

Krebs Biochemicals & Industries Limited

CIN : L24110AP1991PLC103912



30th October 2019

To,
The Manager,
Department of Corporate Relations,
BSE Limited,
P J Towers, Dalal Street,
Fort, Mumbai- 400001.

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.

Dear Sir/Madam,

Sub: Statement of Deviation or Variation under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015

Pursuant to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find below the Statement of Deviation or Variation reviewed by the Audit Committee at their meeting held on 23rd October, 2019.

a. Deviation in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting:

The Deviations are annexed herewith.

b. Category wise variation:

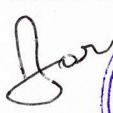
- a) With regard to Effluent Treat Plant (ETP) and MEES, the amount budgeted is Rs. 63.91 Lakhs and the amount spent is Rs. 131.49 Lakhs i.e an additional expenditure made is Rs.67.58 Lakhs for this purpose.
- b) With regard to General Corporate Purposes, the amount budgeted is Rs. 581.19 and the amount spent is Rs.826.61 Lakhs i.e an additional expenditure made is Rs. 245.42 Lakhs for this purpose.

Table the reasons and deviation in enclosed.

Request you to enunciating kindly take the above information on record.

Thanking you,
Yours faithfully,

For **Krebs Biochemicals & Industries Limited**



Taruni Banda
Company Secretary

Encl. as above.

Krebs Biochemicals & Industries Limited				
Utilisation of Funds from Rights Issue				
				30.09.2019
	Particulars	Budget As per Rights Issue (Amt in Rs. Lacs)	Amount Spent (Amt in Rs. Lacs)	To be spent (Amt in Rs. Lacs)
(A)	Capital Expenditure			
	(a) New Product development / manufacturing	250.77	250.00	0.77
	(b) Old Fermenter Block Renovation	207.44	91.98	115.46
	(c) Recommissioning of Power Plant	23.91	23.74	0.17
	(d) Downstream Modifications	400.00	398.82	1.18
	(e) Effluent Treat Plant (ETP) and MEES	63.91	131.49	-67.58
	Sub-total	946.03	896.03	50.00
(B)	Financing working capital for New Product and increased production of existing APIs	900.00	711.22	188.78
(C)	General Corporate Purposes	581.19	826.61	-245.42
(D)	Rights Issue expenses	55.00	48.36	6.64
	Sub-total	1536.19	1586.19	-50.00
	Grand Total	2482.22	2482.22	0.00

Note on deviation of Funds utilisation of Rights issue.

- a) The Company has been facing several challenges as it has received a sudden No Production order from the AP Pollution Control Board (PCB) in the Month of May, 2019 stating reasons of certain incompliance, due to which the Company had to shut down/Stop the Production at both the Plants. This unforeseen and untoward incident has left the company in an unforeseen and unexpected situation affecting the operations, cash flows of the Company till September, 2019. Accordingly the company in order to meet its financial cash flow needs has utilized in excess the funds of the Rights issue till September, 2019 with respect to:-
- a) Effluent Treat Plant (ETP) and MEES, the amount budgeted is Rs. 63.91 Lakhs and the amount spent is Rs. 131.49 Lakhs i.e an additional expenditure made is Rs.67.58 Lakhs for this purpose.
- b) General Corporate Purposes, the amount budgeted is Rs. 581.19 and the amount spent is Rs.826.61 Lakhs i.e an additional expenditure made is Rs. 245.42 Lakhs for this purpose.

