

**MANAGING DIRECTOR'S MESSAGE**

Dear Members,

I feel privileged to be able to place this balance sheet in the hands of our valued share holders. Despite the difficult external scenario, the company has done exceedingly well in terms of top line and bottom line growth during the last year and has emerged as the important Beneficiated Rock Phosphate manufacturing company in the State. It is also recognized in the various States it operates in, for the excellence of its product and quality.

Coming to your company's performance, it has achieved turnover of Rs. 2527.25 lacs as against Rs. 2410.30 lacs in previous year. Profit after Tax is Rs. 380.69 lacs. I must also compliment the young team of Krishana Phoschem Ltd. for ensuring greater operational efficiency and cost controls which have enabled the company perform better in a competitive market condition.

With its growing size and scale, strategic alliances and increased national presence, greater market access has become necessary for Krishna Phoschem Ltd. Your company is striving to move up by entering into forward and backward integration in the same product line. We have planned to set up a plant for manufacturing of single super phosphate having capacity of 120000 TPA along with a plant having capacity of 90000 TPA for Granular SSP and the project is at an advance stage.

In conclusion, I believe that Krishana Phoschem Ltd. is moving ahead with confidence and clear vision in a favorably evolving market condition for the country and the company. I am confident that your company will soon be recognized as a global player in fertilizers.

Regards,

Sd/-

(Praveen Ostwal)

Managing Director

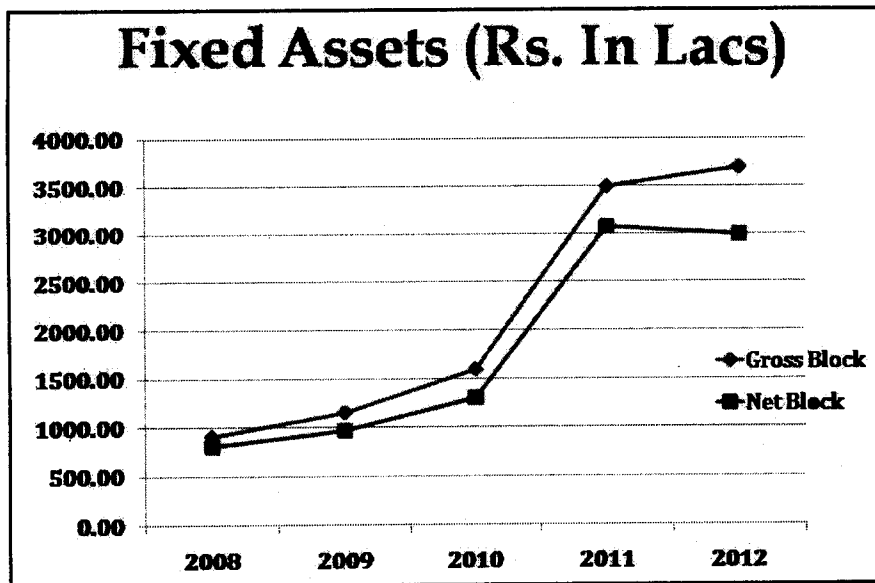
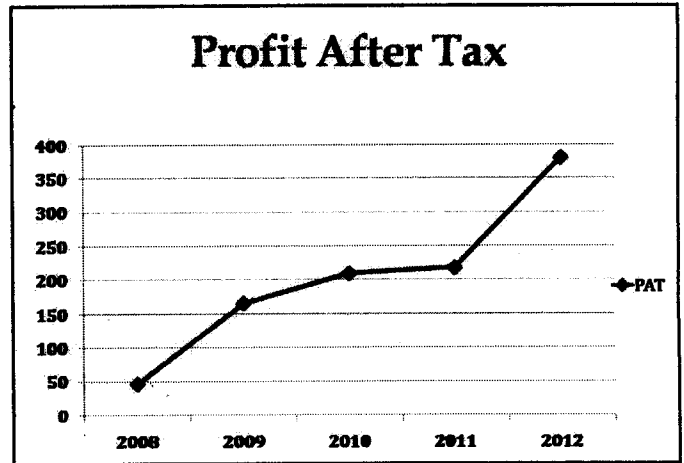
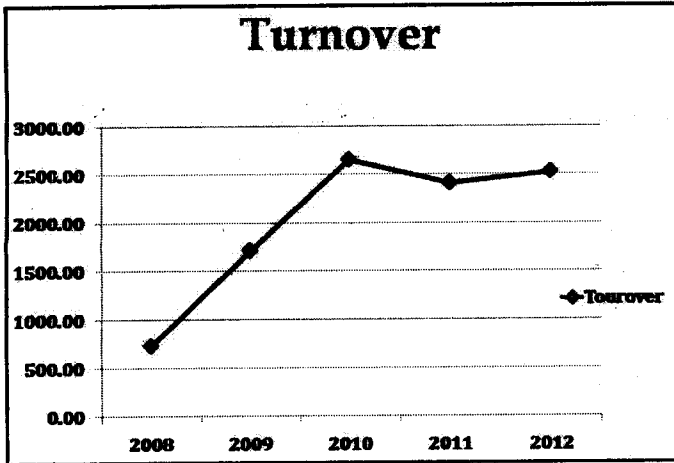


OSTWAL

KRISHANA PHOSCHEM LIMITED**FINANCIAL HIGHLIGHTS**

(₹ In Lacs)

Particulars	2011-12	2010-11
Net Sales	2527.25	2410.30
Depreciation	137.23	133.12
Misc. Exp. W/off	1.68	1.68
Profit Before Tax	502.35	320.00
Profit After Tax	380.69	218.26
Assets		
Gross Fixed Assets	3698.79	3498.80
Net Fixed Assets	2986.32	3069.65
Capital Work in Progress	1507.92	10.71
Net Current Assets	1196.02	897.67
Investments	0	-
Misc. Expenditure (includes Preoperative)	0	1.68
Total	5690.26	3979.71
Sources		
Equity Share capital	1800.00	751.75
Reserves & Surplus	2043.45	2409.23
Total Long Term Borrowings	1778.52	720.11
Secured Loans	1166.87	720.11
Unsecured Loans	611.65	-
Deferred Tax Liability	68.29	98.62
Total	5690.26	3979.71
Profit Before Tax Margin (%)	19.68	13.28
Profit After Tax Margin (%)	15.08	9.06



