

GENERAL INFORMATION**Managing Director**

Shri Praveen Ostwal

Board of Directors

Shri Sunil Kothari

Shri Basant Patwa

Shri Pradeep Agarwal

Company Secretary

Ms. Meenakshi Anchlia

Registered & Corporate Office

5-O-2, Basement Office

R.C. Vyas Colony

Bhilwara (Raj.) 311001

Ph:- 01482-237104, 239091,230060

Financial Institution and Bankers

1. Madhya Pradesh Financial Corporation Ltd., Indore (M.P.)
2. State Bank of Bikaner & Jaipur
Diamond Hall, Veer Park Road,
Neemuch (M.P.)
3. State Bank of India
Main Market, Meghnagar,
Jhabua (M.P.)

Statutory Auditors

M/s Ashok Kanther & Associates

90, Indira Market,

Bhilwara (Raj) 311001

Ph. : 01482-227154

Works

115-120, A.K.V.N. Industrial Area,

Meghnagar, Distt.- Jhabua (M.P.).

Ph. : 07390 -284989

Website addresswww.krishnaphoschem.com**E-mail Address**info@krishnaphoschem.com

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**MANAGING DIRECTOR'S MESSAGE**

Dear Members,

Your Company believes in continuous transformation to unlock potential and create value for society in many ways. The resources that we bring to the market facilitate economic growth and help improve the quality of life. Over the years, we have taken significant steps to transform ourselves through strategic organic and inorganic growth initiatives. With our sustainability approach and value focused strategy, we are well positioned to create greater opportunities for a rapidly transforming Indian economy.

As we grew over the years, we strongly felt the need to simplify our group structure to take up backward & forward integration project. This was also one of the key suggestions we received from our shareholders, and this led to the creation of Krishna Phoschem Limited. The Company has delivered a strong performance in FY 2013-14. We are now focusing on optimizing our assets, enhancing production with continued cost rationalization and generating strong cash flows.

'Do Good and Get Good'

Our purpose at the Ostwal Group is:

Do Good and Get Good - This gives us a distinct entity award & satisfaction.

Our purpose and our values of 'Knowledge, Action and Care' are an integral part of the way we work and engage with all our stakeholders at KPL. In line with our purpose statement, we continued to invest in philanthropic initiatives through the Nirmala Devi Ostwal Seva Sansthan. The Sansthan contributed through its initiatives in education, health and rural empowerment and livelihoods, amongst others.

We continue to invest in each of our operating businesses and equally important, in social initiatives that benefit all stakeholders in order to build a sustainable global enterprise. I thank you for your constant support and faith.

