: The shares of the company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The company had signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Limited. The company's shares bear ISIN INE991B01010 with both the depositories. The shareholders are requested to get their shares in Demat form.
7. Pursuant to the provisions contained in Section 205A and 205C of the Companies Act, 1956, the company had transferred dividend remaining unclaimed for a period of seven years from the date it first became due for payment, to The Investor Education and Protection Fund (IEPF) constituted by the Central Government and no claim shall lie against the IEPF or the company in respect of individual amount(s) so credited to the IEPF. Further, no amount of dividend etc. is due to be transferred to IEPF during the current year.

## **KOTHARI FERMENTATION AND BIOCHEM LIMITED**



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

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

Mr. Ratan Lal Dudheria aged about 64 years is a Commerce Graduate. He is a businessman in Guwahati. He was appointed as Director of the company on 10.03.2003.

**Regd. Office:**

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

Dated :14th August, 2010

By order of the Board  
For **KOTHARI FERMENTATION & BIOCHEM LTD.**

**OM PRAKASH SONI**  
Company Secretary

**DIRECTORS' REPORT**

TO THE MEMBERS OF  
**KOTHARI FERMENTATION AND BIOCHEM LTD.**

Your Directors are pleased to present the 20<sup>th</sup> Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> March 2010:

<b>1. FINANCIAL RESULTS</b>	<b>(Rs. in lacs)</b>	
	<b>2009-2010</b>	<b>2008-2009</b>
TURNOVER:		
MANUFACTURING	<b>1590.48</b>	1914.46
TRADING	<b>317.04</b>	412.50
PROFIT BEFORE INTEREST & DEPRECIATION	<b>207.44</b>	223.23
INTEREST	<b>2.12</b>	14.38
DEPRECIATION	<b>127.68</b>	110.64
PROFIT BEFORE TAX	<b>77.64</b>	98.21
TAX - Fringe Benefit	<b>NIL</b>	3.72
NET PROFIT/ (LOSS) AFTER TAX	<b>77.64</b>	94.49

**2. OPERATIONS**

During the year, the capital expenditure on balancing equipments has resulted in better utilization of plant & machineries. Various steps have been initiated for increasing production and improving operating efficiencies. The Company had undertaken trading activities during the year 2009-10 and had two segments i.e. manufacturing of yeast and trading of commodities.

The company achieved production of 4304 MT during 2009-10 as compared to 5185 MT in previous year. Resultantly the turnover of the company from manufacturing activities has decreased to Rs. 1590.48 Lacs during the year 2009-10 as compared to Rs. 1914.46 Lacs during previous year. The Company undertook trading activities during the year 2009-10 resulting in turnover of Rs. 317.04 Lacs. The profitability of the company was Rs. 77.64 Lacs during the year 2009-10 as compared to profit of Rs. 94.49 Lacs during previous year. The decrease in Turnover was mainly due to closer of the factory for about one and half months due to upgrading of effluent treatment plant due to requirement of pollution department. Dividend for the year has not been proposed in order to plough back the profit for growth of the Company.

**3. CURRENT YEAR'S OUTLOOK**

The additional investment made in plant & machineries will result in increase of production. Various steps have been taken for cost reduction and improving operating efficiencies.

In view of above it is expected that the production and profitability of the company shall improve during the current year.

**4. FIXED DEPOSITS**

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

**5. DIRECTORS**

In accordance with the provisions of the Companies Acts, 1956 and the Articles of Association of the Company, Mr. Ratan Lal Dudheria is retiring from the Board by rotation and being eligible offers himself for re-appointment. The Board recommends re-appointment of Mr. Ratan Lal Dudheria as Director of the Company.

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**7. PERSONNEL**

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

**8. AUDITORS**

M/s Nahata Jain & Associates, Chartered Accountants, Auditor's of your company retire at the ensuing annual general meeting and being eligible offers themselves for re-appointment. The Board recommends their appointment as auditors from the conclusion of this meeting to the conclusion of next annual general meeting. The notes on accounts are self-explanatory with regard to auditor's observations.

**9. LISTING OF SHARES**

The company's shares are listed at Stock Exchanges situated at Delhi, Mumbai, Kolkata, Jaipur and Guwahati. The listing at Delhi and Mumbai is continued, and the listing fee has been paid upto date. Action has already been initiated for delisting of shares from stock exchanges at Kolkata, Jaipur, and Guwahati. All the formalities have been complied with in relating to delisting and as such the listing fee to these Stock Exchanges were not paid.

**10. CORPORATE GOVERNANCE**

The provisions of clause 49 of the listing agreement relating to corporate governance are applicable to the company. So there is a separate section on Corporate Governance in the annual report of the company, with a detailed compliance report on Corporate Governance.

**11. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**12. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Sec.217 (2AA) of the Companies Act, 1956 the Directors hereby report:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 2009-10 and of the profit or loss of the company for that year;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the Annual Accounts on a going concern basis.

**13. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere appreciation for the wholehearted devotion and commitment extended by the employees at all levels, which have been a source of strength and inspiration to the company.

The Directors also wish to thank and deeply acknowledge the cooperation, assistance and support extended by the shareholders, the Dealers, vendors, bankers and financial institution of the company.

For and on behalf of the Board

Place : New Delhi  
Date : 14th August, 2010

**MOTI LAL KOTHARI**  
*Chairman & Managing Director*



**ANNEXURE – I**  
**INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2010.**

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

	<b>FOR THE YEAR ENDED ON 31ST MARCH, 2010</b>	<b>FOR THE YEAR ENDED ON 31ST MARCH, 2009</b>
<b>1. CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION</b>		
<b>a) Electricity</b>		
Units Consumed	4409520	5522200
Total Amount (Rs. in Lacs)	244.41	267.53
Rate/Unit Rs.	5.54	4.85
<b>b) HSD/Furnace Oil</b>		
Quantity (litres)	27010	30700
Total Amount (Rs. in Lacs)	9.14	10.64
Average Rate per Ltr. (Rs.)	33.84	34.66
<b>c) Agro Fuel</b>		
Quantity (MT)	3511.55	3660.43
Total Amount (Rs. in Lacs)	99.79	115.66
Average Rate per MT (Rs.)	2841.77	3159.70
<b>2. RESEARCH AND DEVELOPMENT</b>		
Expenditure on R & D		
a) Capital (Rs. in lacs)	0.06	0.00
b) Recurring (Rs. in lacs)	6.36	5.82
c) Total (Rs. in lacs)	6.42	5.82
d) Total R & D expenditure as percentage of turnover of Manufacturing activity	0.40	0.30
<b>3. FOREIGN EXCHANGE EARNINGS AND OUTGO.</b>		
Foreign exchange earnings (Rs.in lacs)	—	—
Foreign exchange outgo (Rs.in lacs)	0.00	2.26

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

Organizations in India are growing and even small organizations are seeking to move up the value chain. As companies grow, many find it difficult to retain the very characteristics that first led to their success-flexibility and strong customer relationship. Growing companies are often hampered by business systems that simply cannot keep up with the changing requirements. Your company has also been providing General Information System (GIS) implementation, Revenue Management Services to utilities over the past few years and continues to get new customers.