Report On Corporate Social Responsibility:**Social Commitment:**

The Company's commitment for excellence in Health Safety and Environment are embedded in the Company's core values. The Company has a stringent policy of safety of persons overrides all production targets, which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate. The Company is aware of the environmental impacts of its operations and it continually strives to reduce the impacts. Company's aims to develop techno economically viable and environment-friendly products and services for the benefit of its consumers, while at the same time ensuring the highest standards of safety and environment protection in our operations.

1. Health, Safety & Environment:

Health: Company focuses on achieving excellence in occupational and personal health of its employees across locations. Company has organized time to time Health check up camps for its employees or employee's family. This programmes has also helped the Company to improve its performance on the occupational health and safety front.

Safety: For safety culture, 'Safety Rules' have been introduced by company. The Safety Rules focuses on high risk activities. These Rules is mandatory for all employees. Safety Rules to be followed at all locations of company.

Environment: In its pursuit of excellence in environmental management towards sustainable business development, Company has instituted ISO: 9001:2008 for Quality Management Systems.

- 2. Saving Foreign Exchange:** Presently country imports nearly 70% rock phosphate to meet its demand. So production of BRP shall help save precious foreign exchange for the country.
- 3. Social Welfare, Research & Development:** We help the weaker and backward sections of the society, preserve and promote social and cultural values, conserve natural resources, provide assistance in the field of developmental research, science, technology etc.

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of Krishana Phoschem Limited will be held on Tuesday, 25th day of September, 2012 at 11.00 A.M. at Registered Office situated at 5-O-2, Basement Office, R. C. Vyas Colony, Bhilwara - 311 001 To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2012 together with Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Mahaveer Prasad Ostwal, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint Auditor and fix their remuneration.

NOTES:

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- b. Members seeking any information or clarification are requested to send in written queries to the Company, in advance, before the date of the meeting.
- c. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- d. Members are requested to immediately inform their change in address quoting folio number(s) to the Company.

Registered Office:
5-O-2, Basement Office,
R.C. Vyas Colony,
Bhilwara - 311 001 Rajasthan

**By Order of the Board
For Krishana Phoschem Limited**

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

Dated : 30th July 2012

DIRECTORS' REPORT
For the Year 2011-12

Dear Members,

Your Directors have pleasure in presenting the 8th Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The summary of financial results for the year and appropriation of divisible profits is given below:

Particulars	(₹ in Lacs)	
	2011-2012	2010-2011
Turnover	2527.25	2410.30
Profit Before Taxation	502.35	320.00
Taxation	121.66	101.74
Profit /(Loss) after Tax	380.69	218.26
Add: Balance brought forward from Previous year	595.63	377.37
Profit transferred to Balance Sheet	376.32	595.63

PERFORMANCE:

During the year under review, your Company has achieved turnover of Rs. 2527.25 Lacs. The net profit after tax for the current year stands at Rs. 380.69 Lacs. Your Company has achieved production of 40714 MT of BRP. The Board has not recommended any dividend for the year in view to retain the profit for expansion and diversifications.

CHANGES IN CAPITAL

Keeping the growth plans in view, the company has during the year increased its Authorised Shares Capital from Rs. 12.00 Crores to Rs. 20.00 Crores.

The paid up capital of the company on April, 1st 2011 stood at Rs 60000000 (Six Crores) divided in 6000000 (Sixty Lacs) equity shares of Rs.10/-each. During the year, further Fresh 6000000 (Sixty Lacs) Equity shares were issued as an allotment and 6000000 (Sixty Lacs) Equity shares issued as a Bonus Shares to the shares holders on 27th of December 2011, in the ratio of One Bonus Equity Share of Rs 10/- for every Two Equity shares of Rs. 10/- each held in the company.

Thus, as on March 31st, 2012, the paid up capital of the company increased to Rs. 18,00,00,000 (Eighteen Crores) divided into 18000000 (One Crores Eighty Lacs) equity shares of Rs. 10/- each.

PROSPECTS:

The Company is engaged in the manufacturing of BRP (Beneficiated Rock Phosphate) by using Low Grade rock phosphate converting into high grade.

Enthusied with the success of the operation of the company, your directors have further envisaged setting up a SSP & GSSP Plant. The prestigious SSP (Single Super Phosphate) project of the company having capacity 120000 TPA is at an advance stage of implementation. The production of the said project is likely to be commence in the month of September 2012, which will not only utilize BRP Plant output as raw material for its manufacturing but also enhance profitability of the company a lot. Company will invest Rs. 1965 lakhs for the SSP Plant.

Our Company is also setting up a plant of manufacturing of GSSP (Granulated Single Super Phosphate) another form of SSP with an installed capacity of 90000 TPA. Company intends to invest Rs. 1070 lakhs for setting up GSSP Plant.

The project is under infrastructure category which will receive various benefits from government of India as per policy.

AUDITORS & AUDITOR'S REPORT:

M/S Ashok Kanther & Associates, Chartered Accountants, Bhilwara, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment.



The Auditor's Report is self-explanatory and therefore, do not call for any further comments / clarifications.

COST AUDITOR'S:

M/s Rammani Sarkar & Company, Cost Accountants of the company, The Board recommend their appointment were re-appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company for the next financial year.

INTERNAL CONTROL SYSTEM:

The Company's internal control system comprises audit and compliance by in-house Internal Audit Division supplemented by internal audit checks by the Internal Auditors. 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.

