

Date: 27.08.2021

To,

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051

Dear Sir / Madam,

**Sub: Submission of Annual Report and Notice of the 17<sup>th</sup> Annual General Meeting.**

**Ref: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Pursuant to Regulation 34 of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, we enclosed Annual Report and Notice of the 17<sup>th</sup> Annual General Meeting of the Members of our Company is held on Monday, 27<sup>th</sup> September, 2021 at 11:00 am through Video Conferencing (VC) or Other Audio- Visual Means (OAVM), in view of the Covid-19 pandemic.

We herewith enclose the Copy of the notice and annual report of Annual General Meeting for the financial year 2020-2021.

Further, the Annual Report including notice of AGM as mentioned above, has also been made available on website of the company at [www.krishnaphoschem.com](http://www.krishnaphoschem.com).

This is for your information and record.

Kindly take note of the above.

Yours faithfully,

For Krishana Phoschem Limited

  
(Priyanka Bansal)  
Company Secretary

Enclosed: as above



## 17th Annual Report

**KRISHANA PHOSCHEM LIMITED**

**ANNUAL REPORT 2020-2021**

<u>S.NO.</u>	<u>CONTENTS</u>	<u>PAGE NO.</u>
1	General Information	
2	Chairman Message	
3	Financial Highlights	
4	Notice of Annual General Meeting	
5	Directors' Report	
6	Annexures to Directors' Report	
7	Independent Auditor's Report	
8	Balance Sheet	
9	Profit & Loss Account	
10	Cash Flow Statement	
11	Notes to the Financial Statements	

# ***KRISHANA PHOSCHEM LIMITED***

## **General Information**

### **Chairman**

**Mr. Mahendra Kumar Ostwal**

### **Managing Director**

**Mr. Praveen Ostwal**

### **Whole Time Director & Chief financial officer**

**Mr. Sunil Kothari**

### **Non-Executive Director**

**Mr. Pankaj Ostwal**

### **Independent Directors**

**Mr. Pradeep Agarwal**

**Mr. Ashish Kothari**

**Mrs. Priyanka Surana**

**Mr. Bheru Lal Ostwal**

### **Company Secretary & Compliance Officer**

**Miss. Priyanka Bansal**

### **Registered & Corporate Office**

**5-O-20, Basement, R.C. Vyas Colony, Bhilwara (Rajasthan) 311001**

**Ph:- 01482-237104, 239091,230060,**

**www.krishnaphoschem.com, accounts@krishnaphoschem.com,**

**[secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com)**

### **Plant Locations**

**Unit I: Plot No. 115, 116, 117 and 118-A, 118-B, 119,120, and 126 – 133,  
Meghnagar Jhabua, Madhya Pradesh.**

**Unit II: Plot No. 142 and 143, Meghnagar Jhabua, Madhya Pradesh.**

**Unit III: Plot No. 126-A and 134, Meghnagar Jhabua, Madhya Pradesh.**

**Ph. No. 07390-284989**

# ***KRISHANA PHOSCHEM LIMITED***

## **Financial Institution and Bankers**

1. HDFC Bank, Bhilwara (Raj.)
2. State Bank of India, Jhabua (M.P.)

## **Statutory Auditors**

Rajneesh Kanther & Associates  
90, Indira Market, Bhilwara (Rajasthan) 311001  
Ph. No. 01482-227154

## **Secretarial Auditor**

Sourabh Bapna & Associates  
Company Secretaries  
2-B-11, 12 , R.C. Vyas Colony,  
Bhilwara, 311001  
Mo. No. 9461264697

## **Cost auditor**

K C Moondra & Associates  
Cost Accountants  
6-D-10, R.C. Vyas Colony, Bhilwara, 311 001  
Ph. No. 9414262202

## **Registrar & Transfer Agent**

Link Intime India Private Limited  
C- 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400078,  
Maharashtra, India  
Tel. No.: +91-22 – 49186000  
Fax No.: +91-22 – 49186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## **Listed on**

National Stock Exchange India Limited



# **KRISHANA PHOSCHEM LIMITED**

## **CHAIRMAN'S MESSAGE**

**Dear Shareholders,**

I am pleased to present you the 17<sup>th</sup> Annual Report of Krishana Phoschem Limited and share my thoughts on the key highlights for the Financial Year ended 31st March, 2021. With the spread of the global pandemic COVID 19 second wave started towards the end of year, the world witnessed impact on economic aspects. These uncertain times have posed challenges of lives, livelihood and businesses. I sincerely wish safety and well-being for you and your family.

FY21 was a completely unprecedented year; a year of a global pandemic followed by global recession and subsequent government actions to reduce uncertainty in the business scenario. The Indian government further announced various economic packages, rolled out vaccination for all eligible adults and initiated several measures to reduce the impact of the second wave.

Today, I am proud of what your company has achieved and learnt during this truly uncommon year. The resilience and the agility with which response was initiated to safeguard employees and partners was praiseworthy. To ensure the safety of our workforce during these testing times, we implemented timely and adequate measures.

Now I come to specifics and comments on financial & performance and other work done by your company during the financial year ended 31<sup>st</sup> March 2021. The Turnover for the year under review has reached Rs. 18872.83 lakhs recording a growth of more than 15.82% over the last year and Profits after tax have also witnessed good rise and closed the year with Rs. 1958.35 lakhs showing an increase of more than 42.17% over the last year.

Dear shareholders, over the years, we have been expanding our capacities and adding new product lines for overall increase in the value of the company and using major part of the accruals for the expansion, still to maintain consistency in our pay out and as a token of gratitude for your support this year too, a dividend of INR 0.50 per equity share has been announced.

We are consistent and firm on the basic principles and strategies we use to build this company from conducting our business responsibly, to better Governance practices with sustainability and core values as our foundation. We shall continue to grow our business and contribute to India's growth story. We are happy to serve our customers, develop our partners and uplift communities in and around our areas of business. I am moved by the challenges we have overcome and proud of our resolve to serve our stakeholders.

During the year the company converted the warrants into equity shares to its holding company Ostwal Phoschem India Ltd, which has increased the paid-up capital.



## ***KRISHANA PHOSCHEM LIMITED***

The company has already started work on its DAP & NPK complex fertilizer project at adjoining land of the existing plant at Meghnagar. Total cost of Project is approx. Rs. 330 crores. With this view in mind, KPL wants to conserve resources including profit earned so as ultimately increasing shareholders value.

I would like to congratulate the Krishana Phoschem team for delivering sustainable results under a challenging business environment. I would like to conclude with thanking our Board members for enlightening the leadership team with appropriate and timely guidance. I would also like to thank all our stakeholders - customers, vendors, creditors, bankers, regulatory bodies and above all our valued shareholders for their enduring trust and support. Let us continue to work together for developing long term sustainable farming solutions and bringing prosperity to the farmers.

With this, I would like to thank all our customers, partners, shareholders and investors for their continued support, partnership and invaluable contribution in these difficult times.

**With Warm Regards**

**Sd/-**

**(Mahendra Kumar Ostwal)**

**Chairman**

# KRISHANA PHOSCHEM LIMITED

## FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	2020-21	2019-20
Revenue from operation	18872.83	16294.73
Depreciation	1024.24	1170.56
Profit Before Tax	2839.83	2078.26
Profit After Tax	1958.35	1377.42
Other Comprehensive Income	(5.41)	0.32
<b>Total Comprehensive Income for the period</b>	<b>1952.94</b>	<b>1377.74</b>
<b>Assets</b>		
Gross Property, Plant And Equipment	16773.81	15924.41
Net Property, Plant and Equipment	9397.65	9562.19
Capital Work in Progress	708.62	20.98
Non-Current Assets	1098.59	168.56
Deferred Tax Assets	0	0
Current Assets	8344.55	6003.89
<b>Total</b>	<b>19549.41</b>	<b>15755.62</b>
<b>Sources</b>		
Equity Share capital	2610	2490.00
Reserves & Surplus	12100.03	9986.59
Non-Current Liabilities	702.40	604.20
Deferred Tax Liabilities	699.25	544.64
Current Liabilities	3437.73	2130.19
<b>Total</b>	<b>19549.41</b>	<b>15755.62</b>

Profit Before Tax Margin (%)	15.05	12.75
Profit After Tax Margin (%)	10.38	8.45



# **KRISHANA PHOSCHEM LIMITED**

**Registered Office: 5-O-20, Basement,  
R.C. Vyas Colony, Bhilwara, 311001 Rajasthan  
CIN: L24124RJ2004PLC019288**

**Tel. No. : 01482-237104**

**Fax No. : 01482-239638**

**Website: [www.krishnaphoschem.com](http://www.krishnaphoschem.com)**

**Email: [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com)**

## **NOTICE**

NOTICE is hereby given that the **17<sup>th</sup> Annual General Meeting** of the Members of **Krishana Phoschem Limited** will be held on **Monday, 27<sup>th</sup> September, 2021 at 11:00 A.M.** through two - way Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), to transact the following businesses.

### **ORDINARY BUSINESS:**

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. To declare dividend on equity shares for the Financial Year 2020-21.

**"RESOLVED THAT** in terms of recommendation of Board of Directors of the company, the approval of the members of the company be and is hereby granted for the payment of dividend @Rs. 0.50 per share (i.e. 5%) on the fully paid up equity shares of Rs.10/- each of the company for the Year 2020-21.

3. To appoint a Director in place of Mr. Pankaj Ostwal (DIN 02586806), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Pankaj Ostwal (DIN 02586806), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

4. To approve and ratify the authority of Board of directors in fixing remuneration of the Cost Auditor(s) for the financial year ending 31st March 2022 and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

**"RESOLVED THAT** Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee for remuneration to M/s K.C. Moondra & Associates, Cost Auditor(s) to conduct the cost audit of the Company for the financial year ending 31st March 2022 at such remuneration as shall be fixed by the board of directors of the company.

5. To consider and, if thought fit, to pass, with or without modification(s), to re-appoint Mrs. Priyanka Surana as an Women Independent Director of the Company for the five (5) consecutive years, the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 149 and 152 any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Priyanka Surana (DIN: 07679675), who was appointed as an Non-Executive women Independent Director, be and is hereby re-appointed as an women Independent Director of the Company, not liable to retire by rotation, and to hold office for a term of 5 (Five) consecutive years on the Board of the Company up to the conclusion of the 22<sup>nd</sup> AGM of the Company."

6. To approve the increase in authorized share capital of the company consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, the consent of the Member of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 30,00,00,000/- (Rupees Thirty Crore only) consisting of 300,00,000 (Three Crore) Equity Shares of Rs 10/- (Rupees Ten) each to Rs. 40,00,00,000/- (Rupees Forty Crore only) consisting of 4,00,00,000 (Four Crore) Equity Shares of Rs.10 /- (Rupees Ten) each by creation of additional 100,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari-passu in all respect with existing Equity shares of the Company.

**FURTHER RESOLVED THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

**V. "The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore) Equity Shares of the Face value of Rs. 10/- (Rupees Ten) each."**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include a Committee thereof authorized for the purpose) be and is hereby authorized to take necessary actions for, submission of documents and papers with the concerned authorities to register and implement the aforesaid amendment to the Memorandum of Association of the Company and to do all such acts, deeds and things as may be necessary in this regard including authorizing any person of the Company for this purpose."

7. To approve and increase the overall managerial remuneration limit and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

**"RESOLVED THAT** in accordance with the provision of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules there-under amended from time to time and pursuant to recommendation of Nomination & Remuneration Committee, approval of the members of the Company be and is hereby accorded to increase the overall limit of managerial remuneration payable by the Company to the Managing Director and other Directors of the Company in respect of any financial year from 11% (eleven percent) to 25% (Twenty five percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013."

**"RESOLVED FURTHER THAT,** the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may in absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect to aforesaid without being required to seek any further consent or approval of the Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. To approve and revision of remuneration of Mr. Praveen Ostwal as Managing Director of the Company and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and Schedule V to the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Rules made there under to the extent applicable, on the recommendation of Nomination & Remuneration Committee and subject to approval of members be

and is hereby accorded for upward revision in payment of remuneration of Mr. Praveen Ostwal, Managing Director of the Company (DIN:- 00412207) w.e.f 1st April, 2021 till remaining duration of his tenure, provided that the maximum remuneration payable to him shall not exceed 25% of the net profit of the company calculated in accordance with section 198 of the companies act 2013, provided that such variation or increase is within specified limit as under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013 on the such terms and conditions of revision of remuneration as mentioned below:-

1. Salary up to Rs. 2.00 Crore per annum.
2. Commission up to 2% of total sales of the company (Monthly or annual basis).
3. At the discretion of the Board, the payment may be made on a pro-rata basis every Month or on an annual basis.

**“RESOLVED FURTHER THAT** the Board of Directors and the Nomination & Remuneration Committee be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, within specified limit as the case may be, as specified under the relevant provisions of Section 196, 197, 203 and Schedule V to the Companies Act, 2013 subject to any amendment in the provisions of the aforesaid sections.

**“RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Managing Director including Salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

**“RESOLVED FURTHER THAT** limits stipulated in this Resolution are the maximum limits and the Board may in its absolute discretion to pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by the Resolution.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolutions.”

9. To approve and Payment of salary or Commission to Non-Executive Directors of the Company and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its consent and approval to pay remuneration to Non-Executive Directors of the Company by way of salary or commission not exceeding 1% of the Net Profit of the Company in lieu of their services to the Company and that Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be

deemed to include any committee which the Board may constitute to exercise its powers including powers conferred by this resolution) shall in their absolute discretion, decide the extent to which such remuneration is payable to the Non-Executive Directors based on their individual services to the Company within the ceiling limit of 1% of the Net profit of the Company."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate its powers conferred by this resolution to any Director or Directors or Remuneration Committee of Directors to determine the extent to which such remuneration is payable to each of the Non-Executive Directors based on their individual services to the Company."

Dated: 27/08/2021  
Place: Bhilwara

By Order of the Board of Directors  
For Krishana Phoschem Limited

Sd/-  
(Priyanka Bansal)  
Company Secretary & Compliance Officer

#### **NOTES:**

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated January 13, 2021 read with General Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020 and January 15, 2021 ('SEBI Circulars') has also granted certain relaxations. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Monday, September 27, 2021 at 11.00 a.m. (IST). The registered office of the Company shall be deemed to be the venue for the AGM.

2. Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2020-21 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the 17th AGM has been uploaded on the website of the Company at [www.krishnaphoschem.com](http://www.krishnaphoschem.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. The National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com) and on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

3. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Business under Item No. 4, 5, 6, 7, 8 & 9 of the accompanying notice is annexed hereto.
4. In respect of Resolution at item no. 3 and 5 a statement giving additional information on Directors seeking appointment/re-appointment is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Regulations).
5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
7. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4, 5, 6, 7, 8 & 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
8. Members seeking any information or clarification are requested to send in written queries to the Company, in advance, before the date of the meeting by mail at [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com).
9. Corporate members intending to send their authorized representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at [sourabh.bapna12@gmail.com](mailto:sourabh.bapna12@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), authorizing their representative to attend and vote on their behalf at the AGM.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
11. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, 27<sup>st</sup> August 2021. for those shareholders whose email ids are not registered with the Depositories, for procuring user id and password, Notice and Annual Report, are requested to provide their Mail id at [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com).

12. The Members are requested to note that the Company is pleased to provide a two-way Video Conferencing Facility (VC) to view the live streaming of the proceedings of the AGM and facilitate participation of Members at the AGM through VC or asking their questions through a Chat box facility. The Members will be able to view the proceedings on NSDL's e-Voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of NSDL. The link will be available in Member login where the EVEN of Company will be displayed. On clicking this link, the Member will be able to view the webcasting of the AGM proceedings. The VC Facility will be available on September 27, 2021 from 11:00 a.m. (IST) onwards till the conclusion of the Meeting.
14. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on NSDL's e-Voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
15. Dividend on Equity Shares, as recommended by the Board of Directors for the Year ended 31<sup>st</sup> March, 2021 and subject to approval of members at this Annual General Meeting, will be paid thirty days from the date of declaration to those shareholders whose name shall appear on the company's register of Members on September 20, 2021.

The Shareholders, who have not claimed their Dividend in the past, are requested to write to the Registrar and Transfer Agent, M/s. Link Intime India Private Limited, Mumbai to claim the amount of Dividend.

Pursuant to Section 124 of the Companies Act, 2013, if the Dividend Amount is not claimed within 7 Years from the date it is due for payment, such unclaimed amount will be transferred to Investor Education and Protection Fund and thereafter no claim shall become against the Company.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax At Source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their

Depository Participants or in case shares are held in physical form, with the Company by sending documents through email at [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com) on or before September 20, 2021.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com).

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com).

16. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime India Private Limited.
17. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited.
18. Voting Through Electronic Means: The details of the process and manner of e-voting are explained herein below:  
In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are given in this Notice. The Members may cast their votes using electronic voting systems from a place other than the venue of the Annual General Meeting (AGM) (remote e-voting). The instructions for e-voting are given herein

below. The resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period begins on 24th September, 2021 (9:00 A.M.) and ends 26th September, 2021 (5:00 P.M.). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September, 2021.

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

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

#### **Step 1: Access to NSDL e-Voting system**

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="500 338 1485 968">1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>"IDeAS"</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="500 999 1485 1178">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS"</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol> <p data-bbox="444 1230 1485 1738">Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>"Login"</b> which is available under <b>'Shareholder/Member'</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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

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

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sourabh.bapna12@gmail.com](mailto:sourabh.bapna12@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 and 1800-224-430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

4. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. 20<sup>th</sup> September, 2021, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you may reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll-free no. 1800-222-990.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login

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

3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for members for e-voting on the day of the EGM/AGM are as under: -**

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

**Instructions for members for attending the AGM through VC/OAVM are as under:**

- 1.) Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- 2.) Members are encouraged to join the Meeting through laptops for better experience. Further Members will be required to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from their mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio or video loss due to fluctuation in their respective network. It

is therefore recommended to use stable Wi-Fi or LAN connection to attend the AGM without any interruption.

- 3.) Facility of joining the meeting shall be open 30 minutes before the time scheduled for the meeting and shall be closed 15 minutes after such scheduled time and will be available on first come first served basis.
- 4.) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com).
- 5.) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@ krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com). The same will be replied by the company suitably.

#### **Other Instructions**

- 1.) The voting rights of shareholders (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, which is September 20, 2021. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- 2.) Any person who is not a member as on the cutoff- date should treat this Notice for information only.
- 3.) The e-voting period commences on Friday, September 24, 2021 at 9.00 a.m. (IST) and ends Sunday, September 26, 2021 at 5.00 p.m. (IST) during this period, shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date, i.e. September 20, 2021, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting.
- 4.) Members who are registered with NSDL for e-voting can use their existing user Id and password for casting their votes.
- 5.) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC or OAVM but shall not be entitled to cast their vote again.
- 6.) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.

- 7.) Mr. Sourabh Bapna, Practicing Company Secretary (Membership No. 51505 & CP No. 19968) has been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
- 8.) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.
- 9.) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.
- 10.) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.krishnaphoschem.com](http://www.krishnaphoschem.com) and on the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared. The Company shall simultaneously forward the results to The National Stock Exchange of India Limited ("NSE") where the shares of the Company are listed.
- 11.) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Monday, September 27, 2021.
- 12.) Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

Dated: 27/08/2021  
Place: Bhilwara

By Order of the Board of Directors  
For Krishana Phoschem Limited

Sd/-  
(Priyanka Bansal)  
Company Secretary & Compliance Officer

**Explanatory Statement Pursuant To Section 102 of the Companies Act, 2013****Item No. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K.C. Moondra & Associates, Cost Accountant, to conduct the cost audit of the Company for the financial year ending 31st March, 2022. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Directors recommend the resolution for approval of members.