The company has business of two segments of Manufacturing Yeast and Trading activities of commodities during the year 2009-10.

**Industry Structure and Developments**

In Indian yeast Industry, there are three major companies manufacturing yeast in India, including our company. The other two companies are multi national companies. We have an excellent team of technical and commercial professionals with expertise in yeasts manufacture and marketing. We have better quality of our products in comparison of products of these multi national companies.

**Opportunities and Threats**

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



increasing with the rise in population and changing habits of Bakery products. India's estimated per capita consumption of bread, as compared to other European and developing countries of Asia is yet far below the lowest.

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

The Company's proposal for financial facilities is likely to be sanctioned, and once the financial facilities are sanctioned and utilized, the company expects to have increased turnover and profitability of the company. Thereafter would get enhance.

#### Segment wise Performance

There were two segments in the company during 2009-10, i.e. manufacturing of yeast and trading of commodities. The comparison of financial data with previous year's data, is provided under the heading "Discussion on Financial Performance with respect to Operational Performance" later in this Report.

#### Future Outlook

The company is regularly reviewing its whole structure and making changes for future improvements. Your Directors are confident of increase in production during the current year. Various steps have been initiated for cost reduction and improving operating efficiencies. The Company expects to earn more profits in current year by higher production and efficiency.

#### Internal Control System and their adequacy

The Company has an internal control system with proper internal delegation of authority, supervision, checks and procedures. The system is reviewed and updated periodically in order to improve the same to meet the business requirements. The Board of Directors, Audit Committee and the Management ensure that the internal control system operate effectively within the organisation. Internal Audit team keeps on reviewing the adequacy of internal control systems and suggests necessary checks and balances to increase the effectiveness of the system.

#### Discussion on Financial Performance with respect to Operational Performance

Particulars	2009-10 (Rs. in lacs)			2008-09 (Rs. in lacs)		
	Manufacturing of Yeast	Trading of Grains	Total	Manufacturing of Yeast	Trading of Grains	Total
a) Segment Revenue — Net sales	1590.48	317.04	1907.52	1914.46	412.50	2326.96
b) Segment Result — Before Tax & Interest	75.61	80.57	156.18	135.06	53.37	188.43
Less:						
i) Interest Exp.			2.12			14.38
ii) Other Unallocable Exp			76.42			75.84
Net Profit before Tax.			77.64			98.21
c) Capital Employed	2229.96	—	2229.96	2136.73	15.27	2152.00

#### 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 our organization. There have been excellent relations between the employees at various levels and the management. The Company responds to genuine grievances of employees in order to foster warm and cordial relationships between the management and the employees, increase job satisfaction of employees and ensure that employees can add value to their lives. There were 155 persons directly employed by the Company during the previous financial year on an average basis.

For and on behalf of the Board

Place : New Delhi  
Date : 14th August, 2010

**MOTI LAL KOTHARI**  
Chairman & Managing Director



**REPORT ON CORPORATE GOVERNANCE**

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. The report on corporate governance for the year 2009-10 is given below:

**1. Company's Philosophy on Code of Governance:**

During the last eight years, since the requirement of clause 49 of the Listing Agreement became applicable to the company, there has been continuous review of its corporate governance practices to ensure adherence to the latest corporate developments and conform to the corporate governance practices prescribed by the authorities. Effective Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of proprietary, equity, fair play and sense of justice. Achieving this balance depends upon the accountability and transparency. Accountability improves decision-making and transparency helps to explain the rationale behind decisions, and thereby builds shareholder's and other stakeholder's confidence.

**2. Board of Directors:**

- (i) The Board of Directors consist of five Directors viz. Mr. Moti Lal Kothari (Chairman and Managing Director), Mr. Pramod Kumar Kothari (Managing Director), Mr. Prasanna Kumar Pagaria, Mr. Ratan Lal Dudheria and Mr. Mal Chand Sharma. Mr. Moti Lal Kothari and Mr. Pramod Kumar Kothari are the executive Directors and the other three Directors are Independent Non-Executive Directors. The company, therefore, meets the composition criteria. Mr. Moti Lal Kothari looks after finance and overall management of the company, and Mr. Pramod Kumar Kothari looks after the technical and marketing side of the company.

**Composition & Category of Directors**

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

- (ii) During the year under review, 8 Board meetings were held and conducted on April 30, 2009, June 17, 2009, July 31, 2009, , August 28 2009, October 31, 2009, November 25, 2009, December 28, 2009, January 30, 2010. The composition of Board of Directors, attendance of Directors at the board meetings and Annual General Meeting as also the number of other Directorships in Indian Public Limited Companies and memberships of the committees of the Board of such companies are as follows:

Name of the Director	Category of Director	Attendance at last AGM	No. of Board meetings attended	No. of other Directorships#	Other Board's Committees	
					Chairman	Member
Mr. Moti Lal Kothari	Executive Promoter Director	Yes	8	1	NIL	NIL
Mr. Pramod Kumar Kothari	—Do—	Yes	8	1	NIL	NIL
Mr. Prasanna Kumar Pagaria	Independent non-executive Director	Yes	8	NIL	NIL	NIL
Mr. Mal Chand Sharma	— Do —	No	3	NIL	NIL	NIL
Mr. Ratan Lal Dudheria	— Do —	No	5	NIL	NIL	NIL

# Number of other Directorships held in Public Limited Companies.

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

Name of the Director	Designation of Director	Relationships Inter-se
Mr. Moti Lal Kothari	Chairman & Managing Director	Father of Mr. Pramod Kothari, who is a Managing Director of the Company
Mr. Pramod Kumar Kothari	Managing Director	Son of Mr. Moti Lal Kothari, who is a Chairman-cum-Managing Director of the Company
Mr. Prasanna Kumar Pagaria	Non-executive Independent Director	No Relationship Inter se
Mr. Mal Chand Sharma	Non-executive Independent Director	No Relationship Inter se
Mr. Ratan Lal Dudheria	Non-executive Independent Director	No Relationship Inter se





**3. Committees of the Board**

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

**(i) Audit Committee**

• **Terms of Reference**

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

• **Composition**

The Committee was reconstituted on 23.08.2005 with Mr. Prasanna Kumar Pagaria as Chairman along with Mr. Ratan Lal Dudheria and Mr. Mal Chand Sharma, as members. All three of them are non-executive independent Directors. Permanent invitees to the committee include Mr. Moti Lal Kothari, Managing Director, who is also the Director In-charge of Finance, the Statutory Auditors and the Internal Auditors. The company secretary is the Secretary of the committee. The Committee met 5 times during the year and the attendance at the meetings was as follows:

Name of the Member	Status	No. of Meeting attended
Mr. Prasanna Kumar Pagaria	Chairman	5
Mr. Mal Chand Sharma	Member	3
Mr. Ratan Lal Dudheria	Member	4

• **Whistle Blower Policy**

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

**(ii) Remuneration Committee**

• **Terms of Reference**

The Board of Directors reconstituted the Remuneration Committee on 23.8.2005 with Mr. Prasanna Kumar Pagaria as Chairman along with Mr. Ratan Lal Dudheria and Mr. Mal Chand Sharma, all three non-executive independent Directors. The powers of Remuneration Committee are to recommend and approve the remuneration payable to Managing Directors and also to review and approve recruitment policy, compensation package including annual increments, promotions etc. of senior executives.