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.

DIVIDEND:

Looking to the working capital needs the Directors decided to conserve the profit and hence do not propose any dividend and carried forward the net profit to next year.

DIRECTORS:

In accordance with provisions of Companies Act, 1956 and Company's Articles of Association, Shri Mahaveer Prasad Ostwal, Director of the Company, retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

DEPOSITS:

The Company has not accepted any deposits covered under section 58A of the Companies Act, 1956.

CORPORATE SOCIAL RESPONSIBILITIES:

Your company as part of its responsibility towards society has been taking welfare measures from time to time. One of its prominent measures is improving the standard of living of people in its vicinity.

Your company has been providing water facilities by setting-up water huts, distribution of blankets in winters, Health and Educational Camps etc. from time to time and contributing generously at the time of any natural calamities under the trust Nirmala Devi Ostwal Seva Sansthan established by the group.

HEALTH AND SAFETY

Your company is conscious about its responsibility towards the upkeep of environment and maintenance of high safety and health standards at its work places. The company has been certified by ISO 9001:2008.

PARTICULARS OF EMPLOYEES:

During the year under review, no employee of the Company was in respect of remuneration in excess of the limits prescribed under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING:

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure forming part of this report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- That in the preparation of the Accounts for the Financial Year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and



OSTWAL

KRISHANA PHOSCHEM LIMITED

estimates that were 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 profit of the company for the year under review.

- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their grateful appreciation for the co-operation and assistance received from Shares Holders, Customers, Banks, Financial Corporations, Madhya Pradesh State Mining Corporation, 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.

For and on Behalf of the Board of Directors

Place : Bhilwara (Rajasthan)
Dated : 30th July 2012

Sd/-
(Praveen Ostwal)
Managing Director

Sd/-
(Sunil Kothari)
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2012.

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 information pertaining to total energy consumption and energy generation per unit of production:

A. Power & Fuel Consumption:			
		2011-12	2010-11
1	Electricity:		
	(A) Purchase of Units:	3859644	4025560
	Amount in Rs.	21722945	20058032
	Rate / unit Rs.	5.63	4.98
	(B) Own Generation Through Diesel:	NIL	NIL
	Units generated		
	Units per liter of oil		
	Cost/unit (Rs.)		
B. Consumption per unit of production:			
		2011-12	2010-11
1.	Electricity (Units/MT)	94.80	93.47

TECHNOLOGY ABSORPTION:

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 GOI. The Company will continue to thrust on R & D activities of the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no foreign exchange earnings and outgo during the year under review.



OSTWAL

KRISHANA PHOSCHEM LIMITED

AUDITOR'S REPORT

To
The Members,
Krishana Phoschem Limited,
Bhilwara

1. We have audited the attached Balance Sheet of KRISHANA PHOSCHEM LIMITED as at 31st March, 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides us a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of the Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit & Loss Account, dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereto and statement on Significant Accounting Policies give, in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - (b) In the case of Profit & Loss Account of the Profit for the year ended on that date.

For M/s. Ashok Kanther & Associates
Chartered Accountants

Place : Bhilwara (Raj.)
Date : 30th July, 2012

Sd/-
CA. Ashok Kanther
(Proprietor)
M.No. - 043571

ANNEXURE TO THE AUDITORS' REPORT
[Referred to in paragraph (3) of our report of even date]

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, the management at regular intervals during the year has physically verified inventories.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records, and they have been properly dealt with, in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. The Company has not taken any loans, secured or unsecured from the Companies firms or other parties required to be listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub section (6) of section 370 of the Indian Companies, Act, 1956, provisions of the section are not applicable to a Company on or after the commencement of the Indian Companies (Amendment) Act, 1999.
 - b. The Company has not granted any loan secured or unsecured to the Companies, firms or other parties required to be listed in the register required to be maintained under section 301 of the Companies Act, 1956. In terms of sub section (6) of section 370 of the Indian Companies, Act, 1956, provisions of the section are not applicable to a Company on or after commencement of the Indian Companies (Amendment) Act, 1999.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - d. In respect of loans or advances granted by the company to others, the loans or advances are interest free and repayable on demand. In respect of loans taken by the Company, the interest payments and the principal amount is payable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. To the best of knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
 - b. Transactions made to pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at relevant time.
6. The Company has not accepted any deposits from the public during the year within the meaning of section 58-A, 58AA or other relevant provision of the Companies Act, 1956 and rules framed there under, except inter-corporate deposit, members & directors deposits in the form of unsecured, which are exempted deposits.
7. The Company has its internal control system. In our opinion, its internal control procedures involve reasonable internal checking of financial and other records, which is considered to be adequate in the circumstances and needs to be strengthened for its internal audit.
8. We have broadly reviewed the Books of Account maintained by the Company, pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of



KRISHANA PHOSCHEM LIMITED

OSTWAL

the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records, with a view to determine their accuracy or completeness.

9. In respect of statutory dues:

- a. According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Sales-tax, Custom duty, Excise duty Service Tax and Cess and other material statutory dues as may be applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts of statutory dues was in arrears as at 31st March, 2012 for a period of more than six months from the date it became payable.
- c. According to the information and explanations given to us, there are no disputed dues outstanding of Income tax, wealth tax, Sales Tax, service tax excise duty & cess except as reported here under and any other statutory dues on account of any dispute.