Regards,

Sd/-

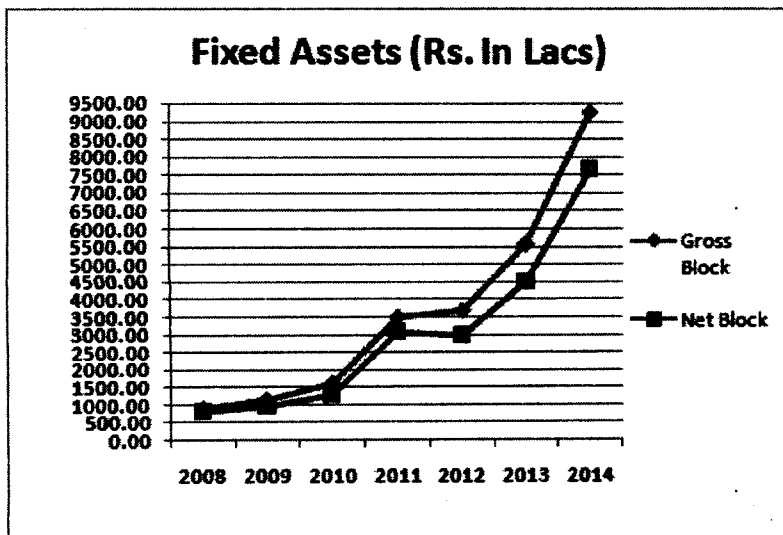
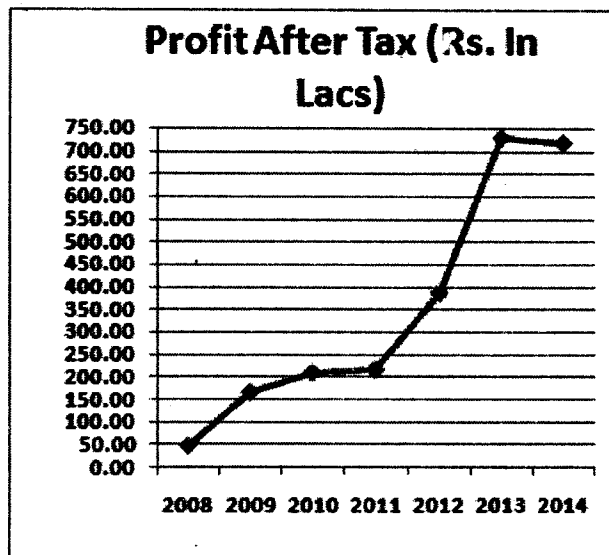
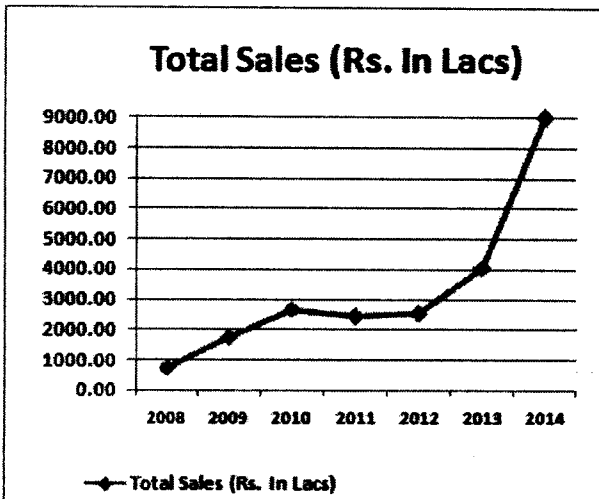
(Praveen Ostwal)

Managing Director

FINANCIAL HIGHLIGHTS :

(₹ In Lacs)

| Particulars | 2013-14 | 2012-13 |
|------------------------------|-----------------|----------------|
| Net Sales | 8986.91 | 4064.15 |
| Depreciation | 359.36 | 220.93 |
| Misc. Exp. W/off | 0.00 | 0.00 |
| Profit Before Tax | 747.83 | 747.53 |
| Profit After Tax | 717.63 | 730.14 |
| Assets | | |
| Gross Fixed Assets | 9249.11 | 5570.16 |
| Net Fixed Assets | 7667.38 | 4492.87 |
| Capital Work in Progress | 19.80 | 905.32 |
| Non Current Assets | 141.31 | 166.83 |
| Deffered Tax Assets | 206.22 | 92.99 |
| Current Assets | 3694.49 | 2765.76 |
| Total | 11729.20 | 8423.77 |
| Sources | | |
| Equity Share capital | 1800.00 | 1800.00 |
| Reserves & Surplus | 5409.47 | 2627.12 |
| Non Current Liabilities | 1264.36 | 1812.47 |
| Current Liabilities | 3255.37 | 2184.18 |
| Total | 11729.20 | 8423.77 |
| Profit Before Tax Margin (%) | 8.32 | 18.70 |
| Profit After Tax Margin (%) | 8.00 | 18.27 |



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 employees at manufacturing site as well as at its office. All employees undergo regular periodic medical examinations. The medical check-up facility is also extended to Contractor's employees at the manufacturing site. The results are computerized and analyzed to provide targeted interventions at the individual and group levels. This programs has also helped the Company to improve its performance on the occupational health and safety front.

Safety: Company is committed to provide a safe workplace to its employees and contractors; and safety to the communities where it operates. In pursuit of the same, company continues to work towards its aim of zero injuries and zero incidents. Company believes that continuous learning and upgrading of systems and processes are indispensable as we move ahead with our vision of achieving best-in-industry status with respect to safety systems and culture. 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: Company is committed to ensure environmentally sustainable and responsible operations to achieve highest standards of environmental excellence. Company has instituted ISO: 9001:2008 for Quality Management Systems.

Company maintains the environment needs therefore planted 5000 trees & focused on survival of trees in and around all its facilities.