**Item No. 5**

The Board of Directors has re-appointed Mrs. Priyanka Surana as an women Independent Director from 27th August 2021 pursuant to Section 149, 152 of the Companies Act, 2013.

In accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013 the Securities and Exchange Board of India (SEBI) and all other applicable provisions, that every Listed Company is required that at least half of the board of directors shall comprise of independent directors, so for giving the effect and to adhere to the section Company has appointed Mrs. Priyanka Surana , not liable to retire by rotation and subject to the approval of members, to hold office for a term of 5 (Five) consecutive years up to the conclusion of 22<sup>nd</sup> AGM of the company.

The Company has received from Mrs. Priyanka Surana consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A brief profile of Mrs. Priyanka Surana, including nature of her expertise, is provided in the notice.

In the opinion of the Board, Mrs. Priyanka Surana fulfills the conditions for their re-appointment as Independent women Director as specified in the Companies Act, 2013. Accordingly, the Board, recommends the passing of the Special Resolution as set out in the Item no. 5 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, Except Mrs. Priyanka Surana, being an appointee, are concerned or interested (financially or otherwise) in this Resolution.

**Item No. 6**

As per Section 197 of the Companies Act, 2013 and rules thereunder the total managerial remuneration payable by the Company to its Directors, including managing director and whole time director and its manager in respect of any financial year may exceed 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013, provided the same has been approved by the Shareholders of the Company by way of Ordinary/ Special Resolutions. The requirement of Central Government which was hitherto required has been done away with.

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 27.08.2021 recommended to increase in overall limit of managerial remuneration payable by the Company in respect of financial year from 5% to 25% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 subject to the approval of the Shareholders by way of Special Resolution.

Accordingly, the Board recommends the Special Resolution for approval of the members.

Except Mr. Praveen Ostwal, Managing Director, Mr. Mahendra Kumar Ostwal and Pankaj Ostwal, Director, none of other Directors or Key Managerial personnel of the Company including their relatives is concerned or interested in the Resolution, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

**Item No 7**

Mr. Praveen Ostwal, was re- appointed as Managing Director of the Company by the Board at its Meeting held on April 18, 2018 for a period of 5 years i.e. from April 01, 2018 to March 31, 2023. The same was subsequently approved by the members at the AGM held on September 27. 2018.

Further, considering the contribution of Mr. Praveen Ostwal and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on August 27, 2021 approved the upward revision in the managerial remuneration of Mr. Praveen Ostwal, effective from 1<sup>st</sup> April 2021 till reminder of duration of his tenure upto 25% of the net profit computed in the manner laid down in Section 198 of the Companies Act, 2013 subject to the approval of members of the Company by passing a Special Resolution.

As per Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Praveen Ostwal as decided by the Board is required to be approved by the Members at their meeting and therefore, the shareholders of the company are required to approve the aforementioned upward revision in the managerial remuneration of Mr. Praveen Ostwal Managing Director of the Company by passing a Special Resolution.

Accordingly, the Board recommends the Special Resolution for approval of the members.

Except Mr. Praveen Ostwal, Managing Director, Mr. Mahendra Kumar Ostwal and Pankaj Ostwal, Director, none of other Directors or Key Managerial personnel of the Company including their relatives is concerned or interested in the Resolution, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

**Item No 8**

The Board of Directors are of the opinion that, in order to remunerate the Non-Executive of the Company, for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and commensurate with the time devoted and the contribution made by them, the Board at their Meeting held on 11<sup>th</sup> March, 2021 have approved, subject to such Statutory approvals as may be necessary, payment by way of salary and Commission, to be paid to the Non- Executive of the Company. Board of Directors of the Company has approved payment of Salary/Commission to Non- Executive of the Company, within the maximum limit of 1% of net profits of the Company, to be determined by the Board of Directors for each Non-Executive for each financial year, in addition to the sitting fees paid for each of the Board and its Committee meetings attended by them. The Companies Act requires approval of members of the Company by passing a Special Resolution in general meeting for payment of remuneration by way of Salary/Commission to Non-Executive Directors of the Company.

All the Non-Executive Directors of the Company may be deemed to be concerned or interested in the said resolution to the extent of the salary/commission payable to them.

**Item No. 9:**

In order to meet business requirement, it is required to raise further capital in the Company and hence it is necessary to increase the Authorised Share Capital of the Company and also to amend Capital Clause V of Memorandum of Association of the Company.

Present Authorised Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty Crore Only) divided into, 300,00,000 (Three Crore) Equity Shares of 10/- (Rupees Ten) each. After the increased Authorised Capital would be Rs. 40,00,00,000 (Rupees Forty Crore only) divided into 4,00,00,000 (four Crore) Equity Shares of Rs. 10/- (Rupees Ten) each by creation of additional 100,00,000 (one crore) Equity Shares of Rs.10/- (Rupees Ten) each ranking pari passu in all the respect with the existing equity shares of the Company.

The proposed increase in the authorized capital requires alteration of the Memorandum of Association of the Company and the Board of Directors recommends the passing of this resolution as ordinary resolution set out at Item No. 9.

The Directors are deemed to be interested or concerned in this resolution to the extent of their holding of equity shares of the company.

Dated: 27/08/2021  
Place: Bhilwara

By Order of the Board  
For Krishana Phoschem Limited

Sd/-

(Priyanka Bansal)  
Company Secretary & Compliance Officer

**INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATION, 2015**

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows:

**Appointment / Reappointment****1. Mr. Pankaj Ostwal (DIN 02586806) retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.**

Mr. Pankaj Ostwal aged 44 years, is Chartered Accountant from Institute of Chartered Accountant of India and Bachelor in Commerce from Maharshi Dayanand Saraswati University of Ajmer, having 19 years' experience in Fertilizer Industries.

Mr. Pankaj Ostwal took over as Managing Director of Madhya Bharat Agro Products Limited (Group Company) in the year 24.02.2009 and since then has led the organization successfully with clear strategic vision, focus on customers and inclusive execution of customer centric value in the market. Mr. Pankaj Ostwal also possesses varied experience in the Commercial, Marketing and Project field.

Mr. Pankaj Ostwal is Brother of Mr. Praveen Ostwal, Managing Director of the Company and also the son of Mr. Mahendra Kumar Ostwal on the Board of Directors and not a related to the any of Directors of the Company.

He is not a Chairman and not the member of any committee of Company. Mr. Pankaj Ostwal, holds 5000 shares of the Company

**2. To Re- Appointment of Mrs. Priyanka Surana (DIN 07679675) as an Non- Executive Women Independent Director of the Company.**

Mrs. Priyanka Surana aged 38 years is Non-Executive Women Independent Director of our Company and was originally appointed as Non-Executive Women Independent Director for a period of 5 years vide Extra-Ordinary General Meeting held on December 19, 2016. She holds M.A. (Political Science). She brings with her 5-year experience in business which is under a textile sector.

Mrs. Priyanka Surana is not a relative to the any of the Directors of the Company. She is a Member of Independent Director Committee, member of Nomination & Remuneration Committee of Company. Mrs. Priyanka Surana does not hold any share of the Company.



# **KRISHANA PHOSCHEM LIMITED**

## **DIRECTORS' REPORT**

**For the Year 2020-21**

**Dear Members,**

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### **FINANCIAL RESULT**

The summary of financial results for the year and appropriation of divisible profits is given below:  
(Rs. in Lacs)

<b>Particulars</b>	<b><u>2020-2021</u></b>	<b><u>2019-2020</u></b>
Turnover	18872.83	16294.73
Profit Before Taxation	2839.83	2078.26
Taxation	881.48	700.84
Profit / (Loss) after Tax	1958.35	1377.42
Profit Before Tax Margin (%)	15.05	12.75
Profit After Tax Margin (%)	10.38	8.45

### **STATE OF COMPANY'S AFFAIR:**

During the period under review the company has achieved turnover of Rs. 18872.83 lakhs with production of 61805 M.T. of Beneficiated Rock Phosphate, 116013 M.T. of Single Super Phosphate, 755 MT of H.Acid & Other Dyes Intermediate Products, 60316 M.T. of Sulphuric Acid, Oleum, Coloro Sulphonic Acid, Liquid SO<sub>3</sub> and other Products.

The profit of the company before tax is Rs. 2839.83 lakhs and profit after tax is Rs. 1958.35 lakhs.

### **CHANGE IN THE NATURE OF BUSINESS OF COMPANY**

During the year under review, there is no change in the nature of business of Company.

### **LISTING OF THE COMPANY**

The Shares of your Company are Listed on Platform of "National Stock Exchange". The annual Listing Fees for the Year 2021-22 has been Paid to the exchange.

## **SHARE CAPITAL**

The paid-up share capital of your company increased from Rs. 2490.00 lakh to Rs. 2610.00 lakh during the year under review. The Company has made allotted 12,00,000 fully paid equity shares of face value Rs.10/- fully paid up at a price of Rs. 45/- (Share Premium at the rate of Rs. 35/- per share) each against 12,00,000 convertible warrants.

## **SHARE WARRANTS**

The Company allotted 25,00,000 convertible Warrants to its holding company Ostwal Phoschem Ltd. each carrying a right exercisable by the warrant holder to subscribe to One equity share per warrant at a price of Rs. 45/- (Premium at the rate of Rs. 35/- per warrant). 25% of the warrant issue price received upfront and balance 75% is payable by the Warrant Holder at the time of allotment of the Equity Share which may be exercised at any time before expiry of 18 months from the date of allotment of Warrants, failing which the warrants shall lapse and the amount paid shall stand forfeited by the Company. Out of these the Company had already allotted 12,00,000 fully paid equity shares of face value Rs.10/- each against 12,00,000 convertible warrants after receiving the balance 75% amount. Convertible warrants outstanding as at 31st March, 2021 are 13,00,000.

## **ANNUAL RETURN (SECTION 92):**

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 for the financial year ended on March 31<sup>st</sup>, 2021 is provided in Annexure I forming part of this report and also disclosed on the website of the Company viz. <http://www.krishnaphoschem.com>.

## **STATUTORY AUDITORS' & STATUTORY AUDITORS' REPORT**

The Company has appointed M/s. Rajneesh Kanther & Associates Statutory Auditors of the Company for a term of 05 years from the conclusion of 14<sup>th</sup> annual general meeting till the conclusion of 18th AGM to be held in the year 2022.

The Auditor's Report is self-explanatory and therefore, do not call for any further comments/clarifications and Auditor's report does not contain any qualification, reservation or adverse remarks.

## **SECRETARIAL AUDITOR & SECRETARIAL AUDITORS' REPORT**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, the company has Re-appointed M/s Sourabh Bapna & Associates, a Proprietorship firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for financial year 2021-2022. The Company has received their consent for Re-appointment.

The Secretarial Audit report for financial year 2020-21 received from Sourabh Bapna & Associates is provided in Annexure II forming part of this report.

The Secretarial Audit report received from M/s Sourabh Bapna & Associates does not contain any qualification, reservation or adverse remarks.

## **COST AUDITOR**

M/s. K. C. Moondra & Associates, Cost Accountant, was re-appointed as Cost Auditors of your Company for FY 2021-2022.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee, the Board has Re-appointed M/s K.C. Moondra & Associates, Cost Accountants (Registration No. 101814), at such remuneration as fixed by board of directors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022. The appointment and the remuneration of the Cost Auditor is required to be ratified subsequently by the Members of the Company and further subject to the approval of the Central Government.

The Company has received their written consent and confirmation that the Re-appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

## **INTERNAL AUDITOR & AUDITORS' REPORT**

As per section 138 of The Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the company has Re-appointed M/s Sourabh Bapna & Associates, Practicing Company Secretaries as Internal Auditor to conduct Internal Audit for the Financial Year 2021-2022. The Company has received their consent for Re-appointment.

The Internal Audit Report is received by the Company and the same is reviewed and approved by the Audit Committee and Board of Directors for the year 2020-2021. All the observations made by the Internal Auditors have been attended to.

## **INTERNAL CONTROL SYSTEM**

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

## ***KRISHANA PHOSCHEM LIMITED***

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

### **RESERVES**

During the Year under review, The Board of Director of company have recommended to transfer Rs. 1833.85 lakhs to surplus & general reserve. With this, the reserve & surplus has increased to Rs. 10712.01 lakhs.

### **DIVIDEND**

After considering earnings, requirement for funds and with the objective of rewarding the Shareholders, the Board has recommended final dividend of 5% being Rs. 0.50 per equity share of Rs. 10/- each for the financial year 2020-2021, subject to approval at the ensuing Annual General Meeting.

### **EMERGENCE OF COVID-19**

During the year, the effect of the Covid-19 is seen having an unprecedented impact on people and economies worldwide. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation.

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at all its plant locations, various branch offices and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith.

### **DEPOSITS:**

During the year, the Company has not accepted deposits from the public under section 73 chapter V of the Companies Act, 2013.

### **REPORTING OF FRAUDS BY AUDITORS, IF ANY:**

No fraud has been reported by auditors under section 143 (12) of the companies act 2013.

### **NO DEFAULT:**

The company has not defaulted in payment of interest and/or repayment of loan to any of the financial institutions and/or bank.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with provisions of Companies Act, 2013 and company's Articles of Association, Mr. Pankaj Ostwal (DIN: 02586806), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.



# ***KRISHANA PHOSCHEM LIMITED***

During the year, Mr. Praveen Ostwal Managing Director of the Company, Mr. Sunil Kothari ,Whole Time Director & Chief Financial Officer and Ms. Priyanka Bansal, Company Secretary of the Company were designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

## **NUMBER OF MEETING OF BOARD OF DIRECTORS:**

The Board of Directors duly met 11 (Eleven) times on 15<sup>th</sup> June 2020, 13<sup>th</sup> July 2020, 11<sup>th</sup> August 2020, 19<sup>th</sup> August 2020, 31<sup>st</sup> August 2020, 07<sup>th</sup> October 2020 , 28<sup>th</sup> October 2020, 29<sup>th</sup> December 2020, 02<sup>nd</sup> February 2021, 25<sup>th</sup> February 2021 and 11<sup>th</sup> March 2021 in the Financial Year 2020-21 in respect of each meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to the Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company is provided in Annexure III forming part of this report.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING**

The details as required under section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 of Companies (Account) Rule, 2014 for conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure IV forming part of this report.

## **PARTICULAR OF LOAN, GUARANTEE AND INVESTMENT UNDER SECTION 186:**

The information required for loans given, investment made or guarantee given or security provided under section 186 of the Companies Act, 2013 read with the rule 11 of Companies (Meetings of Board and its power) Rule, 2014 is given in Annexure V forming part of this report and also provided in the financial statement of the Company (please refer Notes of the balance sheet).

## **RISK MANAGEMENT:**

Proper Risk Management Practices have been followed for the purpose of risk identification, analysis, response planning, and monitoring, controlling, and reporting. Although, all risks cannot be eliminated, but mitigation and contingency plans have been developed to lessen their impact if they occur.

## **RELATED PARTY TRANSACTION UNDER SECTION 188**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related



## ***KRISHANA PHOSCHEM LIMITED***

party transactions made by the company during the financial year which were in the conflict of interest of the company.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure VI in Form AOC-2 and the same forms part of this report.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, as required pursuant to the SEBI ((Listing Obligations & Disclosure Requirements) Regulations, 2015, is provided in Annexure VII and Annexure VIII respectively forming part of this report.

### **DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. The terms and conditions for appointment of the Independent Directors are incorporated on the website of the Company.

### **BOARD EVALUATION:**

Pursuant to the relevant provisions of the Companies Act, 2013 and the Listing regulations, the Board has carried out an annual performance evaluation of its own, working of its Committees and the Directors. The Nomination and Remuneration Committee has carried out evaluation of every Director. The Independent Directors evaluated performance of the Non-Independent Directors, the Board as whole and the Chairperson of the Company.

### **COMMITTEES OF BOARD:**

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements), Regulation, 2015:

### **AUDIT COMMITTEE DISCLOSURE UNDER SECTION 177:**

The Audit Committee of the Company consists of 2 Independent Directors and 1 Executive Director. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Company Secretary acts as Secretary to the Committee.

The following Directors are the members of Audit Committee.

- |                          |          |
|--------------------------|----------|
| (1) Shri Ashish Kothari  | Chairman |
| (2) Shri Pradeep Agrawal | Member   |
| (3) Shri Praveen Ostwal  | Member   |

During the year the Committee had 4 Meetings i.e. on 13<sup>th</sup> July 2020, 19<sup>th</sup> August 2020, 28<sup>th</sup> October 2020 and 02<sup>nd</sup> February 2021.

**NOMINATION & REMUNERATION COMMITTEE DISCLOSURE UNDER SECTION 178:**

In pursuant to the provisions of section 178 (4) of the Companies Act, 2013, Nomination and Remuneration Policy recommended by the Nomination and Remuneration committee is duly approved by the Board of Directors of the Company and is given in Annexure IX forming part of this report.

The following Directors are the members of Nomination and Remuneration Committee.

(1) Shri Pradeep Agrawal	Chairman
(2) Shri Ashish Kothari	Member
(3) Smt. Priyanka Surana	Member

The Committee meets once in a year and also as and when any remuneration is to be fixed for any Director /Managing Director and Key Managerial Personnel. During the year the Committee had 1 Meeting i.e. on 19<sup>th</sup> August 2020.

**INDEPENDENT DIRECTORS COMMITTEE:**

The following are the members of independent directors committee:

(1) Shri Pradeep Agarwal	Chairman
(2) Shri Ashish Kothari	Member
(3) Smt. Priyanka Surana	Member

During the year one Independent Directors Committee Meeting were held on 02<sup>nd</sup> February 2021

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

The following Committee of Directors looks after the Investor Grievances:

(1) Shri Pradeep Agarwal	Chairman
(2) Shri Ashish Kothari	Member
(3) Shri Praveen Ostwal	Member

During the year the 4 Stakeholder Relationship Committee Meetings were held on 13<sup>th</sup> July 2020, 19<sup>th</sup> August 2020, 28<sup>th</sup> October 2020 and 02<sup>nd</sup> February 2021 and the complaints received and their disposal has been reviewed.

**CORPORATE SOCIAL RESPONSIBILITY:**

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. CSR Policy is disclosed on the website of the Company viz. <http://www.krishnaphoschem.com>.



## ***KRISHANA PHOSCHEM LIMITED***

As per provision of new enacted Company Act, 2013, the Board of Directors have framed Corporate Social Responsibilities Committee having the following members: -

- |                          |          |
|--------------------------|----------|
| (1) Shri Pradeep Agarwal | Chairman |
| (2) Shri Ashish Kothari  | Member   |
| (3) Shri Sunil Kothari   | Member   |

Our Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

During the tough times, when the entire world was trying to cope up with the deadly outbreak of COVID-19, Krishana Phoschem Limited (KPL) contributed immensely to help the marginalized sections of the society. During the lockdown, when the villagers were finding it difficult to fulfil their requirements, the KPL distributed food kits, supply of sanitizer and mask in the Meghnagar district of Madhya Pradesh.