	Particulars	Amount	Remarks
A. Y. 2007-08	Addition made by assessing officer under section 68	4725000/-	Appeal pending at commissioner appeal
F. Y. 2009-10	Demand raised in CST Assessment	17294/-	Appeal filed at deputy commissioner appeal

10. The Company does not have accumulated losses of previous years. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have further to inform that the company has not issued any debenture.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, company has not given any guarantee for loans taken by others from the banks or financial institutions.
16. In our opinion, the term loan taken from financial institutions have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short -term assets except permanent working capital.
18. During the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No reporting under Para 4(xix) and (XX) of the Companies (Auditor's Report) Order, 2003 is required as no debenture were issued during year under review. Likewise the company made no public issue during the year.
20. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For M/s. Ashok Kanther & Associates
Chartered Accountants

Sd/-
CA. Ashok Kanther
(Proprietor)
M.No. - 043571

Place : Bhilwara (Raj.)
Date : 30th July, 2012

KRISHANA PHOSCHEM LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note	as at 31 st March 2012	as at 31 st March 2011
		₹ in lacs	₹ in lacs
I. Equity and Liabilities			
1 Shareholders' funds			
(a) Share capital	2	1800.00	600.00
(b) Reserves and surplus	3	2043.45	2409.23
(c) Money received against share warrants		0	0
2 Share application money pending allotment		0	151.75
3 Non-current liabilities			
(a) Long-term borrowings	4	1506.70	345.06
(b) Deferred tax liabilities (Net)	5	68.29	98.62
(c) Other Long term liabilities		0	0
(d) Long-term provisions		0	0
4 Current liabilities			
(a) Short-term borrowings	6	163.09	243.42
(b) Trade payables	7	212.05	60.20
(c) Other current liabilities	8	169.74	160.91
(d) Short-term provisions	9	146.90	100.98
TOTAL		6110.22	4170.17
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	2986.32	3069.65
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		1507.92	10.71
(iv) Intangible assets under development		0	0
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		0	0
(d) Long-term loans and advances	11	81.14	44.18
(e) Other non-current assets	12	0	1.68
2 Current assets			
(a) Current investments		0	0
(b) Inventories	13	486.89	161.14
(c) Trade receivables	14	796.40	733.39
(d) Cash and cash equivalents	15	28.83	4.45
(e) Short-term loans and advances	16	222.72	144.97
(f) Other current assets		0	0
TOTAL		6110.22	4170.17

For M/s Ashok Kanther & Associates
Chartered Accountants

On Behalf of the Board of Directors

Sd/-
(Ashok Kanther)
Proprietor
M.No.: 043571

Sd/-
(Siddharth Modi)
Company Secretary

Sd/-
(Praveen Ostwal)
Managing Director

Sd/-
(Sunil Kothari)
Director

Place : Bhillwara (Raj.)
Date : 30th July, 2012



OSTWAL

KRISHANA PHOSCHEM LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2012**

Particulars		Note	At 31 st March 2012	At 31 st March 2011
			₹ in lacs	₹ in lacs
I.	Revenue from operations	17	2527.25	2410.30
II.	Other income	18	166.03	13.89
III.	Total Revenue (I + II)		2693.28	2424.19
IV.	Expenses:			
	Cost of materials consumed	19	1046.37	823.25
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	-185.20	-24.89
	Employee benefits expense	21	190.75	202.91
	Finance costs	22	89.24	86.54
	Depreciation and amortization expense	23	137.23	133.12
	Other expenses	24	912.54	883.26
	Total expenses		2190.93	2104.19
V.	Profit before exceptional and extraordinary items and tax			
VI.	Exceptional items	(III-IV)	502.35	320.00
VII.	Profit before extraordinary items and tax	(V - VI)	502.35	320.00
VIII.	Extraordinary Items		0	0
IX.	Profit before tax	(VII- VIII)	502.35	320.00
X.	Tax expense:			
	(1) Current tax		146.49	100.69
	(2) Deferred tax		-30.33	1.05
	(3) Earlier year's tax		5.50	
XI.	Profit (Loss) for the period from continuing operations		121.66	101.74
XII.	Profit/(loss) from discontinuing operations	(IX-X)	380.69	218.26
XIII.	Tax expense of discontinuing operations		0	0
XIV.	Profit/(loss) from Discontinuing operations (after tax)		0	0
XV.	Profit (Loss) for the period	(XII-XIII)	380.69	218.26
XVI.	Earnings per equity share (Basic and Diluted)	(XI + XIV)	2.54	1.82

For M/s Ashok Kanther & Associates
Chartered Accountants

On Behalf of the Board of Directors

Sd/-
(Ashok Kanther)
Proprietor
M.No.: 043571

Sd/-
(Siddharth Modi)
Company Secretary

Sd/-
(Praveen Ostwal)
Managing Director

Sd/-
(Sunil Kothari)
Director

Place : Bhilwara (Raj.)
Date : 30th July, 2012

KRISHANA PHOSCHEM LIMITED



CASH FLOW AS AT 31ST MARCH 2012

Particulars	as at 31 st March 2012	as at 31 st March 2011
	₹ in lacs	₹ in lacs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	502.35	320.00
Adjustments for:		
Depreciation and Amortization	138.90	134.80
Interest	89.24	86.54
Foreign Exchange Fluctuation		
Loss / (Profit) on sale of Fixed Assets	0.39	
Operating profit before working capital change	730.88	541.34
Adjustments for:		
Increase/(Decrease) in Trade payable	151.86	(107.47)
Increase/(Decrease) in Other Current Liability	31.73	(32.40)
Increase/(Decrease) in Short Term Provisions	0.12	0.12
(Increase)/Decrease in Inventories	(325.76)	4.73
(Increase)/Decrease in Trade Receivable	(63.01)	(306.63)
(Increase)/Decrease in Short term Loan and Advances	(80.57)	34.33
Cash Generated from operations	445.25	134.02
Direct Taxes paid	(140.33)	(110.33)
Net cash from operating activities (A)	304.92	23.69
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1698.87)	(94.25)
Sale/Decrease of Fixed Assets	0.90	
Net cash from investing activities (B)	(1697.97)	(94.25)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	448.25	151.75
Proceeds from long term borrowings	1289.65	
Repayment of Long Term Borrowings	(150.90)	(215.46)
Repayment of bank borrowings & short term borrowings	(80.33)	219.11
Interest paid	(89.24)	(86.54)
Net cash from financing activities (C)	1417.43	68.86
Net increase in cash and cash equivalents (A+B+C)	24.38	(1.70)
Cash and cash equivalents as at(Opening Balance)	4.45	6.14
Cash and cash equivalents as at(Closing Balance)	28.83	4.45