- 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 **10th Annual General Meeting of the Members of Krishana Phoschem Limited** will be held on **Saturday, 13th September, 2014 at 10:00 A.M.** Registered Office situated at 5-O-2, Basement Office, R. C. Vyas Colony, Bhilwara - 311001 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, 2014 together with Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri Pradeep Agarwal (DIN: 06458531), who retires by rotation and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.
3. To appoint Statuary Auditors to hold office from the conclusion of this Meeting, for 3 (three) consecutive years till the conclusion of the 13th Annual General Meeting of the Company in the Calendar year 2017 and in this regard, to consider and, if thought fit to pass, with or without modification(s), the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s Ashok Kanther & Associates (Firm Registration No.050014C), Chartered Accountants, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, for three consecutive years until the conclusion of the 13th Annual General Meeting of the Company in the calendar year 2017, subject to ratification by the shareholders annually, at such remuneration as shall be fixed by the board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

"RESOLVED THAT further to the resolution passed by the shareholders at the Extra-Ordinary General Meeting held on March 24, 2014, approving the reappointment of Sh. Sunil Kothari (DIN: 02056569) as Whole-time Director designated as Chief Financial Officer of the Company for a period of 5 years commencing from April 1, 2014, not liable to retire by rotation, and pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of Companies Act, 2013, and the Rules prescribed there under, it is hereby approved that during the residual term of his office, Sh. Sunil Kothari shall be liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of Companies Act 2013 and other applicable provisions of the companies Act, 2013 (including any amendment there to or re-enactment thereof) and the rules framed there under, the consent of the company be and is hereby accorded for substituting Article 110 of the Articles of Association of the company with the following Article.

110 subject to the provisions of the Act the Managing Director shall not while he or they continue to hold that office, be subject to retirement by rotation.

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.

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- 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.
- e. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf.
- f. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
- g. 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.
- h. Relevant documents referred to in the notice and explanatory statement are open for inspection at the registered office of the company on all working days up to the date of the meeting.

Registered Office:
5-O-2, Basement Office,
R.C. Vyas Colony,
Bhilwara - 311001 Rajasthan

By Order of the Board
For Krishana Phoschem Limited

Sd/-
(Praveen Ostwal)
Managing Director

Dated : 16.07.2014

Statement pursuant to Schedule IV of the Companies Act, 2013

Mr. Pradeep Agarwal, Independent Director is retiring by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Pradeep Agarwal being eligible, offer himself for re-appointment. Under Section 149 of the Companies Act, 2013 inter-alia stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term of up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors considered for retirement by rotation.

Hence, it is proposed that Mr. Pradeep Agarwal be appointed for a term of 5 (five) years, not liable to retire by rotation.

The Company has received from Mr. Pradeep Agarwal

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- (ii) Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and
- (iii) Declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Pradeep Agarwal fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013. Mr. Pradeep Agarwal is independent of the management. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Pradeep Agarwal is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

Mr. Pradeep Agarwal is interested in the resolutions set out respectively at Item No. 2 of the Notice with regard to their respective appointment.

Save and except Mr. Pradeep Agarwal, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 2 of the Notice for approval of the members.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Ashok Kanther & Associates (ICAI Firm Registration No. 050014C), Chartered Accountants, Bhilwara was appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on September 25, 2013.

M/s Ashok Kanther & Associates have been the Auditors of the Company since 2008-09 and have completed a term of six years. As per the provisions of section 139 of the Company Act 2013 and Rule 5(a) of Companies (Audit and Auditor) Rules, 2014, company cannot appoint or re-appoint an individual as auditor for more than one term of five consecutive years. Section 139 of the Act has also provided a transitional period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Ashok Kanther & Associates, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on July 16, 2014, proposed the appointment of M/s Ashok Kanther & Associates as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Thirteen AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in anyway, concerned or interested, financially or otherwise, in the special resolution set out at Item No.3 of the Notice.

The Board commends the Resolution at Item No. 3 for approval by the Members.