• **Composition**

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

Name of the Member	Status	No. of Meeting attended
Mr. Prasanna Kumar Pagaria	Chairman	1
Mr. Ratan Lal Dudheria	Member	1
Mr. Mal Chand Sharma	Member	1

• **Remuneration Policy**

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



**Details of Remuneration paid to Directors for the year 2009-2010**

**(a) Executive Directors:**

PARTICULARS	MR. MOTI LAL KOTHARI (Rs.)	MR. PRAMOD KOTHARI (Rs.)
Salaries	2,15,000	2,25,000
<b>TOTAL</b>	<b>2,15,000</b>	<b>2,25,000</b>

**(b) Non- Executive Directors:**

No Remuneration was paid to Non-executive Directors during the year 2009-10. Further no sitting fee was paid to the non-executive Directors during the year 2009-10.

**(iii) Shareholders'/Investors' Grievance Committee:**

• **Terms of Reference and Composition**

The Board of Directors reconstituted the "Shareholders'/Investors' Grievance Committee" in its meeting held on 29.08.2003. The Committee deals with all the work relating to transfer & transmission of shares and redressal of shareholder and investors' complaints like transfer of shares, non-receipt of balance sheet, change of address, etc. The Committee is comprised of three Directors viz. Mr. Prasanna Kumar Pagaria, Mr. Pramod Kumar Kothari and Mr. Moti Lal Kothari with Mr. Prasanna Kumar Pagaria (Non-Executive Director) as the Chairman of the committee. Mr. Om Prakash Soni is the Company Secretary-cum-Compliance Officer of the Company.

• **Shareholders complaints and disposal thereof**

The complaints of the shareholders are either addressed to the company secretary or share transfer agents of the company i.e. Abhipra Capital Limited. The status of pending shareholder's/ investor's complaints is regularly reviewed at the Shareholders'/Investors' Grievance Committee Meeting as well as in the board meetings itself on quarterly basis. There was no investor complaint pending as on 31.03.2010.

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

**Investor Grievance Received and Attended During the Year 2009-10**

S.No.	Nature	Opening	Received	Attended	Pending
1.	Non-receipt/ Loss of share certificate	Nil	Nil	Nil	Nil
2.	Letters from Stock Exchange, SEBI, etc.	Nil	2	2	Nil
3.	Non-receipt of Dividend/ Balance-Sheet	Nil	Nil	Nil	Nil
4.	Others (Change of Address, Demat., etc.)	Nil	11	11	Nil

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

• **Pending Share Transfers**

There was no pending share transfer as on 31.03.2010.

**4. Annual General Meetings**

AGM	YEAR	VENUE	DATE	TIME
19th	2008-2009	Bipin Chandra Pal Memorial Trust Auditorium, Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019	30.09.2009	09:30 A.M.
18th	2007-2008	"Convention Center" JAMIA HAMDARD, Hamdard Nagar, Near Majidia Hospital, New Delhi-110062	29.09.2008	9:30 A.M.
17th	2006-2007		29.09.2007	10:00 A.M.

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



**Special Resolution passed in previous three Annual General Meetings**

AGM	YEAR	Subject of special Resolution	Date
19th	2008-2009	To decide the appointment and remuneration of Managing Directors	30.09.2009
18 <sup>th</sup>	2007-2008	NIL	30.09.2008
17 <sup>th</sup>	2006-2007	NIL	29.09.2007

**5. Disclosures**

- (i) The Company has no subsidiary company. The transactions with the related parties, in which Directors, relatives or the management, etc., are interested, have been incorporated in Schedule "M": Notes forming part of Accounts, as per Accounting Standard 18.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets for non-compliance by the company during the last three years.
- (iii) Financial statements of the company are prepared in accordance with the Accounting Standard as issued by the ICAI. The deferred tax assets / liabilities (AS-22) have not been recognised by way of prudence.

**6. Means of Communication**

Half-yearly result	The results of the company are published in newspapers and sent to Stock Exchanges. The results are also displayed at the websites of Mumbai Stock Exchange www.bseindia.com
Quarterly results	—————Do—————
Which newspaper normally published in	"Financial Express", "Jansatta"
Any website where displayed	www.bseindia.com
Whether it also displays official news releases	—————Yes—————
The presentations made to institutional investors or to the analysts	None during the year
Whether MD & A is a part of annual report or not	Yes, forms part of annual report

**7. General Shareholder Information**

**(i) 20th Annual General Meeting:**

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

Time : 2:30 P.M.

Day & Date : Thursday, the 30th day of September, 2010

**(ii) Financial Calendar:**

Financial Year 2010-11			
1.	First Quarterly Results	(Unaudited - Limited Review)	July-August 2010
2.	Second Quarterly Results	—————Do—————	October-November 2010
3.	Third Quarterly Results	—————Do—————	January-February. 2011
4.	Fourth Quarterly Results	—————Do—————	April-May 2011
5.	Annual Results	(Audited)	August 2011

**(iii) Book Closure**

Share Transfer Books and Register of Members shall remain closed from Wednesday, the 15th September 2010 to Thursday, the 30th September 2010 (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, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001.	507474
2.	The Delhi Stock Exchange Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi – 110 002.	6395
3.	The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata – 700 001.	Applied for Delisting on 12th June, 2000
4.	Jaipur Stock Exchange Ltd., Stock exchange Building, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur – 302 017.	—Do—
5.	Gauhati Stock Exchange Ltd., Saraf Building Annexe, A.T. Road, Gauhati – 781 001.	—Do—

Annual Listing Fees for the year 2009-2010 have been paid to BSE and Delhi Stock Exchange. The Listing Fees for other three stock exchanges have not been paid as the company has sought for delisting of its shares from these stock exchanges.

**(vi) Market Price Data**

Monthly high/low prices and trading volumes during the financial year 2009-10 on BSE are given hereunder:

Month	High	Low	No. of Trades	No. of Shares Traded
April 2009	8.86	6.20	122	11231
May 2009	8.33	5.60	177	42365
June 2009	12.05	8.00	537	104381
July 2009	10.36	7.63	332	71935
August 2009	11.88	9.00	533	62375
September 2009	10.60	8.11	351	36625
October 2009	10.29	7.36	282	31062
November 2009	9.38	6.66	288	30942
December 2009	10.65	8.50	251	33213
January 2010	10.43	8.95	222	27927
February 2010	9.79	7.33	189	23314
March 2010	8.29	6.00	243	39493

**(vii) Registrar and Transfer Agents**

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

**(viii) Share Transfer System**

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

The share transfers effected by the above delegated authority are approved by the Investors' Grievance & Share Transfer Committee once in a quarter.