Your company as part of its responsibility towards society has been taking welfare measures from time to time.

During the year the Committee had 2 Meetings i.e. on 07th October 2020, and 11<sup>th</sup> March 2021.

The CSR Report for the financial year ended on March 31<sup>st</sup>, 2021 is provided in Annexure X forming part of this report.

### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company does not have any Subsidiary, Joint Venture and Associate Company.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21.

No. of complaints received: Nil

No. of complaints disposed off: Nil

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (3) (c) & 134 (5) of the Companies Act, 2013 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such 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 and of the profit and loss of the company for the year under review;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2021 on a going concern basis;
- (e) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **HEALTH, SAFETY, QUALITY AND ENVIRONMENTAL PROTECTION**

Your Company is ISO 9001:2015 certified and maintains high quality of product and processes. The quality assurance is ensured at all stages of manufacturing processes, maintenance and support services. Quality reviews are regularly conducted and feedback from end users (farmers) is accorded utmost importance. Sophisticated instruments are in place for monitoring of critical quality parameters.

## **MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunal that would impact the going concern status of the Company and its future operations.

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of



## ***KRISHANA PHOSCHEM LIMITED***

professionalism, honesty, integrity and ethical behavior. A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The whistle Blower Policy has been uploaded on the website of the Company ([www.krishnaphoschem.com](http://www.krishnaphoschem.com)).

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their grateful appreciation for the co-operation and assistance received from Share Holders, Customers, Banks, Financial Corporations, various Government Authorities for their whole hearted support. Your Directors also recognize and appreciate the efforts and hard work of all employees of the company

and their continued contribution to company's progress. The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked his life and safety to fight this pandemic.

**For and on Behalf of the Board of Directors**

**Place      Bhilwara**  
**Date        10.06.2021**

**Sd/-**  
**(Praveen Ostwal)**  
  
**Managing Director**  
**(DIN: 00412207)**

**Sd/-**  
**(Sunil Kothari)**  
**Whole Time**  
**Director**  
**(DIN: 02056569)**

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE-I

**Form No. MGT-9**

**As on the financial year ended on 31.03.2021**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### **REGISTRATION AND OTHER DETAILS**

i)	CIN	L24124RJ2004PLC019288
ii)	Registration Date	14/05/2004
iii)	Name of the Company	KrishanaPhoschem Limited
iv)	Category / Sub-Category of the Company	Public Company Company Limited by Share
v)	Address of the Registered office and contact details	5-O-20, Basement, R.C. Vyas Colony Bhilwara (Raj.), 311001
vi)	Whether listed company (Yes / No)	Yes National Stock Exchange of India Limited(NSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Maharashtra, India Tel No. :- 91-22-49186000 Fax:- 91-22-49186060 Website:- <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email:-rnt.helpdesk@linkintime.co.in

### **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated –

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Fertilizers	20122	69.40
2	Chemicals	20119	15.89
3	Chemicals	20112	14.71

### **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	OstwalPhoschem (India) Limited	L26933RJ1989PLC032188	Holding	65.92	Section 2(46) of the Companies Act ,2013

## SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

[illegible]

# KRISHANA PHOSCHEM LIMITED

FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2 Non- Institutions</b>									
a) Bodies Corp.									
Indian	0	4137617	4137617	16.62	4238413	-	4238413	16.24	-0.38
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	807150	807150	3.24	692242	-	692242	2.65	-0.59
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	3237331	3237331	13.00	3216438	-	3216438	12.32	-0.68
Others (specify)	-	-	-	-	-	-	-	-	-
Clearing Members		-	-	-	24014	-	24014	0.09	0.09
NRI	-	4000	4000	0.02	4890	-	4890	0.02	0.00
NRI(Non Repatriable)					9101		9101	0.03	0.03
<b>Sub-total (B)(2):-</b>		<b>8186098</b>	<b>8186098</b>	<b>32.87</b>	<b>8185098</b>		<b>8185098</b>	<b>31.36</b>	<b>-1.52</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)		<b>8186098</b>	<b>8186098</b>	<b>32.87</b>	<b>8185098</b>		<b>8185098</b>	<b>31.36</b>	<b>-1.52</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>24900000</b>	<b>24900000</b>	<b>100</b>	<b>26100000</b>		<b>26100000</b>	<b>100</b>	<b>-</b>

# KRISHANA PHOSCHEM LIMITED

## Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PankajOstwal	5000	0.02	-	5000	0.02	-	0.00
2	Praveen Ostwal	678500	2.72	-	678500	2.60	-	-0.13
3	NituOstwal	2500	0.01	-	2500	0.01	-	0.00
4	Ekta Jain	5000	0.02	-	5000	0.02	-	0.00
5	M.K. Ostwal (Karta of M.K. Ostwal HUF)	2500	0.01	-	2500	0.01	-	0.00
6	PankajOstwal (Karta of PankajOstwal HUF)	5000	0.02	-	5000	0.02	-	0.00
7	Praveen Ostwal (Karta of Praveen Ostwal HUF)	5000	0.02	-	5000	0.02	-	0.00
8	Mahendra Kumar Ostwal	5000	0.02	-	5000	0.02	-	0.00
9	Ostwal Phoschem (India) Limited	15785402	63.40	-	17206402	65.92	-	2.53
	<b>Total</b>	<b>16493902</b>	<b>66.24</b>	<b>0</b>	<b>17914902</b>	<b>68.64</b>	<b>0</b>	<b>2.40</b>

# KRISHANA PHOSCHEM LIMITED

## Change in Promoters' Shareholding (please specify, if there is no change)

Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>OstwalPhoschem(In dia) Limited</b>				
At the beginning of the year	15785402	63.39	15785402	63.39
Acquired through Merger	220000		16005402	
Purchase	1000		16006402	
Allotment during the year as on 25.02.2021	1200000		17206402	
At the End of the year	17206402	65.92	17206402	65.92

## Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>SWASTIK CLOTHTEX PRIVATE LIMITED</b>				
	At the beginning of the year	1449944	5.82	1449944	5.82
	Increase /Decrease in Share Holding during the year	(2376)	-	1447568	5.55
	At the End of the year	1447568	5.55	1447568	5.55
2.	<b>SHUBHLAXMI TEX FAB PRIVATE LIMITED</b>				
	At the beginning of the year	1048192	4.20	1048192	4.20
	Increase /Decrease in Share Holding during the year	(3000)	-	1045192	4.00

# KRISHANA PHOSCHEM LIMITED

	At the End of the year	1045192	4.00	1045192	4.00
3.	<b>VISUALIZE TRADECOM PRIVATE LIMITED</b>				
	At the beginning of the year	667044	2.67	667044	2.67
	Increase /Decrease in Share Holding during the year	-1000	-	666044	2.55
	At the End of the year	666044	2.55	666044	2.55
4.	<b>SUSWANI TEXTILE PVT LTD</b>				
	At the beginning of the year	552934	2.22	552934	2.22
	Increase /Decrease in Share Holding during the year	43917	-	596851	2.29
	At the End of the year	596851	2.29	596851	2.29
5.	<b>SHAIENDRA KUMAR GARG</b>				
	At the beginning of the year	388000	1.55	388000	1.55
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	388000	1.49	388000	1.49
6.	<b>MAHENDRA GARG</b>				
	At the beginning of the year	348000	1.39	348000	1.39
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	348000	1.33	348000	1.33
7.	<b>SHRI ARIHANT METASTEEL PRIVATE LIMITED</b>				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Share Holding during the year	138067	0.53	138067	0.53
	At the End of the year	138067	0.53	138067	0.53
8.	<b>KANTHED SHANTI LAL HUF</b>				
	At the beginning of the year	136000	0.54	136000	0.54

# KRISHANA PHOSCHEM LIMITED

	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.52	136000	0.52
9.	<b>SHANTI LAL KANTHER</b>				
	At the beginning of the year	136000	0.54	136000	0.54
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.52	136000	0.52
10.	<b>NORATAN DEVI KANTHER</b>				
	At the beginning of the year	136000	0.54	136000	0.54
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.52	136000	0.52
11.	<b>SONALI GARG</b>				
	At the beginning of the year	128000	0.51	128000	0.51
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	128000	0.49	128000	0.49
12.	<b>AYUSH ASHOK OSTWAL</b>				
	At the beginning of the year	-	-	-	-
	Increase /Decrease in Share Holding during the year	118674	0.45	118674	0.45
	At the End of the year	118674	0.45	118674	0.45
13.	<b>Shreenathji Crimpers Private Limited</b>				
	At the beginning of the year	116000	0.46	116000	0.46
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	116000	0.44	116000	0.44
14.	<b>SHREYANSH BAID</b>				
	At the beginning of the year	112000	0.44	112000	0.44

# KRISHANA PHOSCHEM LIMITED

	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	112000	0.43	112000	0.43

## Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Sh. Praveen Ostwal</b>				
	At the beginning of the year	678500	2.72	678500	2.72
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	678500	2.60	678500	2.60
2	<b>Sh. PankajOstwal</b>				
	At the beginning of the year	5000	0.02	5000	0.02
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	5000	0.02	5000	0.02
3.	<b>Sh. BheruLalOstwal</b>				
	At the beginning of the year	16000	0.06	16000	0.06
	Increase /Decrease in Shareholding during the year	(1450)	-	14550	0.05
	At the End of the year	14550	0.05	14550	0.05
4.	<b>Sh. Mahendra Kumar Ostwal</b>				
	At the beginning of the year	5000	0.02	5000	0.02
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	5000	0.02	5000	0.02
5.	<b>Sh. Ashish Kothari</b>				
	At the beginning of the year	4000	0.01	4000	0.01
	Increase /Decrease in Shareholding during the year	(1500)	-	2500	0.01

# KRISHANA PHOSCHEM LIMITED

	At the End of the year	2500	0.01	2500	0.01
--	------------------------	------	------	------	------

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1196.98	-	-	1196.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1196.98</b>	<b>-</b>	<b>-</b>	<b>1196.98</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	25934.08	-	-	25934.08
Reduction	25112.80	-	-	25112.80
<b>Net Change</b>	<b>821.28</b>	<b>-</b>	<b>-</b>	<b>821.28</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2018.26	-	-	2018.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2018.26</b>	<b>-</b>	<b>-</b>	<b>2018.26</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs.in lakhs)

S. no.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount
		Sh. Praveen Ostwal	Sh. Sunil Kothari	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.00	10.45	61.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-

# KRISHANA PHOSCHEM LIMITED

3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	47.00	-	47.00
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	<b>98.00</b>	<b>10.45</b>	<b>108.45</b>
	Ceiling as per the Act			

## B. Remuneration to other directors - (Rs. in Lakhs)

S. no.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. Pankaj Ostwal	
1	Other Non-Executive Director		
	Fee for attending board/ committee meetings	-	-
	Commission	18.00	18.00
	Others, please specify	-	-
	Total	<b>18.00</b>	<b>18.00</b>

## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD –

S. no.	Particulars of Remuneration	Key Managerial Personnel		Rs. In Lakhs
		Company Secretary	CFO	Total Amount
		Miss Priyanka Bansal		
1	Gross salary	2.24	-	2.24
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.24	-	2.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

# ***KRISHANA PHOSCHEM LIMITED***

4	Commission	-	-	-
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	Total	<b>2.24</b>	-	<b>2.24</b>

## **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on Behalf of the Board of Directors**

Place      Bhilwara  
Date      10.06.2021

Sd/-  
(Praveen Ostwal)  
Managing Director  
  
(DIN: 00412207)

Sd/-  
(Sunil Kothari)  
Whole Time  
Director  
(DIN: 02056569)

# ***SOURABH BAPNA & ASSOCIATES***

2-B-11,12 R C VYAS COLONY, BHILWARA- 311001 CONTACT -9461264697

---

## **ANNEXURE-II**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 2020-21**

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

To,  
  
The Members,  
  
KrishanaPhoschem Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KrishanaPhoschem Limited**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **KrishanaPhoschem Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **KrishanaPhoschem Limited** ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

## ***SOURABH BAPNA & ASSOCIATES***

2-B-11,12 R C VYAS COLONY, BHILWARA- 311001 CONTACT -9461264697

---

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## ***SOURABH BAPNA & ASSOCIATES***

2-B-11,12 R C VYAS COLONY, BHILWARA- 311001 CONTACT -9461264697

---

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

For Sourabh Bapna & Associates

Company Secretaries

Sd/-

(Sourabh Bapna)

Proprietor

C.P. No. 19968

M. No. 51505

Date: 10.06.2021

Place: Bhilwara

UDIN :- A051505C000753008

### Particulars of employee

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 Read With Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	1. Mr. Praveen Ostwal -29.13 2. Mr. Sunil Kothari - 4.62
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	1. Praveen Ostwal (Managing Director) - 43.73 2. Sunil Kothari (Whole Time Director &- 14.47% Chief Financial Officer)
(iii) The percentage increase in the median remuneration of employees in the financial year	NA
(iv) The number of permanent employees on the rolls of company.	104 Employees
(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	As against increase of 10.62% in respect of employees other than managerial, the increase of managerial personnel has been 38.87 %
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirmed that the remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

### Details of the employees of the Company - Pursuant to Section 197 (Rule 5) of the Companies Act, 2013.

- (i) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: NA



## ***KRISHANA PHOSCHEM LIMITED***

- (ii) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: NA
- (iii) Employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director: NA

**For and on Behalf of the Board of Directors**

**Place**      **Bhilwara**  
**Date**        **10.06.2021**

**Sd/-**  
**(Praveen Ostwal)**

**Managing Director**  
**(DIN: 00412207)**

**Sd/-**  
**(Sunil Kothari)**  
**Whole Time**  
**Director**  
**& CFO**  
**(DIN: 02056569)**

**ANNEXURE IV****Details of Conservation Of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

Information pursuant to section 134 (c) (m) of the Companies Act, 2013 read with Companies (Companies (Accounts) rule 2014) Rule, 8 and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2021.

**CONSERVATION OF ENERGY**

(a) The Company takes adequate steps for the conservation of energy at every stage of production and remains conscious about conserving energy resources.

(b) The Company has made adequate investment on various measures for conservation of energy which has resulted in optimizing energy consumption and saving in cost.

(c) The capital investment on energy conservation equipment: Approx. Rs. 30lakhs

**TECHNOLOGY ABSORPTION****(i) Efforts made towards technology absorption:**

The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has strengthened the infrastructure for R & D and carried out improvement in quality systems. This has resulted into consistency in achieving standard quality parameters as per Government of India. The Company will continue to thrust on R & D activities of the Company.

**(ii) The benefits derived therefrom:**

The Company could successfully reduce the cost of production, by using the inhouse developed alternative raw materials, power consumption and improving technical efficiencies and productivity.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -**

(a) The details of technology imported; None

(b) The year of import; None

(c) Whether the technology been fully absorbed; None

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; None



# ***KRISHANA PHOSCHEM LIMITED***

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The figure of earnings and expenditure in foreign currency during the year is as under:

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-20</b>
Foreign Currency Earning	5.44	-
Foreign Currency outgo	3985.17	2315.40

**For and on Behalf of the Board of Directors**

**Place      Bhilwara**  
**Date        10.06.2021**

**Sd/-**  
**(Praveen Ostwal)**  
  
**Managing Director**  
**(DIN: 00412207)**

**Sd/-**  
**(Sunil Kothari)**  
**Whole Time**  
**Director & CFO**  
**(DIN: 02056569)**

# **KRISHANA PHOSCHEM LIMITED**

## **ANNEXURE-V**

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

(Pursuant to clause (g) of sub-section (3) of section 134 & section 186(4) of the Companies Act, 2013)

(In lacs)

	Particulars	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020
(A)	Loan Given	1128.28	803.37
(B)	Investment made	-	-
(C)	Guarantee given*	-	-

**For and on Behalf of the Board of Directors**

**Place**      **Bhilwara**  
**Date**        **10.06.2021**

**Sd/-**  
(Praveen Ostwal)  
  
**Managing Director**  
(DIN: 00412207)

**Sd/-**  
(Sunil Kothari)  
**Whole Time**  
**Director & CFO**  
(DIN: 02056569)

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE VI

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under Fourth proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis -N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis: -

Name(s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount (In Lac.)
<b>Purchase of Material</b>				
		<b>FY 20-21</b>		
Madhya Bharat Agro Products Ltd.	Interested Director	-	See note-1	755.25
Ostwal Phoschem (India) Limited	Holding Company		See note-1	365.57
Shri Ganpati Fertilizers Ltd	Interested Director		See note-1	30.39
<b>Rent payment of Immovable Property</b>		<b>FY 20-21</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	0.08
<b>Sale of Material</b>		<b>FY 20-21</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	548.87
Madhya Bharat Agro Products Ltd.	Interested Director		See note-1	1538.50
Shri Ganpati Fertilizers Ltd	Interested Director		See note-1	185.36
<b>Loan Given</b>		<b>FY 20-21</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	2210.44
Madhya Bharat Agro Products Ltd.	Interested Director		See note-1	1100.00
<b>Repayment Against Loan Given</b>		<b>FY 20-21</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	3013.81

# ***KRISHANA PHOSCHEM LIMITED***

<b>Interest Received</b>		<b>FY 20-21</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	88.59
Madhya Bharat Agro Products Ltd.	Interested Director		See note-1	30.57

**Note:**

1. Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices compare to the prevailing rates in the market, better quality products and timely supply.
2. Appropriate approvals have been taken for related party transactions.
3. Advance paid have been adjusted against billing, wherever applicable.

**For and on Behalf of the Board of Directors**

Place Bhilwara (Raj)

Date 10.06.2021

**Sd/-**  
(Praveen Ostwal)  
**Managing Director**

**DIN 00412207**

**Sd/-**  
(Sunil Kothari)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
**DIN 02056569**

**ANNEXUREVII****MANAGEMENT DISCUSSION & ANALYSIS REPORTS****INDUSTRY SCENARIO AND DEVELOPMENTS**

The Company is engaged in the manufacturing of Beneficiated Rock Phosphate (BRP), Single Super Phosphate (SSP), and Dyes Intermediates mainly H.Acid & Chemical products i.e. Sulphuric Acid (SA), Oleum, Coloro Sulphonic Acid & Liquid SO<sub>3</sub>. BRP and SA are basic raw materials for SSP, Sulphur is basic raw material for production of Sulphuric Acid and SA with Naphthalene is basic raw material for H.Acid. The industry saw good demand during current year leading to a surge in SSP demand.

SSP is used for replenishing "P" (Phosphorus) in the soil which gets depleted steadily with each crop and also fulfils Sulphur deficiency in the soil. It is water soluble as such easily absorbable or used by plant.

KPL has already started work on DAP& NPK complex fertilizer project and first phase is expected to commence commercial production in October 2022 and second phase to be completed by October 2023. DAP/NPK addition in the product range will improve substantially top as well as bottom line of the company.

**SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

Detail of segment wise performance is furnished separately in the Annual Report.

**RISK & CONCERN**

Our business is mostly dependent upon the growth of agriculture and Agri-products which are subject to substantial risks faced by the weather condition in India. Delayed monsoon or less rainfall does affect our business, the dependence on Government policies in general and subsidy component in particular ultimately impact the profitability of the industry. These are the factors which are beyond the control of the private enterprise and would continue to be a challenge but fertilizer being a segment affecting farmers, Govt will always have farmer friendly policies.