Item 4

Change in residual term of Sh. Sunil Kothari, to Director retiring by rotation

Sh. Sunil Kothari was appointed as Whole-Time Directors of the Company, which was duly approved by the shareholders, as per details mentioned below:

Name: Sunil Kothari

Designation: Whole Time Director

Tenure: Five Years with effect from 1st April 2014

Date of shareholders approval: At the Extra Ordinary General Meeting held on 24th March 2014.

Mr. Sunil Kothari was appointed as Directors not liable to retire by rotation, during their respective tenures.

In terms of the Explanation to sub-section (6) of section 152 of the Companies Act, 2013 for the purpose of computing the number of directors liable to retire by rotation, Independent Directors are not to be considered. Your Board has strength of Four Directors, of which, two are Executive Directors and one is Non Executive Director, the remaining one being Independent Directors. Therefore, for the purpose of computing the number of directors liable to retire by rotation, only non independent directors are to be considered, and hence, out of the 2 Executive Directors and one non Executive Director, two (i.e. 2/3rds) are to be retire by rotation.

Mr. Basant Patwa's term of office is already subject to retirement by rotation. It is therefore proposed to change the residual term of office of Mr. Sunil Kothari from directors not liable to retire by rotation to directors liable to retire by rotation. With this, there will be two Directors retiring by rotation, which will be in compliance with the aforesaid regulatory requirement.

Further more require changes in article of association of the company to give effect the same.

Except Mr. Sunil Kothari, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No.4

The Board recommends the Special Resolutions set out at Item No. 4 of the Notice for approval by the shareholders.

Registered Office:
5-O-2, Basement Office,
R.C. Vyas Colony,
Bhilwara - 311001 Rajasthan

By Order of the Board
For Krishana Phoschem Limited

Sd/-
(Praveen Ostwal)
Managing Director

Dated : 16.07.2014

DIRECTORS' REPORT**For the Year 2013-14**

Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

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

| Particulars | (₹ in Lacs) | |
|---|------------------|------------------|
| | <u>2013-2014</u> | <u>2012-2013</u> |
| Turnover | 8986.91 | 4064.15 |
| Profit Before Taxation | 747.83 | 747.53 |
| Taxation | 30.20 | 17.39 |
| Profit /(Loss) after Tax | 717.63 | 730.14 |
| Add: Balance brought forward from Previous year | 1106.46 | 376.32 |
| Profit transferred to Balance sheet | 1824.09 | 1106.46 |

PERFORMANCE:

During the year under review, your Company has achieved turnover of Rs. 8986.91 Lacs. The net profit after tax for the current year stands at Rs. 717.63 Lacs. Your Company has achieved production of 63399 MT of Beneficiated Rock Phosphate & 102278 MT of Single Super Phosphate & 9554 MT of Granular Single Super Phosphate.

PROSPECTS:

The Company is engaged in the manufacturing of BRP (Beneficiated Rock Phosphate) by using Low Grade rock phosphate converting into high grade and manufacturing of Single Super Phosphate. Enthused with the success of the operations of the company, further installed a GSSP Plant. The prestigious GSSP (Granular Single Super Phosphate) project of the company having capacity 90000 TPA and the production has been commenced in the month of July, 2013. These projects are 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, Statuary Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

In accordance with the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint him as the Auditors of the Company for a period of 3 consecutive years commencing from the conclusion of this Annual General Meeting, until the conclusion of the 13th Annual General Meeting of the Company in the calendar year 2017.

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

AUDIT COMMITTEE

The constitution of the Audit Committee pursuant to the provision of section 292A of Companies Act, 1956 are as under:

Sh. Sunil Kothari Chairman
Sh. Basant Patwa Member
Sh. Pradeep Agarwal Member

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 need and start of new GSSP project, 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 erstwhile Companies Act, 1956 and Company's Articles of Association, Shri Pradeep Agarwal, Director of the Company, retire by rotation and being eligible, offer himself for re-appointment, which the Board recommends.

Sh. Pradeep Agarwal was appointed under the Companies Act 1956 as Directors liable to retire by rotation. In order to give effect to the applicable provisions of sections 149 and 152 of the Act, it is proposed that Sh. Pradeep Agarwal be appointed as Independent Directors, to hold office for five consecutive years, for a term up to March 31st, 2019.