For M/s Ashok Kanther & Associates
Chartered Accountants

On Behalf of the Board of Directors

Sd/-
(Ashok Kanther)
Proprietor
M.No.: 043571

Sd/-
(Siddharth Modi)
Company Secretary

Sd/-
(Praveen Ostwal)
Managing Director

Sd/-
(Sunil Kothari)
Director

Place : Bhilwara (Raj.)
Date : 30th July, 2012



KRISHANA PHOSCHEM LIMITED

OSTWAL

Notes to Financial Statements for the year ended 31st March 2012

1. ACCOUNTING POLICES

BASIS OF ACCOUNTING:

The Financial Statements of the Company have been prepared in accordance with the requirements of the Companies Act, 1956, including the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, as per the historical cost convention, going concern concept and on the accrual system of accounting.

FIXED ASSETS:

The Fixed Assets are stated at revalued figures based on registered valuers report. In respect of major projects involving construction / fabrication, related pre-operational expenses form part of the value of the assets, which are allocated on the respective assets in the year of commencement of the project. An expense capitalized also includes applicable borrowing cost.

No amortization is provided in the accounts in respect of leasehold land in view of long-term tenure, which is akin to ownership.

INVENTORIES:

Inventories are valued as:

- | | | |
|-------------------------|---|--|
| a) Raw Materials | : | at lower of cost or net realizable value |
| b) Finished Goods | : | at lower of cost or net realizable value |
| c) Stores & spares part | : | at cost price |

Cost of inventories comprise of all cost of purchase. Cost of conversion and other cost incurred in bringing them to their respective present location and condition.

BORROWING COST:

Borrowing cost that is attributable to the acquisition of qualifying assets is capitalized as a part of cost of such assets. All other borrowing costs are charged to revenue.

DEPRECIATION:

Depreciation on fixed assets is provided on Straight-Line Method under triple shift basis in accordance with the Schedule XIV to the Companies Act, 1956. In respect of additions to fixed assets, depreciation is provided on pro-rata basis from the date the assets have been put to use.

INCOME RECOGNITION:

Revenue in respect of purchases /sale of product and scraps is recognized at the point of receipt /dispatch from parties at/from factory.

Income and expenditures are recognized on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum of accrual in respect of discount receivable/payable from/to parties, the same continue to be accounted for as and when received/settled.

BENEFITS TO WORKMEN:

Contributions to employee benefits plan in the form of Provident Fund and Gratuity are charged to the profit & Loss Account of the year when the contributions are due, as per the provisions of the respective statutes.

The company has taken group gratuity policy with Life Insurance Corporation of India (LIC) for future payment of gratuity. The gratuity liability is determined on the basis of an actuarial valuation performed by LIC.

TAXES ON INCOME:

Provision for current tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expenses or benefits are recognized for timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

KRISHANA PHOSCHEM LIMITED



Notes to Financial Statements for the Year Ended 31st March 2012

AMORTIZATION:

Preliminary & Pre-operative expenditure is amortized over a period of five years.

CONTINGENT LIABILITIES:

In the opinion of Board of Directors of the Company there is no contingent Liabilities as on 31st March 2012.

2. SHARE CAPITAL

<u>Share Capital</u>	As at 31st March 2012		As at 31st March 2011	
	Number	₹ in lacs	Number	₹ in lacs
Authorized Equity Shares of ₹10/- each	20000000	2000.00	12000000	1200.00
Issued Equity Shares of ₹10/- each	18000000	18000.00	6000000	600.00
Subscribed & Paid up Equity Shares of ₹10/- each fully paid	18000000	1800.00	6000000	600.00
Subscribed but not fully Paid up Equity Shares of ₹10 each, not fully paid up	-	-	-	-
Total	18000000	1800.00	6000000	600.00

i) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period-

<u>Particulars</u>	Equity Shares	
	Number	₹ In Lacs
Shares outstanding at the beginning of the year	6000000	600.00
Shares Issued during the year	12000000	1200.00
Shares bought back during the year	0	
Shares outstanding at the end of the year	18000000	1800.00

ii) Detail of Shares held by Shareholders holding more than 5% shares of the company

<u>Name of Shareholder</u>	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Basant Patwa			380000	6.33
Shailendra Garg			300000	5.00
Kanhiya Lal Shah			425000	7.08
Madhya Bharat Agro Products Ltd.	1845000	10.25	1230000	20.50
Vesta Tex Pvt. Ltd.	963750	5.35		
Archid Products Pvt. Ltd.	1771500	9.84		
Chunri Print Pvt. Ltd.	919500	5.11		
Swastik Clothtex Pvt. Ltd.	1440000	8.00		

iii) During the year company has issued 6000000 equity shares fully paid up by way of bonus shares to its share holders.

iv) The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Financial Statements for the Year Ended 31st March 2012
3. RESERVES & SURPLUS

Reserves & Surplus	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
i). Revaluation Reserve		
Opening Balance	1813.60	-
(+) Current Year Transfer	-	1813.60
(-) Written Back in Current Year	146.47	-
Closing Balance	1667.13	1813.60
ii). Surplus		
Opening balance	595.63	377.37
(+) Net Profit/(Net Loss) For the current year	380.69	218.26
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Bonus issue	600.00	-
(-) Transfer to Reserves	-	-
Closing Balance	376.32	595.63
Total	2043.45	2409.23

4. LONG TERM BORROWING

Long Term Borrowings	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
Secured		
(a) Term loans from other parties - MPFC	895.05	345.06
	895.05	345.06
Unsecured		
(a) Other loans and advances specify nature- Being loans taken from directors, members & relatives etc.	611.65	-
	611.65	-
Total	1506.70	345.06

- i) **Nature of Security** - The term loans from MPFC are secured by way of equitable mortgage of land, factory building, plant and machinery, furniture & fixtures (existing & future) of the company.
- ii) **Terms of repayment** - Term loans from MPFC are repayable in quarterly installments and having floating interest rates ranging from 12% to 13.5% and having maturity period up to 8yrs.