Chemical business exposed to cut throat global market competition from cheaper import.

**INTERNAL CONTROL SYSTEM**

The company has in place adequate internal control system, commensurate with the size, scale and complexity of the company.

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

## OPERATIONAL PERFORMANCE

During the year under review, your company has achieved the turnover of Rs.18872.83 Lakhs and the net profit after tax for the current year stands at Rs. 1958.35 Lakhs as against Rs. 1377.42 lakh in the previous year. Net profit ratio increase from 8.46 % to 10.38% in the current year.

## KEY FINANCIAL RATIOS

Sr. No	Particulars of Ratio	31.03.2021	31.03.2020	Explanation for change in Ratios
1	Debtors Turnover	6.43	6.85	Slightly Decrease due to slow release of Govt. Subsidy
2	Inventory Turnover	5.19	4.68	Increased due to better inventory managements with good orders.
3	Interest Coverage Ratio	13.49	8.39	Improved due to better performance and lower Borrowing of the company.
4	Current Ratio	2.43	2.82	Decreased due to utilization of excess funds in new DAP project but still continues to be above bench mark
5	Debt Equity Ratio	0.08	0.09	Improved due to repayment of debts & retention of profits in Business.
6	Operating Profit Margin (%)	15.05%	12.75	Improved due to better Performance of the company.
7	Net Profit Margin (%)	10.38%	8.46	Improved due to better Performance of the company.

## DETAILS PERTAINING TO RETURN ON NET-WORTH OF THE COMPANY

Sr. No	Particulars of Ratio	31.03.2021	31.03.2020	Explanation for change in Return on Net Worth
1	Return on Net Worth	13.31%	11.04	Improved due to better Performance of the company.

## **HUMANRESOURCEDEVELOPMENT**

As a part of ongoing review of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements and as per market trends. We have had cordial relations with the workers and staff throughout the year.

## **CAUTIONARYSTATEMENT**

There are certain statements in this report which the Company believes are forward looking. The forward-looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

**For and on Behalf of the Board of Directors**

Place Bhilwara (Raj)

Date 10.06.2021

Sd/-  
(Praveen Ostwal)  
**Managing Director**

**DIN00412207**

Sd/-  
(Sunil Kothari)  
**WholeTime Director**  
&  
**Chief Financial Officer**  
**DIN02056569**

## ANNEXURE VIII CORPORATE GOVERNANCE REPORT- 2020-21

### 1. Corporate Governance Philosophy on Code of Corporate Governance

Corporate Governance has been an integral part of the way we are doing our business. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders' value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic to all its operations. The Company is led by a distinguished Board, which includes independent directors. The Board provides strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of compliances, are as follows:-

### 2. Board of Directors

#### Composition of the Board

As on March 31, 2021, the Company's Board comprised of 8(Eight) Directors viz., 3(Three) Non-Executive Independent Directors; 1 (One) Women Independent Non-Executive Director, 1 (One) Promoter and Managing Director, 1 (One) Whole time Director, and a 2(Two) Promoter and Non-Executive Director. The Chairman of the Board is also Promoter Non - Executive Director.

Details of Board of Director's category, attendance at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee positions as on 31st March, 2021 are given below:

Sr. No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings during year	No. of Board Meetings attended during year	Whether Attended AGM	No. of Directorships In Other Public Limited Companies	No. of Committee positions held in Public Limited Companies		No. of Equity Shares held in the Company
							Chairman	Member	
1	Praveen Ostwal	Managing Director	11	11	Yes	1. Ostwal Phoschem (India) Limited(Non-Executive Director) 2. Madhya Bharat Agro Products Limited(Non-Executive Director)	-	2	678500

# KRISHANA PHOSCHEM LIMITED

2	Sunil Kothari	Whole Time Director and Chief Financial Officer	11	11	Yes	-	-	1	-
3	Ashish Kothari	Non-Executive Independent Director	11	11	Yes	-	1	4	2500
4	Pradeep Agarwal	Non-Executive Independent Director	11	11	Yes	-	4	1	-
5	Priyanka Surana	Non-Executive Women Independent Director	11	11	No	-	-	2	-
6	Mahendra Kumar Ostwal	Chairman cum Non-Executive Director	11	11	Yes	1. Ostwal Phoschem (India) Limited (Managing Director) 2. Madhya Bharat Agro Products Limited (Non-Executive Director)			5000
7	Pankaj Ostwal	Non-Executive Director	11	11	Yes	1. Ostwal Phoschem (India) Limited (Non-Executive Director) 2. Madhya Bharat Agro Products Limited (Managing Director)		3	5000
8.	Bheru Lal Ostwal	Non-Executive Director and Independent Director	11	11	No	1. Ostwal Phoschem (India) Limited (Non-Executive Independent Director) 2. Madhya	2	3	14550

						Bharat Agro Products Limited (Non-Executive Independent Director)			
--	--	--	--	--	--	---	--	--	--

## Number of Board Meetings

During the financial year from 1st April, 2020 to 31st March 2021, the Board of Directors met 11 (Eleven) times on 15-06-2020, 13-07-2020, 11-08-2020, 19-08-2020, 31-08-2020, 07-10-2020, 28-10-2020, 29-12-2020, 02-02-2021, 25-02-2021 and 11-03-2021. The maximum time gap between any two consecutive board meetings was less than 120 days.

## Disclosure of relationships between directors inter-se

Sh. Praveen Ostwal, Managing Director on the Board of Directors is the Brother of Sh. Pankaj Ostwal, Non-Executive Director. Sh. Praveen Ostwal, Managing Director and Sh. Pankaj Ostwal, Non-Executive Director are the Son of Sh. Mahendra Kumar Ostwal, Chairman cum Non-Executive Director in the Company.

## Number of shares and convertible instruments held by non- executive directors

Sh. Pankaj Ostwal, who holds 5000 Equity Shares, Sh. Mahendra Kumar Ostwal who holds 5000 Equity Shares, Sh. Bheru Lal Ostwal who holds 14550 Equity Shares and Sh. Ashish Kothari who holds 2500 Equity Shares in the Company.

## Web link where details of familiarization programmes imparted to Independent Directors is disclosed:

All Independent Directors are familiarized with the Company and their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details regarding Independent Directors' Familiarization Programmes are given on the website of the Company and can be accessed at [www.krishnaphoschem.com](http://www.krishnaphoschem.com).

## Separate Meeting of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 02<sup>nd</sup> February, 2021, at the Registered Office of the Company at 5-O-20, Basement, R.C. Vyas Colony, Bhilwara 311001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- Review of performance of Non-Independent Directors and the Board as a whole.
- Review of performance of the Chairperson of the Company.
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

# ***KRISHANA PHOSCHEM LIMITED***

## **List of skills/expertise/competencies required to function the business effectively:**

The following list of core skills/ expertise/ competencies are identified by the Board of Directors as required in the context of Business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors.

**Qualification & Knowledge:** Directors should be financially literate and have a sound understanding of business strategy, corporate governance and board operations.

**Integrity and Judgment:** Directors should have the highest level of integrity, ethical character and the ability to exercise sound business judgment on a broad range of issues consistent with the Company's values.

**Experience and Accomplishments:** Directors should have significant experience and proven Superior performance in professional endeavours whether this experience is in business, government, and academic or with non-profit organizations.

**Independence:** Directors who are not current or former management should meet the spirit as well as the letter of the applicable independence standards. In addition, all Directors should be independent in their thought and judgment so that they represent the long-term interests of all shareholders of the Company.

**Diversity:** Directors should be capable of representing the multi-cultural nature of our global corporation with consideration being given to a diverse board in terms of gender and ethnic membership. In addition, the Committee shall take into account diversity in professional experience, skills and background.

**Board Interaction:** Directors should value board and team performance over individual performance, demonstrate respect for others and facilitate superior board performance. Directors should be willing and able to devote the time required to become familiar with Company's business and to be actively involved in the Board and its decision-making.

**Skills:** Directors should have expertise in one or more of the areas such as accounting and finance, technology, management, international business, compensation, legal, HR, corporate governance, strategy, industry knowledge and general business matters.

## **Confirmation pertaining to independent directors of the company:**

In the opinion of the Board of Directors of the Company, Mr. Ashish Kothari, Mr. Pradeep Agarwal, Priyanka Surana and Mr. Bheru Lal Ostwal, Non-Executive Independent Directors are Independent from the management and complies with the criteria of Independent Director as placed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

## 3. Audit Committee

### (a) Brief description of terms of reference:

The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting and internal controls of the Company.

The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 177 of the Companies Act, 2013.

### (b) Composition, Name of Members and Chairperson:

The Audit Committee comprises 3 (Three) Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee of the Company, is given below:

Sr. No.	Name	Name Designation	Position in Committee
1.	Shri Ashish Kothari	Non-Executive-Independent Director	Chairman
2.	Shri Pradeep Agarwal	Non-Executive-Independent Director	Member
3.	Shri Praveen Ostwal	Managing Director	Member

### (c) Meetings and attendance during the year:

Four Audit Committee Meetings were held during the year ended March 31, 2021. The maximum time gap between any of the two meetings was not more than one hundred and twenty days.

The dates on which the Audit Committee meetings held are July 13, 2020, August 19, 2020, October 28, 2020 and February 02, 2021.

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Shri Ashish Kothari	Chairman	4	4
Shri Pradeep Agarwal	Member	4	4
Shri Praveen Ostwal	Member	4	4

## **4. Nomination and Remuneration Committee**

### **(a) Brief description of terms of reference:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the repo performance evaluation of independent directors;
6. Determine our Company's policy on specific remuneration package for the Whole Time Director / Executive Director including pension rights.
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole time Directors;
10. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
11. To formulate and administer the Employee Stock Option Scheme.

### **(b) Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with three Independent Directors. The Chairman of this Committee is Independent Director.

The Company Secretary acts as the Secretary of the Committee.

# KRISHANA PHOSCHEM LIMITED

The Nomination and Remuneration Committee of the Company as under:-

Sr. No.	Name	Designation	Position in Committee
1.	Mr. Pradeep Agarwal	Non-Executive-Independent Director	Chairman
2.	Mr. Ashish Kothari	Non-Executive-Independent Director	Member
3.	Mrs. Priyanka Surana	Non-Executive-Independent Director	Member

**(c) Meetings and attendance during the year:**

The dates on which the Nomination and Remuneration Committee meetings held is August 19, 2020

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Shri Pradeep Agarwal	Chairman	4	4
Shri Ashish Kothari	Member	4	4
Smt. Priyanka Surana	Member	4	4

**(d) Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Committee of the Board laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

## 5. Remuneration of director

**(a) All pecuniary relationship or transactions of the non-executive director's visà- vis Company:**

(Rs. In Lakhs)

Director	Designation	Salary /Perquisites /Commission	Sitting Fees	Total
Pankaj Ostwal	Non-Executive Director	18.00	-	18.00

**(b) Criteria of making payments to Non-Executive Directors:**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.krishnaphoschem.com](http://www.krishnaphoschem.com) in the 'Investor Handbook' section in 'Investor Relation'.

## **6. Stakeholders' Relationship Committee**

**Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with two Independent Directors and one executive Director. The Chairman of this Committee is Independent Director.

During the Year the 4 stakeholder Relationship committee Meetings were held on 13th July 2020, 19th August 2020, 28th October 2020, and 02nd February 2021.

The Company Secretary acts as the Secretary of the Committee.

The constituted Stakeholders Relationship Committee comprises the following:

Sr. No.	Name	Designation	Position in Committee
1.	Pradeep Agarwal	Non-Executive-Independent Director	Chairman
2.	Ashish Kothari	Non-Executive-Independent Director	Member
3.	Praveen Ostwal	Managing Director	Member

**(a) Name of Non-Executive Director heading the Committee:**

Mr. Pradeep Agarwal, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee.

**(b) Name and designation of Compliance officer:** Ms. Priyanka Bansal, Company Secretary

**(c) A Summary of complaints received and resolved by the Company during the period under review is given below:**

No. of Investor Complaints received	No. of Investor Complaints disposed	No. of Investor Complaints those remaining unresolved
0	0	0

# ***KRISHANA PHOSCHEM LIMITED***

## **7. Corporate Social Responsibility Committee**

In compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility (CSR) Committee as at March 31, 2021 is as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
<b>Shri Pradeep Agarwal</b>	Chairman	Non-Executive Independent Director
<b>Shri Sunil Kothari</b>	Member	Whole Time Director
<b>Shri Ashish Kothari</b>	Member	Non-Executive Independent Director

## **8. General Body Meetings**

Particulars of Last three Annual General Meetings:

<b>AGM</b>	<b>Year Ended</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
<b>16<sup>th</sup></b>	<b>March 31, 2020</b>	<b>Meeting conducted through Two - way Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"),</b>	<b>18th September, 2020</b>	<b>11:00 A.M.</b>
<b>15<sup>th</sup></b>	<b>March 31, 2019</b>	<b>Hotel Kanchi Resorts, Pur Road, Bhilwara, 311001 (Rajasthan).</b>	<b>26th September, 2019</b>	<b>03:30 P.M.</b>
<b>14<sup>th</sup></b>	<b>March 31, 2018</b>	<b>Hotel Kanchi Resorts, Pur Road, Bhilwara, 311001 (Rajasthan).</b>	<b>27th September, 2018</b>	<b>03:30 P.M.</b>

### **Extraordinary General Meeting:**

No extraordinary general meeting of the members was held during FY 2021.

# KRISHANA PHOSCHEM LIMITED

## Special Resolutions passed in previous three Annual General Meetings

Following Special resolutions were passed by the Company during the last three Annual General Meetings (AGM) of the Company.

Date	Particulars
18th September, 2020	<p>1. To consider and, if thought fit, to pass, with or without modification(s), to re-appoint Mr. Sunil Kothari as whole Time Director of the Company for the five (5) consecutive years.</p> <p>2. To consider and, if thought fit, to pass, with or without modification(s), to re-appoint Mr. Ashish Kothari as an Independent Director of the Company for the five (5) consecutive years</p>
26th September, 2019	<p>1.To consider and if thought fit, to pass, with or without modification, to appoint Sh. Mahendra Kumar Ostwal as a Non-Executive Director.</p> <p>2.To consider and if thought fit, to pass, with or without modification, to appoint Sh. Bheru Lal Ostwal as a Non-Executive Independent Director.</p> <p>3. To consider and, if thought fit, to pass, with or without modification(s), to appoint Mr. Pradeep Agarwal as an Independent Director of the Company for the five (5) consecutive years.</p> <p>4. To consider and, if thought fit, to pass, with or without modification(s), to Increase in Borrowing Powers of the Company.</p> <p>5. To consider and, if thought fit, to pass, with or without modification(s), to Creation of Charge on Movable and Immovable properties of the Company, both present and future.</p>
27th September, 2018	1. To Approval of Loans to Directors/Interested Parties

# KRISHANA PHOSCHEM LIMITED

## Resolution proposed to be passed through Postal Ballot

None of Business proposed to be transacted in the ensuring Annual General Meeting required the passing of a resolution by way of postal ballot.

## 9. Means of Communication

- 1) The unaudited quarterly results are announced within forty-five days from the close of the Quarter and the Audited results are announced within sixty days from the close of the financial year. The financial results are immediately sent to the Stock Exchanges and also uploaded on the website of the Company -[www.krishnaphoschem.com](http://www.krishnaphoschem.com).
- 2) The Company's corporate website, [www.krishnaphoschem.com](http://www.krishnaphoschem.com) provides comprehensive information to the Shareholders.
- 3) The Company has not made presentation to the institutional investors or analysts.

## 10. General Shareholders Information

Sr. No.	Salient Items of Interest	Particulars	
1.	<b>Annual General Meeting</b> Date and Day Time Venue / Mode	On Monday, September 27, 2021. 11.00 A.M Video conference and other audio- visual means	
2.	<b>Financial Year</b>	April 1st 2020 to March 31st, 2021	
3.	<b>Dividend Payment Date</b>	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.	
4.	<b>Listing on Stock Exchanges</b>	The Company’s equity shares are listed on NSE Platform. The listing fee for the same has been paid.	
5	<b>Symbol</b>	KRISHANA ISIN: INE506W01012	
6.	<b>Market Price Data: High, Low during each month in Last Financial Year</b>		
	<b>Month</b>	<b>High</b>	<b>Low</b>
	Apr-20	51	46.55
	May-20	47	39.85
	June- 20	51.9	38.95
	July-20	50	43.5
	Aug-20	62.15	45.2
	Sep-20	61.35	54.7
	Oct-20	67.9	54.2
	Nov- 20	83	65.5
	Dec-20	80.7	67
	Jan-21	77.9	65
	Feb-21	74	61.5
	Mar-21	100	67.1

# KRISHANA PHOSCHEM LIMITED

7.	Register and Transfer Agents		LINK INTIME INDIA PRIVATE LIMITED C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India. Tel: 91-22 – 49186000 Fax: 91-22 – 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Contact Person: Miss. Shweta Poojari SEBI Regn. No.: INR000004058		
8.	Share Transfer System		As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.		
9.	Distribution of Shareholding (as on 31.03.2021)				
	Shareholding	No. of Shareholder	Percentage of Shareholder	Share Amount	Percentage of Shareholding
	1 to 5000	506	64.62	407500	0.16
	5001 to 10000	26	3.32	204330	0.08
	10001 to 20000	25	3.19	413900	0.17
	20001 to 30000	23	2.94	606860	0.24
	30001 to 40000	84	10.73	3276790	1.32
	40001 to 50000	10	1.28	461800	0.19
	50001 to 100000	31	3.96	2358200	0.95
	100001 to 99999999999	78	9.96	241270620	96.90
	Total	783	100	249000000	100
10.	Dematerialization of shares and Liquidity		All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.		
11.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity		1300,000 outstanding warrants convertible into paid up equity share capital and it will be converted within 18 months from the date of allotment and this will increase the capital from 261000000 to 274000000		
12.	Plant Locations		Unit I : Plot No. 115, 116, 117 and 118-A, 118-B, 119 120 , and 126 – 133, Meghnagar Jhabua , Madhya Pradesh Unit II : Plot No. 142 and 143, Meghnagar Jhabua, Madhya Pradesh Unit III: Plot No. 126-A and 134, Meghnagar Jhabua, Madhya Pradesh		
13.	Address for correspondence		5-O-20, Basement R C Vyas Colony, Bhilwara – 311001, Rajasthan, India. Ph. No. 91-1482-237104/ 239091/ 230060 Email: <a href="mailto:secretarial@krishnaphoschem.com">secretarial@krishnaphoschem.com</a> ; Website: <a href="http://www.krishnaphoschem.com">www.krishnaphoschem.com</a>		
14.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or		Not Applicable		

	abroad	
--	--------	--

## 11. Other Disclosures

### (a) **Related Party Transactions:**

During the year, none of the transactions with the related parties were in conflict with the interest of the Company at large.

All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report.

### (b) **Details of non-compliance:**

There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years.

### (c) **Vigil Mechanism/ Whistle Blower Policy:**

The Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. None of the person of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. <http://www.krishnaphoschem.com>.