In terms of Companies Act, 2013 Independent Directors are required to be excluded while computing the number of directors to retire by rotation. Accordingly, it is proposed to change the terms of office of Sh. Sunil Kothari, Whole Time Director designated as Chief Financial Officer of the Company from non-retiring to retiring by rotation.

The Board in its meeting held on 15th February 2014 also re - appoint Sh. Sunil Kothari as Whole Time Director of the Company for 5 years w.e.f. 1st April 2014.

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, organized Blood Donation camps, Awarded girls for higher education, 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.

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

- | | |
|--------------------|----------|
| 1. Pradeep Agarwal | Chairman |
| 2. Basant Patwa | Member |
| 3. Sunil Kothari | Member |

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:

1. That in the preparation of the Accounts for the Financial Year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and 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.
3. 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.
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2014 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 : 16.07.2014

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 2014.

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: | | | |
|---|------------------------------------|----------------|----------------|
| | | 2013-14 | 2012-13 |
| 1 | Electricity: | | |
| | (A) Purchase of Units: | 3737920 | 4519000 |
| | Amount in Rs. | 27143403 | 29687212 |
| | Rate / unit Rs. | 7.26 | 6.57 |
| | (B) Own Generation Through Diesel: | NIL | NIL |
| | Units generated | | |
| | Units per liter of oil | | |
| | Cost/unit (Rs.) | | |
| B. Consumption per unit of production: | | | |
| | Electricity (Unit/MT) | | |
| 1. | Beneficiated Rock Phosphate | 34.32 | 96.18 |
| 2. | Single Super Phosphate | 15.28 | 11.08 |

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

During the year 2013-14 company import Rock Phosphate and amount paid in USD. Company paid total USD 2510517.89 & foreign exchange loss of Rs. 2891813/-. During the F.Y. 2012-13 Company paid total USD 6579.65 & foreign exchange gain of Rs. 18752/-.

AUDITORS' REPORT**Independent Auditors' Report****To the Members of Krishana Phoschem Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of KRISHANA PHOSCHEM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/s Ashok Kanther & Associates
Chartered Accountants
FRN-050014C

Place : Bhilwara (Raj.)
Date : 16.07.2014

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

**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in our report of even date)**

Annexure referred to in Our Report of even date to the members of Krishana Phoschem Limited for the year ended as on March 31, 2014.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification of inventory.
3. a) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- b) In our opinion and as per the information and explanations given to us, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for the sales of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) In our opinion and according to the information and explanation given to us the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As explained to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system through internal control system, which is carried out by the internal audit department, the scope and coverage of which is commensurate with size & nature of the business of the company.
8. The Central Government has prescribed maintenance of the cost records U/S 209(1)(d) of the Companies Act, 1956 in respect to the company's products and we are of the opinion that prima facie, the prescribed accounts and records have been made & maintained.
9. a) According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom-duty and excise duty, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues

were outstanding, as at 31st March 2014 for a period of more than 6 months from the date they became due.

- b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated losses during the year and it has not incurred cash losses in current financial year and in the immediately preceding financial year.
 11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders of the company.
 12. Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company is not a chit fund company or nidhi/ mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to the information and explanations given to us, the Company is not trading in Shares, securities, debentures and other investments.
 15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. According to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
 17. In our opinion and according to the information and explanation given to us, on an overall examination of the Balance Sheet and cash flow of the company during the year we report that no funds raised on short-term basis have been used for Long Term Investment.
 18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
 19. The Company has no outstanding debentures during the period.
 20. The company has not raised money through public issue during the year.
 21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor we have been informed of such case by the management.

For M/s Ashok Kanther & Associates
Chartered Accountants
FRN-050014C

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

Place : Bhilwara (Raj.)
Date : 16.07.2014



OSTWAL

KRISHANA PHOSCHEM LIMITEDAUDITED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