The share transfer requests received in physical form by the Company or the Company's Registrar and Transfer Agent, are registered within a period of 15 to 30 days from the date of receipt. Requests for dematerialisation received from the shareholders are effected within a period of maximum 15 days. There was no pending share transfer request as on 31.3.2010.


**(ix) Distribution of Shareholding**

The distribution of shareholding as on 31st March 2010 was as follows:

S. No.	Nominal Value of Equity Shares held (Rs.)	No. of Shareholders			No. of shares held			% to Total No. of shares		
		Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
1	Upto 5000	6882	3295	10177	864215	436047	1300262	5.761	2.907	8.668
2	5001 To 10000	268	15	283	60800	176817	237617	0.405	1.179	1.584
3	10001 To 20000	85	8	93	22400	119439	141839	0.149	0.796	0.945
4	20001 To 30000	31	2	33	17000	67637	84637	0.113	0.451	0.564
5	30001 To 40000	13	1	14	14300	35506	49806	0.095	0.237	0.332
6	40001 To 50000	11	0	11	18400	33984	52384	0.123	0.227	0.349
7	50001 To 100000	17	3	20	41500	113291	154791	0.277	0.755	1.032
8	Above 100000	26	10	36	552200	12426464	12978664	3.682	82.843	89.875
	<b>Total</b>	7333	3334	10667	1590815	13409185	15000000	10.605	89.395	100.000

S. No.	Nominal Value of Equity Shares held (Rs.)	No. of Shareholders			No. of shares held			% to Total No. of shares		
		Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
1	Upto 1,00,000	7307	3324	10631	1038615	982721	2021336	6.924	6.552	13.476
2	More than 1,00,000	26	10	36	552200	12426464	12978664	3.681	82.843	86.524
	<b>Total</b>	7333	3334	10667	1590815	13409185	15000000	10.605	89.395	100

Details of shareholding as on 31st March 2010, was as under:

S.No.	Category	No. of Shares held	% Shareholding
1.	Promoters	11227100	74.847
2.	Financial Institutions, Banks and Mutual Funds	19400	0.129
3.	NRIs, Foreign Nationals, OCBs and FIIs	11374	0.076
4.	Indian Public	2612586	17.418
5.	Private Corporate Bodies	1129540	7.530
	<b>TOTAL</b>	1,50,00,000	100.000

**(x) Dematerialisation of Shares and Liquidity**

The shares of the company fall under the category of compulsory delivery in dematerialised form by all categories of investors. The company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depositories Services (India) Limited. The company's shares bear ISIN INE991B01010 with both the depositories. About 89.394% of the issued share capital of the company was held in Demat Mode as on 31st March, 2010.

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

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

**(xiii) Address for Correspondence:**

- With the Company:  
Kothari Fermentation & Biochem Ltd.,  
1st Floor, 16, Community Centre, Saket, New Delhi – 110017.  
Tel. : 26850004, E-Mail : kfbl@airtelmail.in



2. With the R & T Agent  
The shareholders may also address their correspondence to the R & T Agent of the Company; their address is given in point no. (vii) above.
3. As per clause 47(f) of the Listing Agreement, the company has designated an e-mail ID for the investors' grievance redressal, i.e. kfbl@airtelmail.in

**(xiv) Investor Relations**

All the queries received from shareholders during the Financial Year 2009-10 have been responded by the R&T Agent and generally replied to the queries within a fortnight.

8. CEO/ CFO Certification: As required under the revised guidelines on corporate governance, a certificate from CEO / CFO was obtained and laid down before the board of Directors.
9. Compliance: The certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed with this report.
10. Declaration of Compliance with Code of Conduct: This is to certify that as provided under Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed to the compliance with Code of Conduct and Ethics for the twelve months period ended 31st March, 2010.  
The non-mandatory requirements, wherever necessary, have been complied with.

For and on behalf of the Board

Place : New Delhi  
Date : 14th August, 2010

**MOTI LAL KOTHARI**  
Chairman & Managing Director



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Kothari Fermentation & Biochem Ltd.**

We have examined the compliance of conditions of Corporate Governance by Kothari Fermentation & Biochem Ltd. during the year ended on 31st March 2010, as stipulated in revised clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

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

For **NAHATA JAIN & ASSOCIATES**  
*Chartered Accountants*

**(ANIL K. JAIN)**  
*Partner*  
*M. No. 093912*

Place : New Delhi  
Date : 14th August, 2010

**AUDITORS' REPORT**

To,  
The Members of  
**Kothari Fermentation and Biochem Limited**

We have audited the attached Balance Sheet of **KOTHARI FERMENTATION AND BIOCHEM LIMITED** as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibilities of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on the test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and further report that:

1. As required by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on matters specified in paragraphs 4 and 5 of said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books of head office, works and branch offices;
  - c. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement of the Company, comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956, in so far as they are applicable to the company *except non-recognition of Deferred Tax Assets/ Liabilities (AS-22) amount of which has not been calculated.*
  - e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the said Directors are disqualified as on 31st March 2010 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss Account and the Cash Flow Statement, read together with the Notes and significant accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010  
and
    - ii. In the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date.
    - iii. In case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

**(ANIL K. JAIN)**  
*Partner*  
M. No. 093912

Place : New Delhi  
Date : 14th August, 2010



**ANNEXURE REFERRED TO IN PARA-1 OF THE AUDITORS' REPORT TO THE MEMBERS OF KOTHARI FERMENTATION AND BIOCHEM LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31.03.2010.**

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

01. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
02. In respect of inventories
  - a) As explained to us inventories have been physically verified by the management at regular intervals during the year.
  - b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
  - c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account
03. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a. During the year, the company has granted unsecured loan to three parties covered in the register maintained u/s 301 of the Companies Act, 1956 and the same was received back during the year. The amount involved was Rs. 111.29 lacs and no interest has been charged during the year on such account.
  - b. During the year, the company has taken unsecured loan from one party covered in the register maintained u/s 301 of the Companies Act, 1956 and repaid back the same during the year. The amount involved was Rs.187.40 and no interest has been paid during the year on such account. In our opinion the terms and conditions of unsecured loan taken by the company, are not, prima-facie, prejudicial to the interest of the company.
04. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets and sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
05. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance to Section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transaction, if any, made in pursuance of contract or arrangements entered in the registers maintained under Section 301 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
06. The company has not accepted any deposits from the public thus the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable.
07. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
08. According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost accounting records under section 209(1) (d) of The Companies Act 1956.
09. In respect of statutory dues:
  - a. According to the records of the company, the company is generally regular in depositing the undisputed statutory dues with appropriate authorities; however there were few cases of delays in deposit of provident fund, ESI contributions and tax deducted at source.