### (d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (e) **Web link where policy for determining 'material' subsidiaries is disclosed:** The policy for determining 'material' subsidiaries is available on the website of the Company at [www.krishnaphoschem.com](http://www.krishnaphoschem.com)

### (f) **Web link where policy on dealing with related party transactions is disclosed:**

The policy on dealing with related party transactions is available on the website of the Company at [www.krishnaphoschem.com](http://www.krishnaphoschem.com)

### (g) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company has a proper Risk Management Practices and any risk arising from exposure to foreign currency for exports and imports is being hedged on a continuous basis. As of now, the Company does not hedge any commodity price risk.

### (h) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7A):**

Not Applicable

# KRISHANA PHOSCHEM LIMITED

**(i) Certificate from the Practicing Company Secretary for the Non - Disqualification of Directors under SEBI (LODR), 2015- Regulation 34(3):**

The Certificate from Practicing Company secretary, M/s. Sourabh Bapna & Associates, regarding that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021.

**(j) Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required in the relevant financial year the same to be disclosed along with there as on thereof: Not Applicable.**

**(k) Total fees of all service paid by the listed company and its Subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 1, 50,000 per annum**

**(l) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21.

No. of complaints received: Nil

No. of complaints disposed off: Nil

**(m) Instance of non-Compliance of any requirement of corporate governance report:** There has been no instance of non-compliance of any requirement of corporate governance report.

**(n) Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46:** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(o) Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**(p) CEO and CFO Certification**

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock

# KRISHANAPHOSCHEMLIMITED

Exchange(s). The annual Compliance Certificate given by Chairman and Managing Director and Chief Financial Officer is attached with this Report an integral part of the Annual Report.

**(q) Code of conduct for Board Members and Senior Management Personnel**

The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down

in Companies Act, 2013. The Code has been displayed on the company's website [www.krishnaphoschem.com](http://www.krishnaphoschem.com). The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code.

**(r) Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:**

The Certificate from Practicing Company secretaries, M/s. Sourabh Bapna & Associates, regarding compliance of conditions of corporate governance is attached with this Report an integral part of the Annual Report.

**For and on Behalf of the Board of Directors**

Place      Bhilwara  
Date        10.06.2021

Sd/-  
(Praveen Ostwal)  
  
Managing Director  
(DIN:00412207)

Sd/-  
(Sunil Kothari)  
  
Whole Time  
Director  
(DIN:02056569)

# KRISHANA PHOSCHEM LIMITED

## CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

In terms of Regulation 34(3) of the SEBI (LODR) Regulation, 2015, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do further certify that there has been:
- i. No Significant changes in internal control over financial reporting during the year;
- ii. No Significant changes in accounting policies during the year;
- iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For and on Behalf of the Board of Directors

Place                      Bhilwara

Sd/-

Sd/-

Date                      10.06.2021

(Praveen Ostwal)  
Managing Director

(Sunil Kothari )  
Whole Time Director  
& CFO

DIN 00412207

DIN 02056569

# ***SOURABH BAPNA & ASSOCIATES***

2-B-11, 12 R C VYAS COLONY, BHILWARA- 311001 CONTACT -9461264697

---

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS**

### **OF CORPORATE GOVERNANCE**

To The Members,

Krishana Phoschem Limited

We have examined the compliance conditions of corporate governance by Krishana Phoschem Limited for the Financial year ended March 31, 2021 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For Sourabh Bapna & Associates**

**Company Secretaries**

Sd/-

(Sourabh Bapna)

**Proprietor**

C.P. No. 19968

M. No. A51505

Date: 10.06.2021

Place: Bhilwara

# ***KRISHANA PHOSCHEM LIMITED***

## **ANNEXURE-IX**

### **NOMINATION AND REMUNERATION POLICY**

*(Pursuant to clause (e) of sub-section (3) of section 134 of the Companies Act, 2013)*

#### **Introduction:**

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 read along with applicable rules thereto.

#### **Objectives of the Committee:**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Specify the manner for effective evaluation of performance of Board, its committees and individual directors (including Independent director) to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance and to provide necessary report to the Board for further evaluation.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vi. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.
- x. To develop a succession plan for the Board and to regularly review the plan.

#### **Definitions:**

- **"Board"**:-Board means Board of Directors of the Company.
- **"Director"**:-Directors means Directors of the Company.
- **"Key Managerial Personnel"**:-Key Managerial Personnel (KMP) means-

# ***KRISHANA PHOSCHEM LIMITED***

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Whole-Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed under the applicable statutory provisions/ regulations

• **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

• **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **Chairman:**

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **Frequency of Meetings:**

The Committee shall meet at such regular intervals as may be required.

## **Committee Members' Interests:**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Voting:**

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**General Appointment Criteria:**

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.

iv. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

**Criteria for Evaluation of the Board:**

Following are the Criteria for evaluation of performance of the Board:

**1. Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets/ Criteria given to executive Directors by the Board from time to time

**2. Non-Executive Director:**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;

# ***KRISHANA PHOSCHEM LIMITED***

- (d) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence
- (f) Inform the Board immediately when they lose their independence,
- (g) Assist the Company in implementing the best corporate governance practices.
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

## **Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

## **Deviations from this policy**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**For and on Behalf of the Board of Directors**

**Place**      **Bhilwara**  
**Date**        **10.06.2021**

**Sd/-**  
**(Praveen Ostwal)**  
  
**Managing Director**  
**(DIN: 00412207)**

**Sd/-**  
**(Sunil Kothari)**  
**Whole Time**  
**Director**  
**(DIN: 02056569)**

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE-X

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

#### 1. Brief outline on CSR Policy of the Company.

CSR activities at Krishana Phoschem Limited is already in existence for the benefit of the society. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long-term success, competitiveness and sustainability.

Further, Corporate Social Responsibility makes a business sense as companies with effective CSR brings improvement in social strata which ultimately comes back to the company through increased demand of products. It also improves image as a socially responsible company.

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. Krishana Phoschem Limited will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company <http://www.krishnaphoschem.com> in the 'Investor Handbook' under 'Investor Relation'.

#### 2. Composition of CSR Committee-

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pradeep Agarwal	Chairman	2	2
2.	Mr. Ashish Kothari	Member	2	2
3.	Mr. Sunil Kothari	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: - <http://www.krishnaphoschem.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): - Not Applicable

# KRISHANA PHOSCHEM LIMITED

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2017-2018	-	-
2	2018-2019	-	-
3	2019-2020	-	-
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5): - 1589.93 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5): - 31.80 Lakhs
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: - Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c): - 31.80 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
32.38	NA	NA	NA	NA	NA

**KRISHANA PHOSCHEM LIMITED**

**(b) Details of CSR amount spent against ongoing projects for the financial year: - Not Applicable**

[illegible]

# KRISHANA PHOSCHEM LIMITED

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project.		Amount spent for the project (Rs. in Lakhs).	Mode of implementation on Direct Yes/No	Mode of implementation - Through implementing agency	
				State.	District.			Name.	CSR registration No.
1	Ensure Environmental, ecological balance, Sustainability - Flora and Fauna	Ensuring Environmental sustainability	Yes	Madhya Pradesh	Meghnagar	4.66	Yes	-	-
2	Promoting special and enhancing vocational skills by providing contributions of musical instruments	Promoting education, including special education	Yes	Madhya Pradesh	Meghnagar	5.65	Yes	-	-
3	Training to farmers for awareness program	Promoting gender equality, empowering women	Yes	Madhya Pradesh	Meghnagar	0.18	Yes	-	-
4	Contribution to women hostels	Promoting gender equality, empowering women	Yes	Madhya Pradesh	Meghnagar	0.20	Yes		
5	COVID support - Distribution of Medicines	Promoting Health Care	Yes	Madhya Pradesh	Meghnagar	0.64	Yes		
6	COVID support - supply of sanitizer, Mask and food packets distribution	Promoting health care and Disaster Management	Yes	Rajasthan	Bhilwara	5.30	Yes	Nirmala Devi Seva Sansthan	In Process
7	Drinking Water, Conducting Health Camps, Eradication of Poverty, Food Distribution	Promoting health care and Eradicating hunger, poverty and malnutrition	Yes	Rajasthan	Bhilwara	11.5	Yes	Nirmala Devi Seva Sansthan	In Process
8	Promoting Preventive Health Care and Promoting education by providing contributions	Promoting health care and promoting education	Yes	Rajasthan	Bhilwara	0.23	Yes	Terapant h yuvak parishad sansthan	In Process

# KRISHANA PHOSCHEM LIMITED

9.	Promoting Preventive Health Care and Promoting education by providing contributions	Promoting health care and promoting education	Yes	Delhi	Delhi	0.21	Yes	Terapant h professio nal forum	In Process
10	Providing contributions for Rural Development	promoting Rural Developm ent	Yes	Madhya Pradesh	Meghnagar	0.76	Yes		
11	Providing water cooler for safe drinking water.	promoting health care & Safe drinking water	Yes	Madhya Pradesh	Meghnagar	3.05	Yes		
	<b>Total</b>					<b>32.38</b>			

(d) **Amount spent in Administrative Overheads:** Not Applicable

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** 32.38 Lakhs

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

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	31.80
(ii)	Total amount spent for the Financial Year	32.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.58
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.58

**KRISHANA PHOSCHEM LIMITED**

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.							
2.			NA				
3.							
	Total						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
N.A.								
	TOTAL							

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: -**

- (a) Date of creation or acquisition of the capital asset(s) - Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset - Not Applicable.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): - Not Applicable

**For and on Behalf of the Board of Directors**

**Date : 10.06.2021**

**Place : Bhilwara**

**Sd/-**  
**Praveen Ostwal**  
**(Managing Director)**  
**(DIN: 00412207)**

**Sd/-**  
**Pradeep Agarwal**  
**(Chairman CSR Committee)**  
**(DIN: 06458531)**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF KRISHANA PHOSCHEM LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of **KRISHANA PHOSCHEM LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion

thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M/s. Rajneesh Kanther & Associates**  
Chartered Accountants  
(Firm's Registration No. 021262C)

Place: Bhilwara  
Date: June 10, 2021

Sd/-  
Rajneesh Kanther  
Proprietor  
(Membership No. 102162)

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of KRISHANA PHOSCHEM LIMITED of even date)

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **KRISHANA PHOSCHEM LIMITED** (the “Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For M/s. Rajneesh Kanther & Associates**  
Chartered Accountants  
(Firm's Registration No. 021262C)

Sd/-

Rajneesh Kanther  
Proprietor  
(Membership No. 102162)

Place: Bhilwara  
Date: June 10, 2021

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KRISHANA PHOSCHEM LIMITED of even date)**

- 1) In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular program of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.
- 2) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such verification.
- 3) According to the information and explanations given to us, the Company has granted unsecured loans to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c) There is no overdue amount remaining outstanding as at the year-end.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

- 6) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 7) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Madhya Pradesh Value Added Tax Act, 2002	Sales tax	7.97	2016-17	Assistant commissioner of Commercial Taxes, Madhya Pradesh

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.
- 9) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- 10) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in

accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- 12) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M/s. Rajneesh Kanther & Associates**

Chartered Accountants  
(Firm's Registration No. 021262C)

Sd/-

Rajneesh Kanther  
Proprietor  
(Membership No. 102162)

Place: Bhilwara  
Date: June 10, 2021

**KRISHANA PHOSCHEM LIMITED**

5-O-20, Basement, R.C. Vyas Colony, Bhilwara (Raj.) INDIA

Website: www.krishnaphoschem.com Email: secretarial@krishnaphoschem.com; CIN No.: L24124RJ2004PLC01928

 BALANCE SHEET AS AT 31<sup>st</sup> March 2021


(Rs. in Lakhs)

	Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
I	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	9,397.65	9,562.19
	(b) Capital Work-in-Progress	3	708.62	20.98
	<b>(c) Financial Assets</b>			
	(i) Other Financial Assets	4	446.02	58.11
	(d) Other Non-Current Assets	5	652.57	110.45
	<b>Total Non-Current assets</b>		<b>11,204.86</b>	<b>9,751.73</b>
	<b>Current assets</b>			
	(a) Inventories	6	4,079.00	3,170.03
	<b>(b) Financial Assets</b>			
	(i) Trade Receivables	7	2,786.72	1,811.18
	(ii) Cash and Cash equivalents	8	2.24	1.84
	(iii) Loans	9	1,137.66	815.98
	(iv) Other Current Financial Assets	10	225.90	121.56
	(c) Other Current Assets	11	113.03	83.30
	<b>Total Current assets</b>		<b>8,344.55</b>	<b>6,003.89</b>
	<b>Total Assets</b>		<b>19,549.41</b>	<b>15,755.62</b>
II	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	12	2,610.00	2,490.00
	(b) Other Equity	13	12,100.03	9,986.59
	<b>Total Equity</b>		<b>14,710.03</b>	<b>12,476.59</b>
	<b>LIABILITIES</b>			
	<b>Non-Current Liabilities</b>			
	<b>(a) Financial Liabilities</b>			
	(i) Borrowings	14	607.90	587.37
	(ii) Lease Liabilities	15	77.96	16.83
	(b) Provisions	21	16.54	-
	(c) Deferred Tax Liabilities (Net)	16	699.25	544.64
	<b>Total Non-Current Liabilities</b>		<b>1,401.65</b>	<b>1,148.84</b>
	<b>Current Liabilities</b>			
	<b>(a) Financial Liabilities</b>			
	(i) Borrowings	17	903.75	113.42
	(ii) Trade Payables	18		
	(A) Total outstanding dues of micro enterprises and small enterprises		25.50	55.86
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,121.70	470.00
	(iii) Lease Liabilities	15	0.40	0.36
	(iv) Other Financial Liabilities	19	603.10	531.21
	(b) Other Current Liabilities	20	754.87	958.58
	(c) Provisions	21	0.99	-
	(d) Current Tax liabilities (Net)	22	27.42	0.76
	<b>Total Current Liabilities</b>		<b>3,437.73</b>	<b>2,130.19</b>
	<b>Total Equity and Liabilities</b>		<b>19,549.41</b>	<b>15,755.62</b>

Significant Accounting Policies &amp; the accompanying notes forming integral part of the Financial Statements

As per our report of even date.

For Rajneesh Kanther &amp; Associates

Chartered Accountants

(Firm's Registration No. 021262C)

Sd/-

(Rajneesh Kanther)

Proprietor

Membership No: 102162

Place:- Bhilwara

 Dated:- 10<sup>th</sup> June, 2021

"1" to "46"

For and on Behalf of the Board of Directors

Sd/-

(Praveen Ostwal) (Pankaj Ostwal)

Managing Director

Director

DIN : 00412207

DIN : 02586806

Sd/-

(Priyanka Bansal)

Company Secretary

Sd/-

(Sunil Kothari)

CFO

Membership No. A-45193 DIN : 02056569

**KRISHANA PHOSCHEM LIMITED**

5-O-20, Basement, R.C. Vyas Colony, Bhilwara (Raj.) INDIA



Website: www.krishnaphoschem.com Email: secretarial@krishnaphoschem.com; CIN No.: L24124RJ2004PLC01928

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021****(Rs. in Lakhs)**

	Note No.	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>REVENUE:</b>			
Revenue from operations	23	18,872.83	16,294.73
Other income	24	197.06	3.97
<b>TOTAL INCOME</b>		<b>19,069.89</b>	<b>16,298.70</b>
<b>EXPENSES:</b>			
Cost of materials consumed	25	9,300.07	9,305.10
Purchases of Stock-in-Trade		662.90	-
Changes in inventories of finished goods and Stock-in-Trade	26	328.11	(757.99)
Employee benefits expense	27	1,008.46	905.11
Finance costs	28	227.37	281.37
Depreciation and amortization expense	29	1,024.24	1,170.56
Other expenses	30	3,678.91	3,316.29
<b>TOTAL EXPENSES</b>		<b>16,230.06</b>	<b>14,220.44</b>
<b>Profit Before Tax</b>		<b>2,839.83</b>	<b>2,078.26</b>
<b>Tax Expense:</b>			
(1) Current Tax		724.65	401.45
(2) Deferred Tax		156.83	299.39
		<b>881.48</b>	<b>700.84</b>
<b>Profit After Tax</b>		<b>1,958.35</b>	<b>1,377.42</b>
<b>Other Comprehensive Income</b>	31		
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains / (losses) on defined benefit plans		(7.63)	0.45
Tax relating to Remeasurement of defined benefits plans		2.22	(0.13)
<b>Total Other Comprehensive Income for the period</b>		<b>(5.41)</b>	<b>0.32</b>
<b>Total Comprehensive Income for the period</b>		<b>1,952.94</b>	<b>1,377.74</b>
<b>Earnings per equity share of face value of Rs 10 each</b>			
Basic (in Rs.)		<b>7.83</b>	<b>5.53</b>
Diluted (in Rs.)		<b>7.15</b>	<b>5.36</b>

Significant Accounting Policies &amp; the accompanying notes forming integral part of the Financial Statements

"1" to "46"

As per our report of even date.

**For Rajneesh Kanther & Associates****Chartered Accountants****(Firm's Registration No. 021262C)****For and on Behalf of the Board of Directors**

Sd/-

(Praveen Ostwal)

**Managing Director**

DIN : 00412207

Sd/-

(Pankaj Ostwal)

**Director**

DIN : 02586806

Sd/-

(Rajneesh Kanther)

**Proprietor**

Membership No: 102162

Place:- Bhilwara

Dated:- 10<sup>th</sup> June, 2021

Sd/-

(Priyanka Bansal)

**Company Secretary**

Membership No. A-45193

Sd/-

(Sunil Kothari)

**CFO**

DIN : 02056569



(Rs. in Lakhs)

Particular	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	Audited	Audited
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	2,839.83	2,078.26
<b>Adjustments for:</b>		
Depreciation and Amortization	1,024.24	1,170.56
Interest Income	(121.80)	(2.81)
Loss / (Profit) on sale of Property, Plant & Equipment	3.19	(0.65)
Actuarial (Loss)/ Gains on Defined Benefit Obligations	(7.63)	-
Interest paid on Lease Liabilities	5.94	1.46
Finance Costs	221.43	279.91
<b>Operating profit before working capital change</b>	<b>3,965.20</b>	<b>3,526.73</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade payable	621.34	(1,253.89)
Increase/(Decrease) in Other Current Liability	(203.71)	253.28
(Increase)/Decrease in Inventories	(908.97)	131.58
(Increase)/Decrease in Trade Receivable	(975.54)	317.36
(Increase)/Decrease in Other Financial Assets	(607.37)	(74.30)
(Increase)/Decrease in Other Current Assets	(29.73)	668.52
(Increase)/Decrease in Other Financial Assets -Loans	(321.68)	(814.37)
Increase/(Decrease) in Other Financial Liability	122.49	(27.14)
Increase/(Decrease) in Short-term Provisions	17.53	-
<b>Net changes in working capital</b>	<b>(2,285.64)</b>	<b>(798.96)</b>
<b>Cash Generated from/(used in) operations</b>	<b>1,679.56</b>	<b>2,727.77</b>
Direct Taxes paid	(697.99)	(476.79)
<b>Net cash from/(Used in) operating activities (A)</b>	<b>981.57</b>	<b>2,250.98</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment	(2,149.73)	(123.54)
Sale proceed of Property, Plant & Equipment	2.20	1.85
Receipt of Government Grants	170.00	-
Interest Income	121.80	2.81
<b>Net cash from investing activities (B)</b>	<b>(1,855.73)</b>	<b>(118.88)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital/Share Warrants	405.00	281.25
Proceeds of Long Term Borrowings	277.00	-
Repayment of Long Term Borrowings	(246.05)	(490.44)
Proceeds/(Repayment) in Short Term Borrowings (net)	790.33	(1,493.79)
Repayment of Lease Liabilities	(6.30)	(1.74)
Finance Costs (Including Lease Liabilities Interest)	(221.43)	(279.91)
Dividends Paid (including Dividend Distribution Tax)	(123.99)	(150.10)
<b>Net cash from financing activities (C)</b>	<b>874.56</b>	<b>(2,134.73)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>0.40</b>	<b>(2.63)</b>
Cash and cash equivalents as at Beginning	1.84	4.47
Cash and cash equivalents as at End	2.24	1.84

As per our report of even date.