| Particulars | | Note No. | As at 31 st March 2014 | As at 31 st March 2013 |
|-------------|--|----------|-----------------------------------|-----------------------------------|
| I. | <u>EQUITY AND LIABILITIES</u> | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 2 | 1800.00 | 1800.00 |
| | (b) Reserves and surplus | 3 | 5409.47 | 2627.12 |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 4 | 1264.36 | 1812.47 |
| | (b) Deferred tax liabilities (Net) | 5 | | 0.00 |
| | (c) Other long term liabilities | | | |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 1652.20 | 1160.80 |
| | (b) Trade payables | 7 | 1042.30 | 681.32 |
| | (c) Other current liabilities | 8 | 410.13 | 187.89 |
| | (d) Short-term provisions | 9 | 150.74 | 154.17 |
| | TOTAL | | 11729.20 | 8423.77 |
| II. | <u>ASSETS</u> | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 10 | 7667.38 | 4492.87 |
| | (ii) Intangible assets | | 0.00 | |
| | (iii) Capital work-in-progress | | 19.80 | 905.32 |
| | (iv) Intangible assets under development | | 0.00 | |
| | (b) Non-current investments | | | 0.00 |
| | (c) Deferred tax Assets (Net) | 5 | 206.22 | 92.99 |
| | (d) Long-term loans and advances | 11 | 141.31 | 166.83 |
| | (e) Other non-current assets | | 0.00 | 0.00 |
| 2 | Current assets | | | |
| | (a) Inventories | 12 | 3248.85 | 1851.58 |
| | (b) Trade receivables | 13 | 196.66 | 573.44 |
| | (c) Cash and cash equivalents | 14 | 8.74 | 5.35 |
| | (d) Short-term loans and advances | 15 | 240.24 | 335.39 |
| | (e) Other current assets | | | |
| | TOTAL | | 11729.20 | 8423.77 |

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statement.

For M/s Ashok Kanther & Associates

Chartered Accountants

FRN 050014C

For and on Behalf of the Board of Directors

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

Sd/-
(Meenakshi Anchlia)
Company Secretary

Sd/-
(Sunil Kothari)
Director

Sd/-
(Praveen Ostwal)
Managing Director

Place : Bhilwara (Raj.)

Date : 16.07.2014

KRISHANA PHOSCHEM LIMITED



AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in lacs)

| <u>Particulars</u> | | Note No. | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|--------------------|---|-------------|---|---|
| I. | Revenue from operations | 16 | 8986.91 | 4064.15 |
| II. | Other income | 17 | 43.30 | 165.16 |
| III. | Total Revenue (I + II) | | 9030.21 | 4229.31 |
| IV. | <u>Expenses:</u> | | | |
| | Cost of materials consumed | 18 | 6263.87 | 2101.88 |
| | Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 19 | (944.93) | (954.38) |
| | Employee benefits expense | 20 | 170.45 | 163.34 |
| | Finance costs | 21 | 442.11 | 198.01 |
| | Depreciation and amortization expense | 22 | 359.36 | 220.93 |
| | Other expenses | 23 | 1991.52 | 1752.00 |
| | Total Expenses | | 8282.38 | 3481.78 |
| V. | Profit before exceptional and extraordinary items and tax | (III-IV) | 747.83 | 747.53 |
| VI. | Exceptional items | | 0.00 | 0.00 |
| VII. | Profit before extraordinary items and tax | (V-VI) | 747.83 | 747.53 |
| VIII. | Extraordinary Items | | 0.00 | 0.00 |
| IX. | Profit before tax | (VII- VIII) | 747.83 | 747.53 |
| X. | Tax expense: | | | |
| | (1) Current tax | | 150.18 | 149.56 |
| | (2) Deferred tax | | (113.22) | (161.29) |
| | (3) Earlier Year's Tax | | (6.76) | 29.12 |
| | Total Tax Expenses | | 30.20 | 17.39 |
| XI. | Profit (Loss) for the period from continuing operations | (IX-X) | 717.63 | 730.14 |
| XII. | Profit/(loss) from discontinuing operations | | 0.00 | 0.00 |
| XIII. | Tax expense of discontinuing operations | | 0.00 | 0.00 |
| XIV. | Profit/(loss) from Discontinuing operations (after -tax) | (XII-XIII) | 0.00 | 0.00 |
| XV. | Profit (Loss) for the period | (XI + XIV) | 717.63 | 730.14 |
| XVI. | Earnings per equity share: | | | |
| | Basic & Diluted | | 3.99 | 4.06 |

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statement.