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

Statue	Nature	Amount involved	Period	Forum where dispute is pending
Central Excise Act	Demand of duty due to non-allowability of expenses	Rs. 2.52 Lacs	1994-95	CESTAT, New Delhi
U P Tax on Entry of Goods Act	Entry Tax	Rs. 4.36 Lacs	2007-08	Joint Comm. (Appeals), Entry Tax, Bulandsahar
U P VAT Act	Penalty for incomplete entries in Statutory Form	Rs. 1.28 Lacs	2008-09	Joint Comm. (Appeals), Entry Tax, Bulandsahar

10. The company does not have accumulated losses at the end of the financial year March 31, 2010. Further, the company has not incurred any cash losses during the financial year ended on 31st March,2010 and in the preceding financial year ended on 31st March,2009.
11. According to the records of the company examined by us and the information and explanations given to us, there is no outstanding dues to any financial institution or bank during the year. The company has no debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause (xiii) of para no. 4 of the Companies (Auditor's Report) (amended) Order, 2004 is not applicable.
14. According to the information & explanation given to us the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause (xiv) of para no.4 of the Order is not applicable.
15. According to the information & explanation given to us and on our overall examination of balance sheet of the company we are of the opinion that the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. During the year under report the company has not taken any term loan.
17. According to the information and explanation given to us and on our overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term purposes or vice versa.
18. During the year, the Company has not made any preferential allotment of shares.
19. The company has not issued any debentures during the year.
20. The company has not made any public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : New Delhi  
Date : 14th August, 2010

**(ANIL K. JAIN)**  
Partner  
M. No. 093912



**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedule No.	As at 31st March, 2010	As at 31st March, 2009
<b>I. SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	A	150,000,000	150,000,000
Reserve & Surplus	B	72,995,555	65,200,525
<b>(2) Loan Funds</b>			
Secured Loans	C	1,082,578	1,627,127
<b>TOTAL</b>		<b>224,078,133</b>	<b>216,827,652</b>
<b>II. Application of Funds</b>			
<b>(1) Fixed Assets</b>			
a) Gross Block	D	267,665,267	249,066,088
b) Less Depreciation		122,113,078	109,756,340
c) Net Block		145,552,189	139,309,748
<b>(2) (i) Current Assets, Loans &amp; Advances</b>			
a) Inventories	E	29,945,611	26,847,627
b) Sundry Debtors	F	41,263,094	30,466,573
c) Cash & Bank Balances	G	9,008,473	7,499,604
d) Loans & Advances	H	29,899,468	34,208,707
		110,116,646	99,022,511
<b>Less :</b>			
<b>(ii) Current Liabilities &amp; Provisions</b>			
a) Current Liabilities	I	31,041,414	20,960,046
b) Provisions		549,288	544,561
Net Current Assets (i) - (ii)		78,525,944	77,517,904
		<b>224,078,133</b>	<b>216,827,652</b>
<b>NOTES FORMING PART OF ACCOUNTS</b>	M		

As per our report of even date attached

For and on behalf of the board

**for NAHATA JAIN & ASSOCIATES**  
Chartered Accountants

**ANIL K. JAIN**  
Partner  
M. No. : 093912

**MOTI LAL KOTHARI**  
Chairman & Managing Director

**PRASANNA KUMAR PAGARIA**  
Director

Place : New Delhi  
Dated : 14th August, 2010

**OM PRAKASH SONI**  
Company Secretary

**KOTHARI FERMENTATION AND BIOCHEM LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010***(Amount in Rs.)*

PARTICULARS	Schedule No.	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
<b>INCOME</b>					
Sales		190,752,333		232,695,878	
Other Income	J	875,374		1,088,056	
Increase/(Decrease) in Stock	K	4,784,524	196,412,231	(385,747)	233,398,187
<b>EXPENDITURE</b>					
Manufacturing & Other Expenses	L	153,743,871		182,769,940	
Trading Purchases		21,924,456		28,305,638	
Depreciation		12,767,923		11,063,992	
Interest Charges		212,350	188,648,600	1,437,547	223,577,117
Profit / (Loss) before Taxes			7,763,631		9,821,070
Less: Provision for Taxation					
— Fringe Benefit Tax			—		371,642
Net Profit/ (Loss) after Taxes			7,763,631		9,449,428
Prior Period Adjustment			31,399		(538,446)
			7,795,030		8,910,982
Balance brought forwarded from previous year			8,910,982		—
Balance carried over to Balance Sheet			16,706,012		8,910,982
Basic/Diluted Earnings per share (face value of Rs.10/- each)			0.52		1.21
<b>NOTES FORMING PART OF ACCOUNTS</b>					

As per our report of even date attached

For and on behalf of the board

**for NAHATA JAIN & ASSOCIATES**

Chartered Accountants

**ANIL K. JAIN**  
Partner  
M. No. : 093912

**MOTI LAL KOTHARI**  
Chairman & Managing Director

**PRASANNA KUMAR PAGARIA**  
Director

Place : New Delhi  
Dated : 14th August, 2010

**OM PRAKASH SONI**  
Company Secretary


**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**
*(Amount in Rs.)*

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b><u>SCHEDULE "A" : SHARE CAPITAL</u></b>		
<b>AUTHORISED</b>		
15,000,000 Equity Shares (Previous Year		
15,000,000 Equity Shares) of Rs. 10/- each	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
15,000,000 Equity Shares (Previous Year		
15,000,000 Equity Shares) of Rs.10/- each fully paid up in cash	<u>150,000,000</u>	<u>150,000,000</u>
	<u>150,000,000</u>	<u>150,000,000</u>
<b><u>SCHEDULE "B" : RESERVE &amp; SURPLUS</u></b>		
<b>Capital Reserve Account</b>		
As per last Balance Sheet	<u>56,289,543</u>	<u>56,289,543</u>
Profit & Loss Account- Balance	<u>16,706,012</u>	<u>8,910,982</u>
	<u>72,995,555</u>	<u>65,200,525</u>
<b><u>SCHEDULE "C" : SECURED LOANS</u></b>		
<b>Vehicle Loans</b>		
Secured against hypoth. of Vehicles	<u>1,082,578</u>	<u>1,627,127</u>
	<u>1,082,578</u>	<u>1,627,127</u>

**SCHEDULE "D" : FIXED ASSETS**
*(Amount in Rs.)*

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31.03.2009	Additions during the year	Deletion during the year	As at 31.03.2010	Up to 31.03.2009	During the year	Adjustment	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
<b>LAND</b>										
— Freehold	2,376,298	—	—	2,376,298	—	—	—	—	2,376,298	2,376,298
—Freehold	2,376,298	—	—	2,376,298	—	—	—	2,376,298	2,376,298	
—Leasehold	1,689,567	—	—	1,689,567	—	—	—	1,689,567	1,689,567	
Building	23,170,981	242,859	—	23,413,840	10,052,749	674,460	—	10,727,209	12,686,631	13,118,232
Plant and Machinery	165,557,672	7,208,339	—	172,766,011	80,840,449	8,677,709	—	89,518,158	83,247,853	84,717,223
Effluent Treatment Plant	41,813,516	11,067,247	—	52,880,763	11,874,994	2,286,586	—	14,161,580	38,719,183	29,938,522
R&D Laboratory Equipment	1,136,033	6,630	—	1,142,663	848,358	57,516	—	905,874	236,789	287,675
Furniture and Fixtures	1,285,438	10,588	—	1,296,026	1,074,258	35,904	—	1,110,162	185,864	211,180
Factory Equipment	277,241	28,999	—	306,240	156,594	13,345	—	169,939	136,301	120,647
Office Equipment	3,718,658	100,486	—	3,819,144	2,037,078	344,985	—	2,382,063	1,437,081	1,681,580
Vehicles	8,040,684	479,156	545,125	7,974,715	2,871,860	677,418	411,185	3,138,093	4,836,622	5,168,824
<b>TOTAL</b>	<b>249,066,088</b>	<b>19,144,304</b>	<b>545,125</b>	<b>267,665,267</b>	<b>109,756,340</b>	<b>12,767,923</b>	<b>411,185</b>	<b>122,113,078</b>	<b>145,552,189</b>	<b>139,309,748</b>
PREVIOUS YEAR	218,009,456	32,488,079	1,431,447	249,066,088	99,159,545	11,063,992	467,197	109,756,340	139,309,748	118,849,911