**For :M/s Rajneesh Kanther & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 021262C)**

**For and on Behalf of the Board of Directors**

Sd/-  
(Rajneesh Kanther)  
**Proprietor**  
Membership No: 102162  
Place:- Bhilwara  
Dated:- 10<sup>th</sup> June, 2021

Sd/-  
(Praveen Ostwal)  
**Managing Director**  
DIN : 00412207

Sd/-  
(Pankaj Ostwal)  
**Director**  
DIN : 02586806

Sd/-  
(Priyanka Bansal)  
**Company Secretary**  
Membership No. A-45193

Sd/-  
(Sunil Kothari)  
**CFO**  
DIN : 02056569

**A. EQUITY SHARE CAPITAL**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,49,00,000	2,490.00	2,49,00,000	2,490.00
Add: Equity Shares issued under Warrants	12,00,000	120.00	-	-
<b>Balance at the end of the reporting period</b>	<b>2,61,00,000</b>	<b>2,610.00</b>	<b>2,49,00,000</b>	<b>2,490.00</b>

(Rs. in Lakhs)

**B. OTHER EQUITY**

Particulars	Reserve and Surplus			Other	Total
	Equity Component of Other Financial Instruments (Share Warrants)	Securities Premium Account	Retained Earnings	Remeasurement of defined benefit plans	
<b>Balance at the beginning of the reporting year i.e. 01.04.2019</b>	-	826.50	7,650.84	0.36	<b>8,477.70</b>
Warrant subscription price equivalent to 25% of the issue price #	281.25	-	-	-	281.25
Profit for the Year	-	-	1,377.42	-	1,377.42
Other Comprehensive Income/(Loss) for the year, net of income tax	-	-	-	0.32	0.32
<b>Total Comprehensive Income For the year</b>	-	-	<b>1,377.42</b>	<b>0.32</b>	<b>1,377.74</b>
Dividends Paid (including Dividend Distribution Tax)	-	-	150.10	-	150.10
<b>Balance at the end of the reporting period i.e. 31.03.2020</b>	<b>281.25</b>	<b>826.50</b>	<b>8,878.16</b>	<b>0.68</b>	<b>9,986.59</b>
<b>Restated balance at the beginning of the reporting period</b>	<b>281.25</b>	<b>826.50</b>	<b>8,878.16</b>	<b>0.68</b>	<b>9,986.59</b>
Profit for the Year	-	-	1,958.35	-	1,958.35
Other Comprehensive Income/(Loss) for the year, net of income tax	-	-	-	(5.41)	(5.41)
<b>Total Comprehensive Income For the year</b>	-	-	<b>1,958.35</b>	<b>(5.41)</b>	<b>1,952.94</b>
Transfer Share Warrant into Shares	135.00	-	-	-	135.00
Premium Amount from Conversion of Warrants	-	420.00	-	-	420.00
Dividends Paid (including Dividend Distribution Tax)	-	-	124.50	-	124.50
<b>Balance at the end of the reporting period i.e. 31.03.2021</b>	<b>146.25</b>	<b>1,246.50</b>	<b>10,712.01</b>	<b>(4.73)</b>	<b>12,100.03</b>

# Refer Note No. 13.1 (a)

As per our report of even date.

**For :M/s Rajneesh Kanther & Associates**

**Chartered Accountants**

**(Firm's Registration No. 021262C)**

Sd/-

(Rajneesh Kanther)

**Proprietor**

Membership No: 102162

Place:- Bhilwara

Dated:- 10<sup>th</sup> June, 2021

**For and on Behalf of the Board of Directors**

Sd/-

(Praveen Ostwal)

**Managing Director**

DIN : 00412207

Sd/-

(Priyanka Bansal)

**Company Secretary**

Membership No. A-45193

Sd/-

(Pankaj Ostwal)

**Director**

DIN : 02586806

Sd/-

(Sunil Kothari)

**CFO**

DIN : 02056569

**CORPORATE INFORMATION:**

Krishana Phoschem Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 5-O-20, Basement, R.C. Vyas Colony, Bhilwara (Rajasthan) 311001. The equity shares of the Company are listed on NSE Limited. The company is engaged in the manufacturing of fertilizers & chemicals having manufacturing facility located at A.K.V.N. Industrial Area, Meghnagar Dist. Jhabua (M.P.)

The financial statements of the Company for the year ended 31st March, 2021 are approved for issue by the Company's Board of Directors on 10<sup>th</sup> June, 2021.

**1. SIGNIFICANT ACCOUNTING POLICIES & KEY ACCOUNTING ESTIMATES & JUDGEMENTS**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

**A. Statement of compliance:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Financial Statements have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind AS had been adopted w.e.f. 1 April, 2018 as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Statements includes Balance Sheet as at 31 March, 2021, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, and Statement of Change in Equity for the year ended 31 March, 2021 and significant accounting policy and other explanatory information.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakhs, except as stated otherwise.

**C. Basis of measurement**

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

- Defined benefit plans - plan assets at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**D. Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III

and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

**E. Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.2.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

**1.2 Use of Critical Judgments, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial years are described below. The Company based its assumptions and estimates or parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**A. Useful lives of property, plant and equipment and Intangible Assets**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful life and residual values of Company's assets are determined by management at the time the asset is acquired. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**B. Employee benefits**

Defined benefit plans and other long-term benefits are evaluated with reference to uncertain events and based upon actuarial assumptions including among others discount rates, expected rates of return on plan assets, expected rates of salary increases, estimated retirement dates, mortality rates. The significant assumptions used to account for Employee benefits are described in Note no M.

**C. Revenue Recognition**

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Judgement is also required to determine the transaction price for the contract. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

**D. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**E. Loss allowance for receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

**F. Taxes**

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**G. Contingencies**

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies and obligations. Obligations relating to Project Executions is largely depends upon performance of services by respective contractors. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

### 1.3 SIGNIFICANT ACCOUNTING POLICIES:

#### A. Current and non-current classification

Any asset or liability is classified as current or non-current based on company's normal- operating cycle and other criteria as set out in the Division II of schedule III to the Companies Act, 2013.

Asset/ Liability is classified as current, if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets/ liabilities are classified as noncurrent.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of product and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### B. Property, plant and equipment (PPE)

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to the costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment not ready for the intended use as at the balance sheet date. Advances paid towards the acquisition of property, plant and

equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the property, plant and equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, plant and equipment to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

The Company had elected to continue with the carrying value of all of its property, plant and equipment appearing in the financial statements prepared as per accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Generally Accepted Accounting Standards "Previous GAAP") as the deemed cost of the property, plant and equipment in the opening balance sheet under Ind As effective 1st April, 2018.

### C. Depreciation and amortization

Depreciation method, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of Property, Plant & Equipment are as follows:

<b>Assets</b>	<b>Useful life (Years)</b>
<b>Buildings</b>	30 -60
<b>Plant and Machinery</b>	8 -20
<b>Office Equipment</b>	5
<b>Furniture &amp; Fixtures</b>	10
<b>Vehicles</b>	8 -10
<b>Computers</b>	3
<b>Energy Saving Equipment</b>	15
<b>Pollution Control Equipment</b>	15
<b>Electric Installations</b>	10

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

Depreciation on property, plant and equipment is provided on pro rata basis using the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

The estimated useful lives, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from

previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

**D. Impairment of assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its property, plant and equipment (PPE) and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- b) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

**E. Leases:**

**As a Lessee**

The Company implemented a single accounting model as per Ind AS 116, requiring lessees to recognize assets and liabilities for all leases excluding exceptions listed in the standard. The Company elected to apply exemptions to short term leases or for leases for which the underlying asset is of low value.

Based on the accounting policy applied the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives,
- Any initial direct costs incurred by the lessee,
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Depreciation is calculated using the straight-line method over the shorter of lease term or useful of underlying assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors. Variable lease payments not included in the initial measurement of the lease liability are recognized directly in the profit and loss. The lease payments are discounted using the Company's incremental borrowing rate or the rate implicit in the lease contract.

## **F. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **i) Financial assets**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition and adjusted for transaction costs that are attributable to the acquisition or issues of financial assets and financial liabilities in case of financial assets or financial liabilities not at fair value through profit or loss account.

Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

Financial assets are subsequently classified as measured at:

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

### **i. Financial assets measured at amortised cost**

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

- If it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to trade receivables, loans and other financial assets of the Company measured using the Effective Interest Rate (EIR) method less impairment, if any, and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

**ii. Financial assets measured at fair value**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- If it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income.

A financial asset not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

**De-recognition of Financial Assets**

A financial asset is de-recognised only when

- The contractual rights to cash flows from the financial asset expire;
- The Company has transferred the contractual rights to receive cash flows from the financial asset or;
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Impairment of financial assets**

The Company recognizes loss allowances if any using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

**ii) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

**Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### **Financial Liability**

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost using effective interest rate method. Any difference between proceeds (net of transaction cost) and the settlement amount of borrowing is recognised over the terms of the borrowings in the statement of profit and loss.

### **De-recognition of Financial liabilities**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

#### **iii) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **G. Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:-

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### **H. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

#### **I. Income tax**

Income tax expense for the year comprises current tax and deferred tax.

##### **Current tax**

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is determined on the basis of taxable income and tax credits computed for Company, in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

##### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit under the IT Act.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a

transaction (other than business combination) that affects neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets (including unused tax credits such as MAT credit) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### **J. Inventories**

Raw Materials, Packing Materials, Consumable Stores and Spares including Fuel and Finished goods are valued at the lower of cost or net realizable value as under:

( i )	<b>Raw materials, Packing materials, Stores and Spares including Fuel</b>	<b>At Cost on FIFO basis</b>
( ii )	Stock in trade and Finished Goods	At Cost plus appropriate overheads

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other

expenditure directly attributable to the acquisition but net of trade discount, rebates, and other similar items.

The cost of Inventories of finished goods comprises the cost of purchases, the cost of conversion and the cost of packing materials.

The cost of conversion comprises of depreciation and repairs and maintenance of plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.

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

**K. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**L. Foreign currency translation**

The functional currency and presentation currency of the Company is Indian Rupee.

Transactions denominated in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying the exchange rate prevailing on the date of transaction.

Foreign currency denominated monetary items is restated at the closing exchange rates.

Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

**M. Employee benefits**

**i) Short-term benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**ii) Post-Employment Benefits:**

**i. Defined benefit plan**

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on Project Unit Credit Method made at the end of each financial year. The scheme is maintained and administered by Life Insurance Corporation of India to which the Company makes periodical contributions through its trustees.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly

in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

**ii. Defined contribution plan**

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administrated by the Central Government. The Company's contribution is charged to the statement of profit and loss.

**iii) Other Long Term Employee Benefits - Leave Salary**

The liability towards leave salary which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**N. Provision and contingent liabilities**

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably requires an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**O. Revenue recognition:**

Revenue from contracts with customer is recognized when the Company satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is

adjusted of trade discount, cash discount, volume rebate and other variable considerations as per the terms of contract.

**A. Sale of Goods**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e. when material is delivered to the customer or as per shipping terms , as may be specified in the contract.

**B. Government Subsidy**

Subsidy has been recognized by the company on the basis of the notification received from the ministry of Chemicals and fertilizers from time to time.

**C. Other Operating revenue**

- i. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable interest rates.
- ii. Claim lodged with insurance companies is recognized as income on acceptance by the insurance Companies.
- iii. Rental income is recognised in the statement of profit and loss on straight line basis.

**N. Government Grant & Government Assistance**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grant if relates to an expense item are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognise as expenses the related costs for which the grants are intended to compensate.

Post amendment in Ind AS 20, the government grant related to assets, including non-monetary grant shall be presented at fair value in balance sheet either by setting up the grant as deferred income or by grant by adjusting in the carrying amount of the asset.

**O. Segment Accounting**

The Managing Directors monitor the operating results of the business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products.

- i. Segment revenue includes sales and other income directly identifiable with/ allocable to the Segment.
- ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- iii. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- iv. Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.
- v. Segment result represent the profit before interest and tax earned by each segment without allocation of central administrative costs.

- vi. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The company has disclosed Business Segments as its primary segments. Reporting segments have been identified as Fertilizers and Chemicals, taking into accounts the nature of product, the different risk and returns, the organizational structure and the internal reporting system.

The company caters mainly to the need of domestic market. The direct export turnover is Nil during the year. As such there are no reportable geographical segments.

**Inter-Segment transfer pricing**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis and are on an arm's length basis in a manner similar to transactions with third parties.

These transfers are eliminated in consolidation.

**P. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Q. Statement of Cash Flow**

Cash flows are reported using the indirect method prescribed in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**3. PROPERTY, PLANT AND EQUIPMENT****Property, Plant and Equipment as at 31<sup>st</sup> March 2021**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at 1st April 2020	Additions	Deductions*/ Adjustments	As at 31st March 2021	As at 1st April 2020	for the period	Deductions/ Adjustments	As at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>A. Tangible Assets</b>										
Building	3,789.96	29.50	-	3,819.46	704.79	119.35	-	824.14	2,995.32	3,085.17
Plant and Equipment	10,048.10	91.91	597.00	9,543.01	5,213.14	773.24	-	5,986.38	3,556.63	4,834.96
Office Equipments	39.98	2.05	-	42.03	32.03	2.36	-	34.39	7.64	7.95
Computers	33.68	5.10	-	38.78	24.13	4.30	-	28.43	10.35	9.55
Furniture & Fixtures	25.59	1.08	-	26.67	15.06	1.59	-	16.65	10.02	10.53
Vehicles	54.27	90.59	15.67	129.19	15.90	6.32	10.28	11.94	117.25	38.37
Energy Saving Equipment	29.35	-	-	29.35	21.72	1.36	-	23.08	6.27	7.63
Pollution Control Equipment	200.97	-	-	200.97	119.76	10.97	-	130.73	70.24	81.21
Electric Installations	102.72	-	-	102.72	29.83	9.76	-	39.59	63.13	72.89
<b>B. Assets under Finance Lease</b>										
Right of Use- Leasehold Land	1,599.76	1,241.87	-	2,841.63	185.83	95.00	-	280.83	2,560.80	1,413.93
<b>Total</b>	<b>15,924.38</b>	<b>1,462.10</b>	<b>612.67</b>	<b>16,773.81</b>	<b>6,362.19</b>	<b>1,024.25</b>	<b>10.28</b>	<b>7,376.16</b>	<b>9,397.65</b>	<b>9,562.19</b>
<b>Capital Work In Progress</b>										
Building	16.39	82.88	-	99.27	-	-	-	-	99.27	16.39
Plant and Equipment	4.59	601.68	-	606.27	-	-	-	-	606.27	4.59
Electric Installations		3.08		3.08					3.08	
<b>Total</b>	<b>20.98</b>	<b>687.63</b>	<b>-</b>	<b>708.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708.62</b>	<b>20.98</b>
<b>Total this year</b>	<b>15,945.36</b>	<b>2,149.73</b>	<b>612.67</b>	<b>17,482.43</b>	<b>6,362.19</b>	<b>1,024.25</b>	<b>10.28</b>	<b>7,376.16</b>	<b>10,106.27</b>	<b>9,583.17</b>

**Property, Plant and Equipment as at 31<sup>st</sup> March 2020**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at 1st April 2019	Additions	Deductions*/ Adjustments	As at 31st March 2020	As at 1st April 2019	for the period	Deductions/ Adjustments	As at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
<b>A. Tangible Assets</b>										
Buildings	3,718.70	71.26		3,789.96	587.23	117.56		704.79	3,085.17	3,131.47
Plant and Equipment	10,008.45	39.65		10,048.10	4,290.59	922.56		5,213.14	4,834.96	5,717.86
Office Equipments	36.54	4.12	0.68	39.98	29.80	2.88	0.65	32.03	7.95	6.74
Computers	28.84	4.84	-	33.68	18.37	5.76		24.13	9.55	10.47
Furniture & Fixtures	20.13	5.46		25.59	13.19	1.87		15.06	10.53	6.94
Vehicles	33.69	26.29	5.70	54.27	14.97	5.47	4.54	15.90	38.37	18.72
Energy Saving Equipment	29.35	-		29.35	20.37	1.35		21.72	7.63	8.98
Pollution Control Equipment	200.97	-		200.97	108.78	10.98		119.76	81.21	92.19
Electric Installations	93.22	9.50		102.72	20.75	9.08		29.83	72.89	72.47
<b>B. Assets under Finance Lease</b>										
Right of Use- Leasehold Land	1,596.55	3.21		1,599.76	92.78	93.05		185.83	1,413.93	1,503.77
<b>Total</b>	<b>15,766.44</b>	<b>164.32</b>	<b>6.38</b>	<b>15,924.38</b>	<b>5,196.84</b>	<b>1,170.57</b>	<b>5.19</b>	<b>6,362.20</b>	<b>9,562.19</b>	<b>10,569.61</b>
<b>Capital Work In Progress</b>										
Buildings	16.39	-	-	16.39	-	-	-	-	16.39	16.39
Plant and Equipment	44.92	(40.33)	-	4.59	-	-	-	-	4.59	44.92
<b>Total</b>	<b>61.31</b>	<b>(40.33)</b>	<b>-</b>	<b>20.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.98</b>	<b>61.31</b>
<b>Total this year</b>	<b>15,827.75</b>	<b>124.00</b>	<b>6.38</b>	<b>15,945.36</b>	<b>5,196.84</b>	<b>1,170.57</b>	<b>5.19</b>	<b>6,362.20</b>	<b>9,583.17</b>	<b>10,630.92</b>

*Additional Note:*

1. For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of 1st April, 2018.
2. Refer Note 14 and 17 for details of assets pledged.
3. \*Deduction from Gross Carrying Value represents sale/transfer/discarding of Property, Plant & Equipment and amortisation of Govt Capital Grants related to Plant & Equipment.
4. The Capital Subsidy of Rs. 597 Lacs under MP Investment Promotion Assistance (IPA) 2014 on specified machinery is recognized on a systematic and rational basis by adopting asset related grant by deducting the grant from the carrying amount of the assets. Such allocation to assets is done prospectively over the remaining useful life of the respective assets and is adjusted against the depreciation in the Statement of Profit and Loss.