As per our report of even date

For M/s Ashok Kanther & Associates
Chartered Accountants
FRN 050014C

For and on Behalf of the Board of Directors

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

Sd/-
(Meenakshi Anchlia)
Company Secretary

Sd/-
(Sunil Kothari)
Director

Sd/-
(Praveen Ostwal)
Managing Director

Place : Bhilwara (Raj.)

Date : 16.07.2014



OSTWAL

KRISHANA PHOSCHEM LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

(₹ in lacs)

| Particulars | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---|---|---|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before tax | 747.83 | 747.53 |
| Adjustments for: | | |
| Depreciation and Amortization | 359.36 | 220.93 |
| Interest Income | (18.34) | (6.27) |
| Misc Exps write off | - | - |
| Loss / (Profit) on sale of Fixed Assets | 2.91 | - |
| Interest Expenses | 442.11 | 198.01 |
| Operating profit before working capital change | 1,533.87 | 1,160.20 |
| Adjustments for: | | |
| Increase/(Decrease) in Trade payable | 360.98 | 469.27 |
| Increase/(Decrease) in Other Current Liability | 222.24 | 18.15 |
| Increase/(Decrease) in Short Term Provisions | (4.05) | 4.20 |
| (Increase)/Decrease in Inventories | (1,397.27) | (1,364.69) |
| (Increase)/Decrease in Trade Receivable | 376.78 | 222.96 |
| (Increase)/Decrease in Short term Loan and Advances | 81.37 | (102.18) |
| Increase/(Decrease) in Short term Borrowings | 491.40 | 997.71 |
| Net changes in working capital | 131.45 | 245.42 |
| Cash Generated from/(used in) operations | 1,665.32 | 1,405.62 |
| Direct Taxes paid | (129.02) | (186.09) |
| Net cash from/(Used in) operating activities (A) | 1,536.30 | 1,219.53 |
| B) CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (587.76) | (1,272.57) |
| Sale/Decrease of Fixed Assets | 1.21 | 1.23 |
| Interest Received | 18.34 | 6.27 |
| (Increase)/decrease in long term loans and advances | 25.52 | (85.69) |
| Net cash from investing activities (B) | (542.69) | (1,350.76) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital | - | - |
| Proceeds from long term borrowings | (548.11) | 305.77 |
| Interest paid | (442.11) | (198.01) |
| Proceeds from Differed Creditors | - | - |
| Net cash from financing activities (C) | (990.22) | 107.76 |
| Net Increase in cash and cash equivalents (A+B+C) | 3.39 | (23.47) |
| Cash and cash equivalents as at(Opening Balance) 01.04.2013 | 5.35 | 28.82 |
| Cash and cash equivalents as at(Closing Balance) 31.03.2014 | 8.74 | 5.35 |

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statement.

As per our report of even date

For M/s Ashok Kanther & Associates

Chartered Accountants

FRN 050014C

Sd/-

(Ashok Kanther)

Proprietor

M.No.: 043571

Place : Bhilwara (Raj.)

Date : 16.07.2014

For and on Behalf of the Board of Directors

Sd/-
(Meenakshi Anchlia)
Company Secretary

Sd/-
(Sunil Kothari)
Director

Sd/-
(Praveen Ostwal)
Managing Director

Notes to the Financial Statements for the year ended 31st March 2014**1. ACCOUNTING POLICIES****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 (2010-11) figures based on registered valuers report. The land and plant & machinery stated at further revalued (2013-14) value done during the year as per registered valuers report. The basis of valuation/revaluation as mentioned into the report of external valuer is market rate in the case of land and Plant & Machinery. In respect of major projects involving construction / fabrication, related pre-operational expenses from part of the value of the assets, which are allocated on the respective assets in the year of commencement of the project. An expenses 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 Material : | At lower of cost or net realizable value |
| b) Finished goods | At lower of cost or net realizable value |
| c) Stores & spares parts | 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 in 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.

Company has imported Rock phosphate under "high sea sales agreement" which will finally settle after Balance Sheet date based on foreign exchange currency rate, on Balance sheet date the same gain or loss is not certain and amount could not be estimated.

PRICE CONCESSION FROM GOVERNMENT:

The price concession from Government on sale of single super phosphate & granular single super phosphate is recognized at the point of sale at the prevailing rates announced by the Government of India. Any shortfall in actual receipt or deduction made by the Government is written off as an expense in the year in which the same is determined. The Company treats the price concession as part of the sale proceeds.