(Amount in Rs.)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b><u>SCHEDULE "E": INVENTORIES</u></b>		
(As taken, valued and certified by the management)		
Raw Material	6,996,380	9,126,879
Consumables, Stores & Spare	2,987,424	2,647,676
Fuel	1,762,884	1,658,673
Trading Goods	—	1,527,625
Finished Goods	7,950,656	4,444,781
Stock in Process	10,248,267	7,441,993
	<u>29,945,611</u>	<u>26,847,627</u>
<b><u>SCHEDULE "F": SUNDRY DEBTORS</u></b>		
(Unsecured- considered good )		
Debts outstanding over six months	15,607,958	13,815,723
Others	25,655,136	16,650,850
	<u>41,263,094</u>	<u>30,466,573</u>
<b><u>SCHEDULE "G": CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	2,642,433	4,940,129
(As certified by the management)		
Balance with Scheduled Banks		
— in Current Accounts	6,292,020	2,490,494
— in Deposit Accounts	74,020	68,981
	<u>9,008,473</u>	<u>7,499,604</u>
<b><u>SCHEDULE "H": LOANS &amp; ADVANCES</u></b>		
(Unsecured- considered good )		
Recoverable in cash or in kind or for value to be received	19,320,588	24,081,554
Security Deposits	4,609,338	3,667,497
Balances with Taxation Departments	5,969,542	6,459,656
	<u>29,899,468</u>	<u>34,208,707</u>
<b><u>SCHEDULE "I": CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
a) CURRENT LIABILITIES		
Sundry Creditors	15,736,581	16,564,339
Credit balance with Banks	—	842,981
Other Current Liabilities	15,304,833	3,552,726
	<u>31,041,414</u>	<u>20,960,046</u>
b) PROVISIONS		
Provision for Fringe Benefit Tax (Net)	—	204,935
Provision for Leave Encashment	549,288	339,626
	<u>549,288</u>	<u>544,561</u>
<b><u>SCHEDULE "J": OTHER INCOMES</u></b>		
Interest Gross (TDS Rs.40759/-, previous year Rs.377/- )	208,835	18,266
Claims	1,875	59,604
Liabilities no longer required written back	664,664	961,486
Miscellaneous Incomes	—	48,700
	<u>875,374</u>	<u>1,088,056</u>



(Amount in Rs.)

PARTICULARS	As at 31st March, 2010		As at 31st March, 2009	
<b><u>SCHEDULE "K" : INCREASE/(DECREASE) IN STOCK</u></b>				
Finished Goods				
Closing	7,950,656		4,444,781	
Less Opening	4,444,781	3,505,875	2,576,838	1,867,943
Stock in process				
Closing	10,248,267		7,441,993	
Less Opening	7,441,993	2,806,274	2,403,030	5,038,963
Trading Goods				
Closing	—		1,527,625	
Less Opening	1,527,625	(1,527,625)	8,820,278	(7,292,653)
		<u>4,784,524</u>		<u>(385,747)</u>
<b><u>SCHEDULE "L" MANUFACTURING &amp; OTHER EXPENSES</u></b>				
<b>Raw Material Consumed</b>				
Opening Stock	9,126,879		9,194,013	
Purchases	73,489,547		90,624,131	
Less: Closing Stock	6,996,380	75,620,046	9,126,879	90,691,265
<b>Manufacturing Expenses</b>				
Stores & Spares Consumed	1,496,763		1,847,959	
R & D Expenses	636,088		581,819	
Power, Fuel & Water Charges		37,291,740		49,187,900
Repairs & Maintenance				
— Building	42,311		335,442	
— Plant & Machinery	1,752,247	41,219,149	1,626,707	53,579,827
<b>Salaries, Wages &amp; Other Benefits to Employees</b>				
Salaries, Wages and Allowances	15,854,146		13,776,004	
Contribution to Provident & Other Funds	1,764,390		1,559,765	
Staff Welfare Expenses	816,372	18,434,908	784,907	16,120,676
<b>Sales &amp; Distribution Expenses</b>				
Advertisement & Publicity Expenses	44,362		44,898	
Selling Expenses	393,795		344,495	
Commission Paid	217,620		271,506	
Handling, Forwarding & Transportation	7,769,782	8,425,559	11,741,959	12,402,858
<b>Establishment Expenses</b>				
Rent, Rates, Taxes & Insurance	1,976,524		2,002,831	
Postage & Telephone	1,026,224		1,097,803	
Printing & Stationary	202,941		280,800	
Travelling & Conveyance	2,032,867		2,290,722	
Legal & Professional Charges	1,396,081		394,921	
Bank Charges	273,914		445,470	
Vehicle Running & Maintenance	836,219		1,070,162	
Auditors' Remuneration	94,370		90,715	
Membership, Subscription & Periodicals	47,413		139,679	
Listing & Share Transfer Expenses	79,099		65,522	
Tender, Registration & Filing Fees	16,331		6,013	
Meeting Expenses	59,065		100,638	
General Office Expenses	852,898		599,596	
Security Services Expenses	1,114,123		861,192	
Loss on Sale of Assets	36,140	10,044,209	529,250	9,975,314.00
		<u>153,743,871</u>		<u>182,769,940</u>

**SCHEDULE "M": NOTES FORMING PART OF THE ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES****(i) GENERAL**

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

**(ii) FIXED ASSETS**

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

**(iii) DEPRECIATION**

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

**(iv) INVENTORIES**

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

**(v) RESEARCH AND DEVELOPMENT**

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

**(vi) SALES**

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

**(vii) PROVISION FOR TAXATION**

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

**(viii) RETIREMENT BENEFITS**

- (a) The company has a group gratuity scheme for eligible employees with Life Insurance Corporation of India (LIC). The group gratuity scheme is a defined benefit scheme and is funded in the line with LIC's actuarial valuation.
- (b) Provision for liabilities in respect of leave encashment is made on the basis of actual leaves as at the balance sheet date.
- (c) Contributions to provident fund are recognised as expenses when incurred.