**4. OTHER FINANCIAL ASSETS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Security Deposits*	104.02	58.11
Govt. Grant Receivables	342.00	-
<b>Total</b>	<b>446.02</b>	<b>58.11</b>

\* Pledged with government authorities and others

**5. OTHER NON CURRENT ASSETS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Capital Advances - Others	652.57	110.45
<b>Total</b>	<b>652.57</b>	<b>110.45</b>

**6. INVENTORIES**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
(As taken ,valued & certified by the management)		
A) Raw Materials	1,814.91	636.69
B) Finished Goods	1,956.03	2,284.14
C) Stores & Spares	308.06	249.20
<b>Total</b>	<b>4,079.00</b>	<b>3,170.03</b>

6.1. All the above inventories have been valued as per the accounting policy (Refer Note No. 2 J)

6.2. The major components of inventory in case of raw material are Rock-Phosphate, Sulphuric Acid & HDPE Bags, boron, Zinc Sulphate, Napthelene, Oleum, Castic Soda, Sulphur etc. And in case of finished goods its includes Beneficiated Rock Phosphate(BRP), Single Super Phosphate(SSP), Granular Single Super Phosphate(GSSP), Chemical Product (H-Acid), Sulphuric Acid, Oleum, Chloro & Liquid SO<sub>3</sub>.

6.3. Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 17.1)

**7. TRADE RECEIVABLES**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables Unsecured, considered Good	1,731.01	1,231.13
Subsidy receivables Unsecured, considered Good	1,055.71	580.05
<b>Total</b>	<b>2,786.72</b>	<b>1,811.18</b>

7.1. Above Trade receivables are hypothecated to secured short term borrowings (Refer Note No. 17.1)

7.2 for transactions with related party, Refer Note No. 35

**8. CASH AND CASH EQUIVALENTS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on Hand	1.03	1.19
Balance with banks		
- in Current Accounts	0.70	0.65
Earmarked Balances with Banks for Unclaimed & Unpaid Dividends	0.51	
<b>Total</b>	<b>2.24</b>	<b>1.84</b>

**9. LOANS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Loans and advances to Related parties	1,128.28	803.37
Loan to Employees	9.38	12.61
<b>Total</b>	<b>1,137.66</b>	<b>815.98</b>

9.1 for transactions with related party, Refer Note No. 35

**10. OTHER CURRENT FINANCIAL ASSETS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Security Deposit (EMD Tender)	95.46	93.59
VAT Receivables	27.97	27.97
Fixed Deposit for Buyer's Credit	17.47	-
Govt. Grant Receivables	85.00	-
<b>Total</b>	<b>225.90</b>	<b>121.56</b>

**11. OTHER CURRENT ASSETS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Prepaid Expenses	31.02	30.74
Advances to suppliers	31.73	23.08
GST Credit Receivables	50.28	29.48
<b>Total</b>	<b>113.03</b>	<b>83.30</b>

**12. Equity Share Capital**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorized Share Capital</b> 3,00,00,000 (31 March 2020 - 3,00,00,000) Equity Shares of Rs.10/- each fully paid up	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, Subscribed and Paid Up</b> 2,61,00,000 (31 March 2020 - 2,49,00,000) Equity Shares of Rs.10/- each fully paid up	2,610.00	2,490.00
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,610.00</b>	<b>2,490.00</b>

**NOTES:-**

1. During the year company has allotted 12,00,000 equity shares to Promoter on February 25, 2021 upon conversion of 12,00,000 warrants convertible into fully paid up equity shares issued on preferential basis.

**i). Movement in Authorised share capital**

Particulars	Number of shares (Nos. in Lakhs)	Amount (Rs. in Lakhs)
As at 1st April, 2019	300.00	3,000.00
Increase/(decrease) during the year	-	-
As at 31st March, 2020	300.00	3,000.00
Increase/(decrease) during the year	-	-
As at 31st March, 2021	300.00	3,000.00

**ii). Terms and Rights attached to Equity Shares**

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

**iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31st March 2021	As at 31st March 2020
As at the beginning of the year	2,49,00,000	2,49,00,000
Add: Shares Issued during the year	12,00,000	-
As at the end of the year	2,61,00,000	2,49,00,000

**iv) Shares of the company held by holding company**

out of equity shares issued by the company, shares held by its holding company are as below:

(Rs in Lakhs)

Name of Shareholder	As at 31st March 2021	As at 31st March 2020
Ostwal Phoschem (India) Limited, holding Company (holds 1,72,06,402 Equity Shares of Rs.10/- each)	1,720.64	1,578.54

v) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2021	
	No. of Shares held	% of Holding
Ostwal Phoschem (India) Limited, Holding Company	1,72,06,402	65.92
Swastik Clothtex Pvt. Ltd.	14,47,568	5.55
Name of Shareholder	As at 31st March 2020	
	No. of Shares held	% of Holding
Ostwal Phoschem (India) Limited, Holding Company	1,57,85,402	63.40
Swastik Clothtex Pvt. Ltd.	14,49,944	5.82

13. Other Equity

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Securities Premium Account</b>		
Balance at the beginning of the year	826.50	826.50
Add: Premium Amount from conversion of warrants	420.00	-
<b>Balance at the end of the year</b>	<b>1,246.50</b>	<b>826.50</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	8,878.16	7,650.84
Add: Net Profit/(Net Loss) For the current year	1,958.35	1,377.42
<i>Less: Appropriations</i>		
- Transferred to General Reserve	-	-
- Dividend On Equity Shares	124.50	124.50
- Tax On Dividend	-	25.60
<b>Balance at the end of the year</b>	<b>10,712.01</b>	<b>8,878.16</b>
<b>Equity Component-Share Warrant</b>	146.25	281.25
<b>Other Comprehensive Income</b>		
Remeasurement of defined benefit plans		
Balance at the beginning of the year	0.68	0.36
Addition during the year	(5.41)	0.32
<b>Balance at the end of the year</b>	<b>(4.73)</b>	<b>0.68</b>
<b>Total</b>	<b>12,100.03</b>	<b>9,986.59</b>

13.1 Nature and Purpose of Other Reserves / Other Equity

a. Share Warrants (Pending Allotments)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
25% Upfront Payment	146.25	281.25
<b>Total</b>	<b>146.25</b>	<b>281.25</b>

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10/- each. During the year 2019-20, the Company has issued to its Promoter 25 Lac Warrants at a price of Rs.45/- each entitling them for subscription of equivalent number of Equity Shares of Rs.10/- each (including premium of Rs.35/- each share) in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2015 and the said warrants are due for conversion as on 28th May 2021. During the financial year, the Company has issued and allotted 12 Lac equity shares of Rs.10 each at a premium of Rs.35 each on February 25, 2021 to promoter on preferential basis upon conversion of equivalent number of warrants.

b. Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013

13.2 Dividend

The following dividends were declared and paid by the Company during the year.

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Final Dividend for the year ended 31st March, 2020 ₹ 0.50 per Share	124.50	124.50
Dividend Distribution Tax on Final Dividend	-	25.60
<b>Total</b>	<b>124.50</b>	<b>150.10</b>

**14. BORROWINGS- NON CURRENT****(Rs in Lakhs)**

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Term Loan From Banks		
Rupee Loans	607.90	587.37
<b>Total</b>	<b>607.90</b>	<b>587.37</b>

**14.1 In respect of Secured Term Loan**

i) **Nature of Security** – The term loans from HDFC Bank Ltd. are secured by way of equitable mortgage of all immovable properties and entire moveable properties, both existing & future of the company.

ii) **Terms of repayment** – Term loans from HDFC Bank Ltd. are repayable in monthly installments and having fixed interest rate @ 8.00%.

**(Rs in Lakhs)**

Name of Banks and Loan amount	Date of Maturity	No. of Instalments outstanding as on 31.03.2021	As at 31st March 2021		
			Total Outstanding	Current Maturities	Net Long Term Borrowings
HDFC Bank Ltd. (Term Loan of Rs. 10.00 crore)	7-Dec-2021	9	188.89	188.89	-
HDFC Bank Ltd. (Term Loan of Rs. 6.50 crore)	7-May-2023	25	311.80	140.93	170.87
HDFC Bank Ltd. (Term Loan of Rs. 5.00 crore)	7-Sep-2023	30	336.81	128.14	208.68
HDFC Bank Ltd. (Term Loan of Rs. 2.77 crore)	7-Aug-2024	41	277.00	48.65	228.35
<b>Total</b>			<b>1,114.50</b>	<b>506.61</b>	<b>607.90</b>
Name of Banks and Loan amount	Date of Maturity	No. of Instalments outstanding as on 31.03.2020	As at 31st March 2020		
			Total Outstanding	Current Maturities	Net Long Term Borrowings
HDFC Bank Ltd. (Term Loan of Rs. 10.00 crore)	7-Jul-2021	16	317.60	245.35	72.25
HDFC Bank Ltd. (Term Loan of Rs. 6.50 crore)	7-Nov-2022	32	374.31	131.65	242.67
HDFC Bank Ltd. (Term Loan of Rs. 5.00 crore)	7-Mar-2023	24	391.65	119.19	272.45
<b>Total</b>			<b>1,083.56</b>	<b>496.19</b>	<b>587.37</b>

iii) **Guarantors** - The bank loan for working capital is guaranteed by personal guarantee of Praveen Ostwal (Managing Director), Mahendra Kumar Ostwal, Pankaj Ostwal and Ekta Jain.

**15. LEASE LIABILITIES****(Rs in Lakhs)**

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Liabilities - Non Current	77.96	16.83
Lease Liabilities - Current	0.40	0.36
<b>Total</b>	<b>78.36</b>	<b>17.19</b>

**16. DEFERRED TAX LIABILITIES (NET)****(Rs in Lakhs)**

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for the financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:-

Particulars	Defined benefit obligation	Property, plant and equipment	Provisions & others	MAT credit entitlement	Total
<b>Balance as at 1 April, 2019</b>	<b>1.71</b>	<b>834.40</b>	<b>(196.64)</b>	<b>(394.35)</b>	<b>245.12</b>
(Changed)/Credited:					
- to Statement of profit and loss	0.06	(44.01)	190.95	152.39	299.39
- to other comprehensive income	0.13	-	-	-	0.13
- to current tax liability	-	-	-	-	-
<b>Balance as at 31 March, 2020</b>	<b>1.90</b>	<b>790.39</b>	<b>(5.69)</b>	<b>(241.96)</b>	<b>544.64</b>
(Changed)/Credited:					
- to Statement of profit and loss	0.67	(62.45)	(23.36)	241.96	156.83
- to other comprehensive income	(2.22)	-	-	-	(2.22)
- to current tax liability	-	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>0.35</b>	<b>727.94</b>	<b>(29.04)</b>	<b>-</b>	<b>699.25</b>

**B. Income tax recognised in profit or loss****(Rs. in Lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current Tax	724.65	401.45
Deferred Tax	156.83	299.39
<b>Total income tax recognised for the year</b>	<b>881.48</b>	<b>700.84</b>

**C. Income tax recognised in other comprehensive income****(Rs. in Lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Remeasurement of defined benefit obligation	(2.22)	0.13
<b>Total income tax recognised in other comprehensive income</b>	<b>(2.22)</b>	<b>0.13</b>

**D. The income tax expense for the year can be reconciled to the accounting profit as follows:****(Rs. in Lakhs)**

Particulars	2020-21	2019-20
Net Profit as per Statement of Profit and Loss (before tax)	2839.83	2078.26
Applicable Tax Rate	29.12%	29.12%
Computed Tax Expense	826.96	605.19
<b>Tax effect of :</b>		
Items Considered Separately	(5.85)	(3.29)
The amount of eligible / ineligible expenditure	148.10	143.42
Carried Forward Losses Utilised	-	(191.51)
MAT Adjustment	(244.57)	(152.36)
<b>Current Tax Provision (Net of MAT Credit) (A)</b>	<b>724.65</b>	<b>401.45</b>
Incremental Deferred Tax Liability on account of Tangible Assets	156.83	299.39
<b>Deferred Tax Provision (B)</b>	<b>156.83</b>	<b>299.39</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>881.48</b>	<b>700.84</b>
Effective Tax Rate	31.04%	33.72%

**17. BORROWINGS – CURRENT**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
<b>Loans Repayable On Demand From Banks</b>		
Working Capital- HDFC Bank Ltd.	903.75	113.42
<b>Total</b>	<b>903.75</b>	<b>113.42</b>

i) **Nature of Security** – The bank loan for working capital is secured against hypothecation of company's entire current assets including raw material, stock in process, finished goods, store & spares, book debts, receivables including goods in transit along with document proof title to goods such as MTRs/RRs/bills of lading etc. The same is also secured by second charge over property, plant & equipment (present & future) of the company.

ii) **Terms of repayment** – The bank loan for working capital is repayable on demand and having interest rate 8.00% as on 31/03/2021

iii) The bank loan for working capital is guaranteed by personal guarantee of Praveen Ostwal (Managing Director), Mahendra Kumar Ostwal, Pankaj Ostwal and Ekta Jain.

**18. TRADE PAYABLES**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables - Due to Micro and Small Enterprises	25.50	55.86
Trade Payables - Due to others	1,121.70	470.00
<b>Total</b>	<b>1,147.20</b>	<b>525.86</b>

Additional Note :-

**18.1** The Government of India has promulgated an act namely "The Micro, Small & Medium Enterprises Development Act 2006" which comes into force with effect from October, 2006. As per The Act, the Company is required to identify the Micro & Small Enterprises & Pay them interest on overdue beyond the specified period irrespective of the terms agreed with the enterprises. The Company has initiated the process of identification of such suppliers. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**18.2** The balance outstanding with trade payables either debit or credit are subject to confirmation and reconciliation

**19. OTHER FINANCIAL LIABILITIES**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current Maturities of Long Term Debt	506.61	496.19
Unpaid Dividends #	0.51	-
Liability for Expenses	9.86	11.72
Liability towards Staff & Workers	79.87	18.00
Security Deposits from Dealers	6.25	5.30
<b>Total</b>	<b>603.10</b>	<b>531.21</b>

# There is no overdue amount to be credited to investor education & protection fund.

**20. OTHER CURRENT LIABILITIES**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory dues	42.72	15.47
Advance from customers	712.15	943.11
<b>Total</b>	<b>754.87</b>	<b>958.58</b>

**21. PROVISIONS**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>For employee benefits-</b>		
Leave Encashment - Non Current	16.54	-
Leave Encashment - Current	0.99	-
<b>Total</b>	<b>17.53</b>	<b>-</b>

**22. CURRENT TAX LIABILITIES (NET)**

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for taxation (Net of advance tax)	27.42	0.76
<b>Total</b>	<b>27.42</b>	<b>0.76</b>

**23. REVENUE FROM OPERATIONS**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Products	14,142.37	13,212.81
Government Subsidies	3,982.29	3,081.92
Trading Sales	748.17	-
<b>Total</b>	<b>18,872.83</b>	<b>16,294.73</b>

**24. OTHER INCOME**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income	123.82	6.98
Profit on Sale of Property, Plant & Equipment (Net)	-	0.65
Net Gain/(Loss) on Foreign Currency Fluctuation	73.24	(3.73)
Miscellaneous balance W/off	-	0.07
<b>Total</b>	<b>197.06</b>	<b>3.97</b>

**25. COST OF MATERIALS CONSUMED**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock	636.69	1,496.15
Add: Purchases	10,478.29	8,445.65
Less: Closing Stock	1,814.91	636.70
<b>Total</b>	<b>9,300.07</b>	<b>9,305.10</b>

**26. Changes in inventories of finished goods and Stock-in-Trade**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Stock at the beginning of the year (A)	2,284.14	1,526.15
Stock at the end of the year (B)	1,956.03	2,284.14
<b>(Increase)/Decrease in stocks (B-A)</b>	<b>328.11</b>	<b>(757.99)</b>

**27. EMPLOYEE BENEFITS EXPENSE**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, bonus and allowances*	980.21	882.84
Contribution to Provident Fund	16.54	15.11
Contribution to Gratuity Fund	6.61	4.70
Staff welfare expenses	5.10	2.46
<b>Total</b>	<b>1,008.46</b>	<b>905.11</b>

\*Including Managing Director's Commission Rs. 47 Lakhs

**28. FINANCE COSTS**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Term Loan Interest	101.18	120.34
Working Capital Interest	76.47	103.25
Interest on lease liabilities	5.94	1.46
Other Interest	10.91	50.20
Bank Charges	32.87	6.12
<b>Total</b>	<b>227.37</b>	<b>281.37</b>

**29. DEPRECIATION AND AMORTISATION EXPENSE**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Other Tangible Assets	929.24	1,077.51
Depreciation on Right of Use Assets	95.00	93.05
<b>Total</b>	<b>1,024.24</b>	<b>1,170.56</b>

**30. OTHER EXPENSES**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Manufacturing Expenses</b>		
Consumption of Stores & Spares parts	751.65	833.68
Power & Fuel	268.09	400.52
Repairs & Maintenance to Plant & Machinery	39.80	31.42
Other manufacturing expenses	321.54	642.20
<b>Sub Total</b>	<b>1,381.08</b>	<b>1,907.82</b>
<b>Administration Expenses</b>		
Rent	6.77	3.22
Rates & taxes	5.39	1.11
Insurance	35.30	29.83
Auditors' Remuneration :		
- Statutory Audit Fees	1.50	1.10
CSR Expenses	32.38	24.84
Donation	6.17	1.18
Office Expenses	24.81	33.32
Travelling expenses	15.76	39.75
Legal & Professional Charges	48.25	18.75
Repair & Maintenance (Building)	22.86	3.81
Repair & maintenance (Others)	4.80	3.38
Vehicle running & maintenance	18.63	19.45
Miscellaneous Expenditure	20.11	23.07
<b>Sub Total</b>	<b>242.73</b>	<b>202.81</b>
<b>Selling &amp; Distribution Expenses</b>		
Freight & Transport	1,928.50	1,122.73
Advertisement Expenses	1.88	5.09
Godown Rent	6.60	2.93
Other Expenses	5.89	6.46
Discount allowed	112.23	68.45
<b>Sub Total</b>	<b>2,055.10</b>	<b>1,205.66</b>
<b>Grand Total</b>	<b>3,678.91</b>	<b>3,316.29</b>

**31. OTHER COMPREHENSIVE INCOME**

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of Defined Benefit Plans	(7.63)	0.45
Tax relating to Remeasurement of defined benefits plans	2.22	(0.13)
<b>Total</b>	<b>(5.41)</b>	<b>0.32</b>

**32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT****I. The carrying value of financial instruments by categories are as follows:****(Rs. In Lakhs)**

Particulars	As at 31st March 2021			As at 31st March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial Assets</b>						
Other Non-Current Financial Assets	-	-	446.02	-	-	58.11
Trade Receivables	-	-	2,786.72	-	-	1,811.18
Cash and Cash equivalents	-	-	2.24	-	-	1.84
Loans	-	-	1,137.66	-	-	815.98
Other Current Financial Assets	-	-	225.90	-	-	121.56
<b>Total Financial Assets</b>	-	-	<b>4,598.54</b>	-	-	<b>2,808.67</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	607.90	-	-	587.37
Lease Liability	-	-	78.36	-	-	17.19
Short Terms Borrowings	-	-	903.75	-	-	113.42
Trade Payables						
(A) Total outstanding dues of micro enterprises and small enterprises	-	-	25.50	-	-	55.86
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,121.70	-	-	470.00
Other Current Financial Liabilities	-	-	603.10	-	-	531.21
<b>Total Financial Liabilities</b>	-	-	<b>3,340.31</b>	-	-	<b>1,775.05</b>

**II. Financial risk management****The Company has exposure to the following risks arising from financial instruments:**

- credit risk;
- liquidity risk; and
- Market risk

**i. Risk management framework**

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and

management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

**ii. Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables and other financial assets.

The Company assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Company on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

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

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

Based on the credit aging of individual customer, the management considers that no provision on such receivables has been recognised as on the reporting date.