Name of Banks	Date of maturity	No. of installments outstanding as on 31.03.2012	As at 31 March 2012			As at 31 March 2011		
			₹ in lacs			₹ in lacs		
			Total outstanding	Current Maturities	Net Long Term Borrowings	Total outstanding	Current Maturities	Net Long Term Borrowings
MPFC	1-Aug-12	2	48.73	48.73	0	150.36	101.63	48.73
MPFC	1-Jan-18	23	404.34	60.00	344.34	326.32	30.00	296.32
MPFC	1-Jun-19	24	550.71	0	550.71	0	0	0
Total			1003.78	108.73	895.05	476.69	131.63	345.05

Notes to Financial Statements for the Year Ended 31st March 2012

iii) Secured loans are guaranteed by personal guarantee of Managing Director.

5. DEFERRED TAX LIABILITIES

i) The company has recognized a provision for deferred tax assets of Rs. 30.30 Lac {P.Y. Rs. (-)1.05 Lac i.e. deferred tax liab.} determined on account of timing differences in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as under :-

Deferred Tax Liabilities	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
Deferred Tax Liability		
Deferred Tax Liability (Depreciation on fixed assets)	69.54	98.62
Deferred Tax Assets (disallowed u/s 43B)	1.25	0.00
Net Deferred Tax Liability	68.29	98.62

ii) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

6. SHORT-TERM BORROWINGS

Short Term Borrowings	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
Secured		
(a) Other loans and advances		
Working Capital Loan from SBBJ Bank repayable on demand	163.09	243.42
Total	163.09	243.42

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 fixed assets (present & future) of the company.

ii) **Terms of repayment** - The bank loan for working capital is repayable on demand and having interest rate 14.50% as on 31/03/2012.

iii) The bank loan for working capital is guaranteed by personal guarantee of Managing Director.

7. TRADE PAYABLES

Trade Payable	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
(a) Trade Payables	212.05	60.20
Total	212.05	60.20

There are no Micro, small and medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. 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.

8. OTHER CURRENT LIABILITIES

Other Current Liabilities *	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
(a) Current Maturities of Long-Term Debt (Refer Note no. 4)	108.73	131.63
(b) Statutory dues including Provident Fund and Tax deducted at Source etc.	9.41	9.63



OSTWAL

KRISHANA PHOSCHEM LIMITED**Notes to Financial Statements for the Year Ended 31st March 2012**

(c) Liability Towards Staff & Worker	20.11	14.70
(d) Other Liabilities	31.49	4.95
Total	169.74	160.91

9. SHORT-TERM PROVISIONS

Short Term Provisions	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
(b) Others (Specify nature)	-	-
Provision for Taxation	146.49	100.69
Provision for exp.	0.41	0.29
Total	146.90	100.98

10. FIXED ASSETS

(₹ in lacs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block	
	Up to 31st March 2011	Additions/ (Disposals)	31 March 2012	Up to 31st March 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	31 March 2012	Balance as at 31 March 2012	Balance as at 1st April 2011
Tangible Assets										
Land	378.63	12.78	391.41	0	0	0	0	0	391.41	378.63
Buildings	546.58	5.45	552.03	53.07	13.37	4.44	0	70.88	481.15	493.51
Plant and Equipment	2451.35	11.95	2463.30	355.51	111.44	142.03	0	608.97	1854.33	2095.85
Furniture and Fixtures	13.05	1.45	14.50	1.89	0.87	0	0	2.76	11.74	11.16
Vehicles	8.65	13.28	21.92	2.74	1.15	0	0.37	3.51	18.41	5.91
Office equipment	13.43	3.48	16.91	1.44	0.76	0	0	2.20	14.71	11.98
Computer	7.19	1.21	8.40	3.06	1.21	0	0	4.28	4.12	4.13
Energy Saving Equipment	29.35	0	29.35	4.46	3.04	0	0	7.50	21.86	24.89
Pollution Control Equipment	50.57	150.39	200.97	6.98	5.39	0	0	12.37	188.59	43.59
Total	3498.80	199.99	3698.79	429.15	137.23	146.47	0.37	712.47	2986.32	3069.65
Intangible Assets									0.00	0.00
Capital Work In Progress									1507.92	10.71
Total	3498.80	199.99	3698.79	429.15	137.23	146.47	0.37	712.47	4494.24	3080.36

- i) The Company has provided depreciation on fixed assets on straight line Method on Triple Shift Basis in accordance with the provisions of Section 205 read with the Schedule XIV to the Companies Act, 1956. Depreciation on the additions to fixed assets during the year has been provided on pro-rata basis from the date when put to use.
- ii) Gross block and Net Block of fixed assets includes Rs. 1813.60 Lac (P.Y. Rs. 1813.60 Lac) and Rs. 1667.13 Lac (P.Y. Rs. 1813.60 Lac) respectively on account of revaluation of fixed assets carried out in past by the company. Depreciation of Rs. 146.47 Lac (P.Y. Rs. 0.00 Lac) has been charged to revaluation reserve.
- iii) Disposal from Gross Block represents sale of fixed assets.
- iv) Deduction in depreciation is on account of sale of fixed assets.
- v) No provision is required for impairment of assets according to AS-28 'Impairment of Assets' as the value in use as estimated by the management, is higher than the carrying amount of the assets as on Balance Sheet date. In order to arrive at the value in use, the company has reviewed the future earnings of the remaining useful life of all its cash generating units as at Balance Sheet date which has been discounted at the average long term lending rate of the Company.