**(ix) FOREIGN CURRENCY TRANSACTIONS**

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

**(x) EARNING PER SHARES**

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

**(xi) BORROWING COST**

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





**(xii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**(xiii) EVENTS OCCURRING AFTER BALANCE SHEET DATE**

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

**(xiv) IMPAIRMENT OF ASSETS**

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

**2. CONTINGENT LIABILITIES:**

- (a) Claims against the company towards listing fee for three stock exchanges not acknowledged as debt is Rs. 2.91 Lacs (Previous Year Rs. 2.71 Lacs) as company has sought delisting from these stock exchanges.
  - (b) The company has filed an appeal before The Custom, Excise & Service Tax Appellate Tribunal (CESTAT) in the matter of excise duty involving disputed amount of Rs. 2.52 Lacs. The case is in progress and the company is likely to succeed. The matter being sub-judice, no provision has been made in the books of accounts. (c) Demand of entry tax amounting to Rs.4.36 Lacs and demand of penalty amounting to Rs.1.28 Lacs for incomplete entries in statutory form under U P VAT Act disputed in Appeal.
3. In the opinion of the Board, the Current Assets, Loans and Advances including Sundry Debtors are of the value as stated in financial statement in the ordinary course of business, although, some of them are outstanding for a long period. The provision of all known liabilities has been made. The accounts of certain Sundry Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.
  4. In view of the order of Board for Industrial and Financial Reconstruction (BIFR) and brought forwarded accumulated losses/ unabsorbed depreciation, no provision for income tax/ MAT for the year has been made in the accounts.
  5. In view of the accumulated business losses & unabsorbed depreciation and since there is no reasonable certainty of realization, the company has not recognized the deferred tax liability/asset arising on account of timing difference as stipulated in Accounting Standard (AS-22), "Accounting for taxes of Income" issued by the Institute of Chartered Accountants of India by way of prudence.
  6. The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore, it is not possible to give the information required under the Act.
  7. Managerial Remuneration under Section 198 of the Companies Act, 1956:
    - i) Remuneration to Mr. M L Kothari (Managing Director): Rs.2,15,000/- (Previous year Rs.1,80,000/-)
    - ii) Remuneration to Mr. Pramod Kothari (Managing Director): Rs.2,25,000/- (Previous year Rs.1,20,000/-)

**8. PAYMENT TO AUDITORS**

	2009-2010	2008-2009
Audit Fee	33,090	30,000
Tax Audit Fee	15,000	15,000
Limited Review & Certification Fees	41,030	40,000
Out of Pocket Expenses	5,250	5,715
	<u>94,370</u>	<u>90,715</u>

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



10. For the purpose of Accounting Standard 17, "Segment Reporting" (AS17), issued by the Institute of Chartered Accountants of India., the company has two segments i.e. manufacturing of yeast and trading of grains. Information about business segments for the year ended 31.03.2010 are furnished below:

Particulars	2009-10 (Rs. in lacs)			2008-09 (Rs. in lacs)		
	Manufacturing of Yeast	Trading of Grains	Total	Manufacturing of Yeast	Trading of Grains	Total
a) Segment Revenue — Net sales	1590.48	317.04	1907.52	1914.46	412.50	2326.96
b) Segment Result — Before Tax & Interest Less:	75.61	80.57	156.18	135.06	53.37	188.43
i) Interest Exp.			2.12			14.38
ii) Other Unallocable Exp			76.42			75.84
Net Profit before Tax.			77.64			98.21
c) Capital Employed	2229.96	—	2229.96	2136.73	15.27	2152.00

11. RELATED PARTY DISCLOSURE (AS- 18)

(a) Key Personnel & Relatives

- (i) Mr. Moti Lal Kothari Chairman & Managing Director  
(ii) Mr. Pramod Kothari Managing Director

**Note:** Mr. Pramod Kothari is the son of Mr. Moti Lal Kothari.

(b) Transaction with Related Parties

(Rs. in Lacs)

	Transaction	2009-10	2008-09
(i) Mr. Moti Lal Kothari	Remuneration	2.15	1.80
(ii) Mr Pramod Kothari	Remuneration	2.25	1.20
	Advances Given	9.99	3.33
(iii) Chaudhry Brothers, Traders and Builders Pvt. Ltd.	Rent Paid	2.25	2.25
	Loan/Advances recd.	187.40	246.80
	Interest Paid	—	13.15
	Share Appl. Money/ Share Capital recd.	—	265.50
	Advances given	96.30	—
(iv) Kothari Thermoplast Pvt. Ltd.	Loan/Advances recd.	—	6.05
	Advances given	5.00	—
	Interest Paid	5.14	—
(v) M M K & Co.	Commission Paid	12.18	1.91

- (c) There is no amount written off or written back in respect of debts due from or to related parties.

**Note:**

- (i) The amount of loan/advances received and given have been paid and received back in full during the year itself.  
(ii) Related party relationship is as identified by the management and relied upon by the Auditors.

12. Earning per share (EPS) (AS -20)

	2009-10	2008-09
(a) Number of Equity Shares of Rs. 10 each		
Number of shares at the beginning of the year	15000000	6095000
Number of shares at the close of the year	15000000	15000000
Weighted average number of Equity Shares during the year	15000000	7335836
(b) Net Profit/(loss) for the year attributable to Equity Shares (in Rupees)	7795031	8910982
(c) Basic & diluted earnings (in Rupees) per share	0.52	1.21



13. Additional information pursuant to Para 3 of Part II of Schedule- VI of the Companies Act, 1956:

(I) **LICENCED/ INSTALLED CAPACITY, ETC.:**

	UNIT	2009-2010	2008-2009
(A) <b>LICENCED CAPACITY</b> (Delicensed Industry) (Equivalent Compressed Yeast)	M.T.	N.A.	N.A.
(B) <b>INSTALLED CAPACITY</b> (as certified by the Management & relied upon by the Auditors)	M.T.	10000	10000
(C) <b>ACTUAL PRODUCTION</b>	M.T.	4304	5185

(II) **Quantitative information in respect of sales, closing stock and raw material consumption:**

	2009-2010		2008-2009	
	Qty. (MT)	Value (Rs. in Lacs)	Qty. (MT)	Value (Rs. in Lacs)
<b>(A) MANUFACTURING OF COMPRESSED YEAST AND ITS DERIVATIVES</b>				
(i) Opening Stock	136	44.45	92	25.77
(ii) Purchases	4	1.63	3	1.30
(iii) Sales	4196	1590.48	5144	1914.46
(iv) Closing Stock	248	79.51	136	44.45
<b>(B) RAW MATERIAL CONSUMED:</b>				
Indigenous		756.20		906.91
Imported		NIL		NIL
<b>(C) STORES AND SPARES CONSUMED:</b>				
Indigenous		14.97		18.48
Indigenous		NIL		NIL
<b>(D) TRADING</b>				
(i) Opening Stock	62.47	15.28	405.53	88.20
(ii) Purchases	492.00	217.62	1161.89	281.75
(iii) Sales	554.47	317.04	1504.92	412.50
(iv) Closing Stock	NIL	NIL	62.47	15.28
		<b>2009-2010</b>		<b>2008-2009 (Rs. in Lacs)</b>

(III) (i) Value of Imports on CIF Basis	—	—
(ii) Expenditure in foreign currency	—	2.26
(iii) FOB Value of Exports	—	—