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans and intercorporate loans.

**Exposure to liquidity risk****a) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(Rs. In Lakhs)

Particulars	Carrying Amount	Contractual cash flows		
	As at 31st March 2021	Within 1 Year	1–5 years	More than 5 years
<b>Financial Liabilities</b>				
Borrowings	607.90	-	607.90	-
Lease Liability	78.36	-	-	78.36
Short Terms Borrowings	903.75	903.75	-	-
Trade Payables				
(A) Total outstanding dues of micro enterprises and small enterprises	25.50	25.50	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,121.70	1,121.70	-	-
Other Current Financial Liabilities	603.10	603.10	-	-
<b>Total Financial Liabilities</b>	<b>3,340.31</b>	<b>2,654.05</b>	<b>607.90</b>	<b>78.36</b>
Particulars	Carrying Amount	Contractual cash flows		
	As at 31st March 2020	Within 1 Year	1–5 years	More than 5 years
<b>Financial Liabilities</b>				
Borrowings	587.37	-	587.37	-
Lease Liability	17.19	-	-	17.19
Short Terms Borrowings	113.42	113.42	-	-
Trade Payables				
(A) Total outstanding dues of micro enterprises and small enterprises	55.86	55.86	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	470.00	470.00	-	-
Other Current Financial Liabilities	531.21	531.21	-	-
<b>Total Financial Liabilities</b>	<b>1,775.05</b>	<b>1,170.49</b>	<b>587.37</b>	<b>17.19</b>

**iv. Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**Foreign Currency risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials. When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

(Amount in USD)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade and other payables	6,18,918.88	2,22,000

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The exposure of the Company's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

(Rs. In Lakhs)

Particulars	Impact on profit before tax	
	2020-21	2019-20
Increase in interest rate by 100 basis points	(22.21)	(27.95)
Decrease in interest rate by 100 basis points	22.21	27.95

**Commodity price risk**

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. To manage this risk, the Company enters into long-term supply agreement for Raw Material, identifying new sources etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

**33. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

short-term deposits (including other bank balance) and under Equity, the Equity Share Capital plus other Equity (excluding Preference Share Capital) is considered:

(Rs. In lakhs)

Particulars	31.03.2021	31.03.2020
<b>Gross Debt</b>	<b>2,018.26</b>	<b>1,196.98</b>
Less: Cash & Cash Equivalents	2.24	1.84
<b>Net Debt (A)</b>	<b>2,016.02</b>	<b>1,195.14</b>
<b>Total Equity (B)</b>	<b>14,710.03</b>	<b>12,476.59</b>
<b>Gearing Ratio (A/B)</b>	<b>0.14</b>	<b>0.10</b>

**34. CONTINGENT LIABILITIES:**

**1. Claims against the company not acknowledged as debt**

Particulars	2020-21 (in ₹)	2019-20 (in ₹)
a. VAT liability under The Madhya Pradesh Value Added Tax Act, 2002 in respect of:	7,97,052	7,97,052

**2. Commitments:**

Particulars	2020-21 (in ₹)	2019-20 (in ₹)
b. Estimated amount of contracts (net of advances) remaining to be executed on capital expenditure and not provided for.	-	14,95,10,048

**35. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"**

**A. Details of Related Parties**

a.	<b>Holding Company</b>	Ostwal Phoschem (India) Ltd.
b.	<b>Key Managerial Personnel</b>	Shri Praveen Ostwal (Managing Director) Shri Sunil Kothari (Whole Time Director & Chief Financial Officer) Ms. Priyanka Bansal (Company Secretary)
c.	<b>Non-Executive Director/ Independent Director</b>	Shri Mahendra Kumar Ostwal Shri Pankaj Ostwal Shri Bheru Lal Ostwal Shri Pradeep Agarwal Shri Ashish Kothari Smt. Priyanka Surana
d.	<b>Entities over which Key Management Personnel are able to exercise significant influence</b>	Madhya Bharat Agro Products Ltd. Shri Ganpati Fertilizers Ltd. Ostwal Phoschem (India) Ltd.
e.	<b>Relatives of Key Managerial Personnel (KMP)</b>	Mrs. Nitu Ostwal Mrs. Ekta Jain
f.	<b>Other Related Parties</b>	M.K. Ostwal HUF (Director is karta) Pankaj Ostwal HUF (Director is karta) Praveen Ostwal HUF (Director is karta)

**B. Transactions with the Related Parties****(Rs. In Lakhs)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>1</b>	<b>Purchase of goods</b>		
	Ostwal Phoschem (India) Ltd.	<b>365.57</b>	<b>1311.44</b>
	Madhya Bharat Agro Products Ltd.	<b>755.25</b>	<b>260.31</b>
	Shri Ganpati Fertilizers Ltd.	<b>30.39</b>	<b>-</b>
<b>2</b>	<b>Sale of goods</b>		
	Ostwal Phoschem (India) Ltd.	<b>548.87</b>	<b>950.44</b>
	Madhya Bharat Agro Products Ltd.	<b>1538.50</b>	<b>1205.77</b>
	Shri Ganpati Fertilizers Ltd.	<b>185.36</b>	<b>-</b>
<b>3</b>	<b>Rent paid</b>		
	Ostwal Phoschem (India) Ltd.	<b>0.08</b>	<b>0.08</b>
<b>4</b>	<b>Interest paid to</b>		
	Ostwal Phoschem (India) Ltd.	<b>-</b>	<b>33.37</b>
<b>5</b>	<b>Interest received from</b>		
	Ostwal Phoschem (India) Ltd.	<b>88.59</b>	<b>3.74</b>
	Madhya Bharat Agro Products Ltd.	<b>30.57</b>	<b>-</b>
<b>6</b>	<b>Insurance paid for</b>		
	<b>(i) Key Managerial Personnel</b>		
	Shri Praveen Ostwal	<b>1.35</b>	<b>1.35</b>
<b>7</b>	<b>Compensation to Key Managerial Personnel:</b>		
	<b>Remuneration</b>		
	<b>(1) Short-term employment benefits / Salary</b>		
	<b>(i) Key Managerial Personnel</b>		
	Shri Praveen Ostwal	<b>51.00</b>	<b>48.00</b>
	Shri Sunil Kothari	<b>10.45</b>	<b>9.66</b>
	Ms. Priyanka Bansal	<b>2.24</b>	<b>1.91</b>
	<b>(2) Commission</b>		
	Shri Praveen Ostwal	<b>47.00</b>	<b>-</b>
<b>8</b>	<b>Transaction with Non- Executive Directors:</b>		
	<b>Remuneration/Commission</b>		
	Shri Pankaj Ostwal	<b>18.00</b>	<b>-</b>
<b>9</b>	<b>Money received against Share Warrants</b>		
	Ostwal Phoschem (India) Ltd.	<b>405.00</b>	<b>281.25</b>
<b>10</b>	<b>Loan Given</b>		
	Ostwal Phoschem (India) Ltd.	<b>2210.44</b>	<b>800.00</b>
	Madhya Bharat Agro Products Ltd.	<b>1100.00</b>	<b>-</b>
<b>11</b>	<b>Repayment Against Loan Given</b>		
	Ostwal Phoschem (India) Ltd.	<b>3013.81</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

<b>12</b>	<b>Dividend Paid</b>		
	Ostwal Phoschem (India) Ltd.	<b>80.03</b>	<b>56.23</b>
	Seasons Agro Chem India Private Limited	<b>-</b>	<b>6.30</b>
	Shri Praveen Ostwal	<b>3.39</b>	<b>3.39</b>
	Shri Pankaj Ostwal	<b>0.03</b>	<b>0.03</b>
	Shri Mahendra Kumar Ostwal	<b>0.03</b>	<b>0.03</b>
	Shri Bheru Lal Ostwal	<b>0.08</b>	<b>0.08</b>
	Shri Ashish Kothari	<b>0.02</b>	<b>0.02</b>
	Mrs. Nitu Ostwal	<b>0.01</b>	<b>0.01</b>
	Mrs. Ekta Jain	<b>0.03</b>	<b>0.03</b>
	M.K. Ostwal (Karta of M.K. Ostwal HUF)	<b>0.01</b>	<b>0.01</b>
	Pankaj Ostwal (Karta of Pankaj Ostwal HUF)	<b>0.03</b>	<b>0.03</b>
	Praveen Ostwal (Karta of Praveen Ostwal HUF)	<b>0.03</b>	<b>0.03</b>
All related party contracts / arrangements have been entered on arms' length basis.			

**C. Amount due to/from related parties:**

(Rs. In Lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
	<b><u>OUTSTANDING AT THE YEAR END</u></b>		
<b>1</b>	<b>Trade Receivables</b>		
	Ostwal Phoschem (India) Ltd.	<b>112.38</b>	<b>-</b>
	Madhya Bharat Agro Products Ltd.	<b>624.99</b>	<b>-</b>
	Shri Ganpati Fertilizers Ltd.	<b>97.25</b>	<b>-</b>
<b>2</b>	<b>Loan Given</b>		
	Ostwal Phoschem (India) Ltd.	<b>-</b>	<b>803.37</b>
	Madhya Bharat Agro Products Ltd.	<b>1128.28</b>	<b>-</b>
<b>3</b>	<b>Compensation payable to Key Managerial Personnel as on 31.03.2021 &amp; 31.03.2020</b>		
	Shri Sunil Kothari	<b>0.53</b>	<b>-</b>
	Shri Praveen Ostwal	<b>18.55</b>	<b>0.99</b>
	<b>Compensation payable to Non-Executive Director as on 31.03.2021 &amp; 31.03.2020</b>		
<b>4</b>	Shri Pankaj Ostwal	<b>11.50</b>	<b>-</b>

**36. SEGMENT REPORTING**

(Rs. In Lakhs)

Particulars	Business Segments				Total	
	Fertilizer		Chemicals			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue Turnover	13,096.87	10,198.05	5,775.96	6,096.68	18,872.83	16,294.73
Segment Result						
Segment Profit	1,474.49	877.23	1,734.09	1,620.55	3,208.58	2,497.78
Unallocated Finance charges					227.37	281.36
Unallocated expenses					260.54	138.16
Unallocated Income					119.16	-
Profit before tax					2,839.83	2,078.26
Income tax (net)					881.48	700.84
Profit after tax					1,958.35	1,377.42
Other Information						
Segment assets	13,132.73	9,096.13	5,306.30	5,856.12	18,439.03	14,952.24
Unallocated other assets					1,128.28	803.37
Total assets	13,132.73	9,096.13	5,306.30	5,856.12	19,567.31	15,755.61
Segment liabilities	2,204.79	1,338.20	1,022.07	1,282.01	3,226.86	2,620.20
Unallocated other liabilities					1,630.42	658.82
Total liabilities	2,204.79	1,338.20	1,022.07	1,282.01	4,857.28	3,279.03
Capital Expenditure	1,444.50	68.67	17.61	95.67	1,462.10	164.34
Depreciation	612.90	653.50	411.35	517.06	1,024.24	1,170.56

**37. CORPORATE SOCIAL RESPONSIBILITIES (CSR)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The Gross amount required to be spent by the Company during the year	<b>31.80</b>	<b>21.68</b>
b) The Details of the amount spent during the year on CSR activities as follow:		
(i) Construction/Acquisition of any Asset	-	-
(ii) On purpose other than (i) above	<b>32.38</b>	<b>24.84</b>

**38. EMPLOYEE BENEFITS****a) Defined Contribution Plans:**

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under Contribution to Provident and other funds;

(Rs. In Lakhs)

Particulars		For the year ended 31st March 2021	For the year ended 31st March 2020
I.)	Employers Contribution to Provident Fund	16.54	15.11

**b) Defined Benefit Plan & Other Long Term Benefits:****II. Gratuity**

The Company makes payment to vested employees as per provisions of Payment of Gratuity Act, 1972. The provision of Gratuity Liability as on the Balance Sheet date is done on actuarial valuation basis for qualifying employees, however the same is not funded to any trust or scheme. The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

**III. Leave Encashment**

The Company provides benefit of leave encashment to its employees as per defined rules. The provision for liability for leave encashment as on date of Balance Sheet is recognised on the basis of Actuarial certificate.

(Rs. In Lakhs)

Particulars		For the year ended 31st March 2021		For the year ended 31st March 2020	
A)	Changes in Defined Benefit Obligations :-	Gratuity	Earned Leave	Gratuity	Earned Leave
	a) Defined Benefit Obligation at the beginning of the year	30.84	11.16	24.44	-
	b) Interest Cost	2.18	0.71	1.83	-
	c) Current Service Cost	6.80	7.95	4.70	7.74
	d) Benefits paid	(1.43)	(1.38)	(1.55)	(1.08)
	e) Actuarial (Gain)/Loss on Obligation	7.50	(0.92)	1.41	4.50
	<b>Present value of obligation at the end of year</b>	<b>45.89</b>	<b>17.53</b>	<b>30.84</b>	<b>11.16</b>
Particulars		For the year ended 31st March 2021		For the year ended 31st March 2020	
B)	Change in Fair Value of Plan Assets during the year :-	Gratuity	Earned Leave	Gratuity	Earned Leave
	a) Plan Assets at the beginning of the year	37.38	-	30.33	-
	b) Expected Return on Plan Assets	2.96	-	2.53	-
	c) Actuarial Gain/(Loss) on Assets	(0.13)	-	(0.08)	-
	d) Employer's contribution	8.32	1.38	6.15	1.08
	e) Benefits Paid	(1.43)	(1.38)	(1.55)	(1.08)
	<b>Fair Value of the plan assets at the end of the year</b>	<b>47.09</b>	<b>-</b>	<b>37.38</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars		For the year ended 31st March 2021		For the year ended 31st March 2020	
C)	<b>Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Present value of defined benefit obligation at end of the year	45.89	17.53	30.84	11.16
	b) Fair value of plan assets at end of the year	47.09	-	37.38	-
	<b>Funded status Surplus/(Deficit)</b>	<b>1.21</b>	<b>(17.53)</b>	<b>6.54</b>	<b>(11.16)</b>
Particulars		For the year ended 31st March 2021		For the year ended 31st March 2020	
D)	<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Current Service Cost	6.80	7.95	4.70	7.74
	b) Net Interest Cost	(0.78)	0.71	(0.69)	-
	b) Actuarial (Gain) / Loss	-	(0.92)	-	4.50
	<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>6.02</b>	<b>7.75</b>	<b>4.01</b>	<b>12.24</b>
Particulars		For the year ended 31st March 2021		For the year ended 31st March 2020	
E)	<b>Expenses recognized in the Other Comprehensive Income (OCI)</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Actuarial (gain)/loss arising from changes in demographic assumption	(3.85)	-	-	-
	b) Actuarial (gain)/loss arising from changes in financial assumption	4.27	-	-	-
	c) Actuarial (gain)/loss arising on account of experience changes	7.08	-	1.41	-
	d) (Gain)/ Loss on plan assets less interest on plan assets	0.13	-	0.08	-
	<b>Expenses recognised in the Statement of Other Comprehensive Income</b>	<b>7.63</b>	<b>-</b>	<b>1.49</b>	<b>-</b>

(Rs. In Lakhs)

F)	<b>Investment details - Plan assets:-</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
	LIC- Administrator of the plan fund	47.09	37.38

G)	The assumptions used in Actuarial Valuation:-	For the year ended 31st March 2021		For the year ended 31st March 2020	
	1. Financial Assumptions used in determining the Defined Benefit Obligation	Gratuity	Earned Leave	Gratuity	Earned Leave
	A) Discount rate (per annum)	6.32%	6.32%	7.25%	6.80%
	B) Salary escalation rate (per annum)	7.00%	7.00%	7.00%	7.00%
	2. Demographic Assumptions used to determine the Defined Benefit Obligation				
	A) Retirement Age	60 Years		60 Years	
	B) Mortality Table	IALM (2012-2014)		IALM (2012-2014)	
	C) Employee Turnover/Attrition Rate	5.00%		5.00%	

H)	<b>Sensitivity Analysis:-</b>	<b>For the year ended 31st March 2021</b>
----	-------------------------------	---

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

		Gratuity		Earned Leave	
		Increase	Decrease	Increase	Decrease
	Discount rate (1% movement)	41.33	51.31	15.84	19.54
	Expected rate of future salary increase (1% movement)	51.09	41.43	19.46	15.88

I)	Maturity Profile of Defined Benefit Obligation:-	For the year ended 31st March 2021	
		Gratuity	Earned Leave
	Within 1 Year	2.28	0.99
	1-5 Years	12.77	4.72
	Beyond 5 Years but up to 10 Years	15.91	6.12

1. The Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.47 Years.
2. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**J) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows –

- Salary Increases: - Actual salary increases will increase the Plan liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk: - If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate: - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability: - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals: - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**39. EARNINGS PER SHARE (EPS)**

(Rs. In Lakhs)

Particulars		2020-21	2019-20
i)	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ In Lakhs	1,958.35	1,377.42
ii)	Weighted Average Number of Equity Shares used as denominator for calculating EPS	2,50,11,781	2,49,00,000
iii)	Weighted Average Potential Equity Shares	23,88,219	8,19,672
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,74,00,000	2,57,19,672
v)	Basic Earning per Share (₹)	7.83	5.53
vi)	Diluted Earning per Share (₹)	7.15	5.36
vii)	Face Value per Equity Share (₹)	10	10

**40. Estimation of uncertainties relating to the global health due to pandemic COVID-19 :**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenue recognition owing to changes in cost budgets of fixed price contracts. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

**41. MSME Disclosure**

(Rs in Lakhs)

Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :		
Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due	25.50	55.86
Interest due on above	-	-
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

**Note:** The above information and that given in Note No. 18 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

**42. Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 under Regulation 34(3) :**

(Rs. In Lakhs)

Particulars	Outstanding as at 31st March, 2021	Maximum Amount O/s during the year 2020-21	Outstanding as at 31st March, 2020	Maximum Amount O/s during the year 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(a) Loans to Holding Company	-	-	803.37	803.37
(b) Loans to Associates Company	-	-	-	-
(c) In the nature of loans to firms/companies in which directors are interested	1128.28	1128.28	-	-

**43. APPROVAL OF FINANCIAL STATEMENTS**

- i. The Financial Statements were approved for issue by the Board of Directors on 10<sup>th</sup> June, 2021. The Board of Directors have recommended dividend of Rs.0.50 per fully paid up equity share of Rs.10/- each, aggregating Rs.130.50 Lacs for the financial year 2020-21, which is based on relevant share capital as on 31st March, 2021. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.
- 44.** In the opinion of the Board, all assets other than fixed assets and non-current investments, have a realisable value in the ordinary course of business which is not significantly differ from the amount at which it is stated.
- 45.** The new Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.
- 46.** Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

**As per our report of even date**

For **Rajneesh Kanther & Associates**

Chartered Accountants

(Firm's Registration No. 021262C)

For and on Behalf of the Board of Directors

Sd/-

**(Praveen Ostwal)**

Managing Director

DIN: 00412207

Sd/-

**(Pankaj Ostwal)**

Director

DIN: 02586806

Sd/-

**(Rajneesh Kanther)**

Partner

Membership No: 102162

Place: - Bhilwara

Dated: - 10<sup>th</sup> June, 2021

Sd/-

**(Priyanka Bansal)**

Company Secretary

Membership No. A-45193

Sd/-

**(Sunil Kothari)**

CFO

DIN: 02056569