Notes to Financial Statements for the Year Ended 31st March 2012

11. LONG-TERM LOANS AND ADVANCES

<u>Other non-current assets</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
a. Capital Advances		
Unsecured, considered good	44.81	9.80
Total	44.81	9.80
b. Security Deposits		
Unsecured, considered good	36.33	34.38
Total	36.33	34.38
Total	81.14	44.18

12. OTHER NON-CURRENT ASSETS

<u>Other non-current assets</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
a. Preliminary Exp. (W/Off)	-	1.68
Total	-	1.68

13. INVENTORIES

<u>Inventories</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
a. Raw Materials	172.07	44.58
b. Finished goods	266.10	80.91
c. Stores and spares	48.72	35.65
Total	486.89	161.14

The major component of inventory in the case of Raw Material & Finish Goods is rock phosphate only.

14. TRADE RECEIVABLES

<u>Trade Receivables</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	796.40	728.66
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	0	4.73
Total	796.40	733.39

15. CASH AND CASH EQUIVALENT

<u>Cash and cash equivalents</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
a. Balances with banks	27.85	1.72
b. Cash on hand	0.98	2.73
Total	28.83	4.45



OSTWAL

KRISHANA PHOSCHEM LIMITEDNotes to Financial Statements for the Year Ended 31st March 2012**16. SHORT-TERM LOANS AND ADVANCES**

<u>Short-term loans and advances</u>	As at 31 March 2012	As at 31 March 2011
	₹ in lacs	₹ in lacs
a. Others (specify nature)		
Unsecured, considered good		
Advance Taxes	180.30	91.02
Prepaid Expenses	9.50	6.95
Loans to employees	4.13	1.38
Advances to suppliers	28.59	45.42
Others	0.20	0.20
Total	222.72	144.97

Short term loans and advances includes Rs. Nil (Previous year Rs. Nil) receivables from Directors/ officers/ Companies and firms under same management.

17. REVENUE

<u>Particulars</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Sale of products	2527.25	2410.30
Total	2527.25	2410.30

18. OTHER INCOME

<u>Particulars</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Interest Income	1.65	1.43
Other non-operating income	164.38	12.46
Total	166.03	13.89

19. COST OF RAW MATERIAL CONSUMED

<u>Particulars</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Opening Stock	44.58	29.60
Add Purchases	1173.87	838.23
Less : Closing Stock	172.07	44.58
Total	1046.38	823.25

Detail of Raw Materials Consumed

<u>Particulars</u>	2011-2012		2010-2011	
	Quantity	₹ in lacs	Quantity	₹ in lacs
i) Low-Grade Rock Phosphate (MT)	71429	714.68	75564	624.65
ii) Others (MT)		331.70		198.60
Total		1046.38		823.25

Notes to Financial Statements for the Year Ended 31st March 2012

20. CHANGES IN INVENTORY OF FINISHED GOODS

<u>Particulars</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Stock at the beginning of the year(A)	80.91	56.02
Stock at the end of the year (B)	266.10	80.91
(Increase) / Decrease in Stocks (B-A)	(185.19)	(24.89)

21. EMPLOYEE BENEFITS EXPENSE

<u>Employee Benefits Expense</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
(a) Salaries and incentives	162.63	176.69
(b) Contributions to Provident fund & ESI	8.14	6.78
(c) Gratuity fund contributions	2.61	3.45
(d) Staff welfare expenses	17.37	15.99
Total	190.75	202.91

22. FINANCE COSTS

<u>Particulars</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Interest expense	87.43	81.51
Other borrowing costs	1.81	5.03
Total	89.24	86.54

23. DEPRECIATION AND AMORTISATION EXPENSE

<u>Depreciation and amortisation expense</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Current Year Depreciation	284.07	133.12
Add(Less) : Revaluations	(146.84)	-
Total	137.23	133.12

24. OTHER EXPENSES

<u>Expenditure incurred on items</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
A. MANUFACTURING		
Stores & Spare Parts Consumed	205.02	183.36
Power & Fuel	217.23	200.58
Repairs, Maintenance to Plant & Machinery	5.88	7.32
Other Manufacturing Expenses	118.55	124.73
Total (A)	546.68	515.99



KRISHANA PHOSCHEM LIMITED

OSTWAL

Notes to Financial Statements for the Year Ended 31st March 2012

B. ADMINISTRATIVE		
Rent Expenses	2.42	2.23
Rates & Taxes	0.05	0.04
Insurance	5.75	3.38
Repairs to Building	0.32	0.92
Director Remuneration	26.43	18.83
Audit Fees	0.71	0.40
Miscellaneous expenses	48.79	52.65
Total (B)	84.47	78.45
C. SELLING		
Business Promotion & Advertisement Expenses	2.24	1.92
Others	279.15	286.90
Total (C)	281.39	288.82
Total (A+B+C)	912.54	883.26

25. RELATED PARTY TRANSACTIONS

a) Key management personnel and their relatives -

Mr. Praveen Ostwal

Mr. Sunil Kothari

Mrs. Joyti Kothari

Mrs. Sudha Patwa

b) Enterprises over which Key Management Personnel exercises significant influence -

Madhya Bharat Agro Products Limited

Tedco Granite Limited

c) Transactions with the related parties -

<u>Expenditure incurred on items</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
Directors remunerations	26.43	18.84
Remuneration to Director's relatives	7.92	3.00
Purchases of goods		1.04
Sale of goods	1719.15	1193.49
Services rendered		8.75

26. EMPLOYMENT BENEFIT PLANS

The Company has complied with Accounting Standard 15 (Revised 2005) and the required disclosure are given here under:

(a) Defined Benefit Plans:

<u>Particulars</u>	31 March 2012	31 March 2011
	₹ in lacs	₹ in lacs
i) Reconciliation of opening and closing balances of defined benefit obligation		
a) At the beginning of the year	9.84	6.45
b) Current Service Cost	2.83	2.58
c) Interest Cost	0.78	0.51
d) Actuarial (Gain) Loss	-0.68	0.29
e) Benefits paid	0.00	0.00

Notes to Financial Statements for the Year Ended 31st March 2012

	f) Defined Benefits Obligation at year end	12.78	9.84
ii)	Reconciliation of opening and closing balances of fair value of plan assets		
	a) At beginning of the year	13.56	9.45
	b) Expected Return on plan assets	1.27	0.90
	c) Actuarial Gain / (Loss)	0.00	0.00
	d) Employer Contributions	2.33	3.22
	e) Benefits paid	0.00	0.00
	f) Fair Value of the plan assets at the year end	17.17	13.56
iii)	Reconciliation of fair value of obligation and Assets		
	a) Present value of obligation as at year end	12.78	9.84
	b) Fair value of plan assets as at year end	17.17	13.56
	c) Amount recognized in Balance Sheet (a-b)	-4.39	-3.72
iv)	Expense recognized during the year:		
	a) Current Service Cost	2.83	2.58
	b) Interest Cost	0.78	0.51
	c) Expected return on plan assets	-1.27	-0.90
	d) Actuarial (gain) / loss	-0.68	0.29
	e) Net Cost (a+b+c+d)	1.67	2.49
v)	Investment Details of Plan Assets :		
	Name of retirement benefit	Name of Trust	Policy No.
	Gratuity	Krishana Phoschem Limited Employees Group Gratuity Trust	GGCA 325394
			Investment with LIC of India
vi)	There are no amount included in the fair value of plan assets for		
	i) Company's own financial instruments.		
	ii) Property occupied by or other assets used by the Company.		
vii)	Principal Actuarial Assumptions at the Balance Sheet date		
		31 March 2012	31 March 2011
	i) Discount Rate	8% per annum	8% per annum
	ii) Expected Rate of return on plan assets	8% per annum	8% per annum
	iii) Future Salary Increase	8% per annum	8% per annum
viii)	The overall expected rate of return on assets is assumed based on the market prices prevailing on that date over the accounting period. The Company is having approved gratuity trust and leave encashment policy, which is having insurer Managed Fund.		
ix)	Experience Adjustment:		
	Gratuity	31 March 2012	31 March 2011
	Defined Benefits Obligation	12.78	9.84
	Plan assets	17.17	13.56
	Surplus/(deficit)	4.39	3.72
	Experience adjustment on plan Liabilities (loss)/ gain	0.67	-0.28
	Experience adjustment on plan Assets (loss)/ gain	0.00	0.00

(b) Defined Contribution Plans:

Amount recognized as an expense and also included in the Note no. 21

	31 March 2012	31 March 2011
i) Employers Contribution to Provident Fund	7.64	6.78



OSTWAL

KRISHANA PHOSCHEM LIMITED**Notes to Financial Statements for the Year Ended 31st March 2012****27. EARNING PER SHARE**

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Net profit available to equity shareholders (₹ in lacs)	380.69	218.26
Weighted average number of equity shares outstanding during the year (Nos.)	150.00	60.00
Basic and Diluted Earnings (₹ per Share)	2.54	3.64
Adjusted Earnings (₹ per Share) due to Bonus issue in the year 2011-12	2.54	1.82

28. PAYMENT TO AUDITORS -

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹ in lacs	₹ in lacs
To Statutory Auditor	0.60	0.40
To Cost Auditor	0.11	0

29. FOREIGN CURRENCY EXPOSURE -

During the year company have no foreign currency exposure hence expenditures in foreign currency, earnings in foreign currency, CIF value of imports are Rs. NIL (Previous year - Rs. NIL).

30. IMPORTED & INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED - All raw material, components and spare parts consumed by the company are indigenous.**31. PREVIOUS YEAR FIGURES**

The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For M/s Ashok Kanther & Associates
Chartered Accountants

On Behalf of the Board of Directors

Sd/-
(Ashok Kanther)
Proprietor
M.No.: 043571

Sd/-
(Siddharth Modi)
Company Secretary

Sd/-
(Praveen Ostwal)
Managing Director

Sd/-
(Sunil Kothari)
Director

Place : Bhilwara (Raj.)
Date : 30th July, 2012

KRISHANA PHOSCHEM LIMITED



KRISHANA PHOSCHEM LIMITED

Regd. Office : 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001

ATTENDANCE SLIP

(To be filled and hand over at the entrance)

8th Annual General Meeting at the Regd. Office : 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001 on Tuesday, 25th day of September, 2012 at 11.00 A.M.

Name of Member	Ledger Folio No./Client ID	No. of shares held

Name of the proxy (to be filled in if proxy attends instead of the member)

I/We hereby record my/our presence at the 8th Annual General Meeting of the Company held on Tuesday, 25th September, 2012 at the Regd. Office at : 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)



KRISHANA PHOSCHEM LIMITED

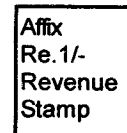
Regd. Office : 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001

PROXY FORM

I/We _____ of _____ being a member/members of Krishana Phoschem Limited, hereby appointed _____ of _____ failing him _____ of _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Tuesday, the 25th September, 2012 at 11.00 A.M. at the Regd. Office at : 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001 and at any adjournment thereof.

AS WITNESS my/our hand/hands this _____ day of _____ 2012.

Signed by the said _____



NOTE: - The proxy form must be deposited at the Registered Office of the company at 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara (Raj.) 311001 not less than 48 hours before the time for holding the meeting.



OSTWAL

KRISHANA PHOSCHEM LIMITED

Notes -

A series of horizontal dotted lines for writing notes.