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

15. Schedule A to M form integral part of the Balance Sheet and Profit & Loss Account.

As per our report of even date attached

For and on behalf of the board

**for NAHATA JAIN & ASSOCIATES**

Chartered Accountants

**ANIL K. JAIN**

Partner

M. No. : 093912

Place : New Delhi

Dated : 14th August, 2010

**MOTI LAL KOTHARI**  
Chairman & Managing Director

**PRASANNA KUMAR PAGARIA**  
Director

**OM PRAKASH SONI**  
Company Secretary



**PART – IV**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details:</b>			
Registration No. :	42502	State Code :	55
Balance Sheet	31	03	2010
	Date	Month	Year
<b>II. Capital Raised during the year (Amount in Rs. Thousand):</b>			
	Public issue		Rights issue
	<b>Nil</b>		<b>Nil</b>
	Bonus issue		Private Placement
	<b>Nil</b>		<b>Nil</b>
<b>III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)</b>			
	Total Liabilities		Total Assets
	<b>255669</b>		<b>255669</b>
<i>Sources of Funds</i>			
	Paid-up capital		Reserves & Surplus
	<b>150000</b>		<b>72996</b>
	Secured Loan		Unsecured Loan
	<b>1082</b>		<b>—</b>
<i>Application of Funds</i>			
	Net Fixed Assets		Investments
	<b>145552</b>		<b>NIL</b>
	Net Current Assets		Misc. Expenditure
	<b>78526</b>		<b>NIL</b>
<b>IV. Performance of Company (Amount In Rs. Thousand)</b>			
	Turnover		Total Expenditure
	<b>190752</b>		<b>182988</b>
	Profit Before Tax		Profit After Tax
	<b>7764</b>		<b>7764</b>
	Earning per Share in Rs.		Dividend Rate %
	<b>0.52</b>		<b>Nil</b>
<b>V. Generic Names of the Principal Products of Company and ITC code no.</b>			
(i)	Item code No.	2102	
	Products Description	Yeasts	

As per our report of even date attached

For and on behalf of the board

**for NAHATA JAIN & ASSOCIATES**  
Chartered Accountants

**ANIL K. JAIN**  
Partner  
M. No. : 093912

**MOTI LAL KOTHARI**  
Chairman & Managing Director

**PRASANNA KUMAR**  
Director

Place : New Delhi  
Dated : 14th August,2010

**OM PRAKASH SONI**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

(Amount (Rs./lacs))

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/ (loss) before tax and extraordinary items	77.64	98.21
<b>Adjustment for:</b>		
1. Depreciation	127.68	110.64
2. Interest	2.12	14.3
4. Prior Period Adjustment	0.31	(5.38)
	<b>130.11</b>	<b>119.63</b>
<b>Operating profit before working capital changes</b>	<b>207.75</b>	<b>217.84</b>
<b>Adjustment for:</b>		
1. Trade and other receivables	(64.87)	(121.29)
2. Inventories	(30.98)	(12.18)
3. Trade & other payables	100.86	6.34
	<b>5.01</b>	<b>(127.13)</b>
Cash generated from operations	<b>212.76</b>	<b>90.71</b>
1. Interest paid	(2.12)	(14.37)
2. Direct taxes paid/adjusted	—	(3.72)
	<b>210.64</b>	<b>72.62</b>
Cash flow before extraordinary items	<b>210.64</b>	<b>72.62</b>
1. Extra ordinary items		
— Adjustment in depreciation on deletion of assets	(4.11)	(4.67)
	<b>206.53</b>	<b>67.94</b>
<b>Net cash from operating activities</b>	<b>206.53</b>	<b>67.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Addition/ Deletion of fixed assets including Capital Work In progress (Net)	(185.99)	(300.41)
<b>Net cash used in investing activities</b>	<b>20.54</b>	<b>(232.47)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Application Money/ Share Capital	—	565.50
Repayment of loans	(5.45)	(294.21)
	<b>(5.45)</b>	<b>271.29</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>15.09</b>	<b>38.82</b>
Cash and cash equivalents as at beginning of the year		
Cash and Bank balances	75.00	36.18
Cash and cash equivalents as at end of the year		
Cash and Bank Balances	<b>90.09</b>	<b>75.00</b>

Note: Previous year's figures have been re-grouped/reclassified wherever necessary.

As per our report of even date attached

For and on behalf of the board

**for NAHATA JAIN & ASSOCIATES**

Chartered Accountants

**ANIL K. JAIN**

Partner

M. No. : 093912

Place : New Delhi

Dated : 14th August, 2010

**MOTI LAL KOTHARI**

Chairman & Managing Director

**PRASANNA KUMAR PAGARIA**

Director

**OM PRAKASH SONI**

Company Secretary



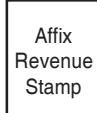
**PROXY FORM**

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

I/We.....of..... in the district of.....being a Member/Members of the above Company hereby appoint Sh./Smt.....of..... in the district of..... or failing him/her.....of.....in the district of..... as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019 on Thursday the 30th day of September, 2010 at 02.30 p.m. and any adjournment thereof.

Signed this.....day of.....2010.

Signature.....



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

# Proxy without this information will not be accepted.

✂-----Tear Here-----✂



**ATTENDANCE SLIP**

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

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

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

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

I hereby record my presence at the Annual General Meeting of the Company held on 30th day of September, 2010 at 02.30 p.m. at "Bipin Chandra Pal Memorial Trust Auditorium", Satindra Mohandev Charitable Medical Centre, A-81, Chittranjan Park, New Delhi-110019

.....  
 Signature of the Member/Proxy

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

**BOOK POST**

To,

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*If undelivered, please return to :-*



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

FIRST IMPRESSION 9811224048, 9899578245

## **KOTHARI FERMENTATION AND BIOCHEM LIMITED**



### **BOARD OF DIRECTORS**

<b>Moti Lal Kothari</b>	<i>Chairman &amp; Managing Director</i>
<b>Pramod Kumar Kothari</b>	<i>Managing Director</i>
<b>Prasanna Kumar Pagaria</b>	<i>Non Executive Independent Director</i>
<b>Ratan Lal Dudheria</b>	<i>Non Executive Independent Director</i>
<b>Mal Chand Sharma</b>	<i>Non Executive Independent Director</i>

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Om Prakash Soni**

### **BANKERS**

State Bank of Bikaner & Jaipur  
ICICI Bank Limited  
Standard Chartered Bank

### **AUDITORS**

**NAHATA JAIN & ASSOCIATES**  
*Chartered Accountants*  
New Delhi

### **REGISTERED OFFICE**

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

### **FACTORY**

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

### **SHARE TRANSFER AGENT**

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

<b><i>Contents</i></b> .....	<b><i>Page No.</i></b>
Notice .....	1
Directors' Report .....	3
Management Discussion and Analysis Report .....	5
Report on Corporate Governance .....	7
Auditors' Report .....	15
Balance Sheet .....	18
Profit & Loss Account .....	19
Schedules .....	20
Balance Sheet Abstract .....	27
Cash Flow Statement .....	28
Proxy Form & Attendance Slip	