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.

Notes to the Financial Statements for the year ended 31st March 2014
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.

CONTINGENT LIABILITIES:

In the opinion of Board of Directors of the Company there is no contingent Liabilities as on 31st March 2014.

2. SHARE CAPITAL

(₹ in lacs)

| Share Capital | As at 31 st March 2014 | | As at 31 st March 2013 | |
|---|-----------------------------------|----------------|-----------------------------------|----------------|
| | Number | Amount | Number | Amount |
| Authorized Equity Shares of Rs.10/- each | 20000000 | 2000.00 | 20000000 | 2000.00 |
| Issued Equity Shares of Rs. 10/- each | 18000000 | 1800.00 | 18000000 | 1800.00 |
| Subscribed & Paid up Equity Shares of Rs 10/- each fully paid | 18000000 | 1800.00 | 18000000 | 1800.00 |
| Subscribed but not fully Paid up Equity Shares of Rs 10/- each but not fully paid | - | - | - | - |
| Total | 18000000 | 1800.00 | 18000000 | 1800.00 |

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

| Particulars | Equity Shares | |
|---|---------------|---------|
| | Number | Amount |
| Shares outstanding at the beginning of the period | 18000000 | 1800.00 |
| Shares Issued during the period | - | - |
| Shares bought back during the period | - | - |
| Shares outstanding at the end of the period | 18000000 | 1800.00 |

ii) Details of shares held by shareholders holding more than 5% shares of the company

| Name of Shareholder | As at 31 st March 2014 | | As at 31 st March 2013 | |
|---|-----------------------------------|--------------|-----------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Madhya Bharat Agro Products Limited | 1785000 | 9.92 | 1845000 | 10.25 |
| Vesta Tex Pvt. Ltd. | 963750 | 5.35 | 963750 | 5.35 |
| Archid Products Pvt. Ltd. | 1771500 | 9.84 | 1771500 | 9.84 |
| Chunri Prints Pvt. Ltd. | 919500 | 5.11 | 919500 | 5.11 |
| Swastik Clothtex Pvt. Ltd. | 1440000 | 8.00 | 1440000 | 8.00 |
| Seasons Agro Chem India Private Limited | 3557500 | 19.76 | 4011000 | 22.28 |

iii) 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.

iv) 60,00,000 Equity Shares has been issued as bonus share in the ratio of 1:1 in the year 2011-12.

Notes to the Financial Statements for the year ended 31st March 2014

v) Disclosure pursuant to Note no. 6(A)(i) of part-I of schedule VI to the Companies Act, 1956

| <u>Particulars</u> | Years | | | | |
|---------------------------------------|---------|---------|-----------|---------|---------|
| | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
| Equity Shares: | - | - | - | - | - |
| Fully paid up pursuant to contract(s) | - | - | - | - | - |
| Fully paid up by way of bonus shares | - | - | 6,000,000 | - | - |
| Shares Brought back | - | - | - | - | - |

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.

3. RESERVES & SURPLUS

(₹ in lacs)

| <u>Reserves & Surplus</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|---|--|--------------------------------------|--------------------------------------|
| i) Revaluation Reserves | | | |
| Opening Balance | | 1,520.66 | 1,667.13 |
| (+) Addition during the year | | 2,211.19 | - |
| (-) Depreciation charged from revaluation reserve | | 146.47 | 146.47 |
| Closing Balance | | 3,585.38 | 1,520.66 |
| ii) Surplus | | | |
| Opening Balance | | 1,106.46 | 376.32 |
| (+) Net Profit/(Net Loss) For the current year | | 717.63 | 730.14 |
| (+) Transfer from Reserves | | - | - |
| (-) Proposed Dividends | | - | - |
| (-) Interim Dividends | | - | - |
| (-) Bonus issue | | - | - |
| (-) Transfer to Reserves | | - | - |
| Closing Balance | | 1,824.09 | 1,106.46 |
| Total | | 5,409.47 | 2,627.12 |

4. LONG TERM BORROWINGS

(₹ in lacs)

| <u>Long Term Borrowings</u> | As at 31 st March 2014 | As at 31 st March 2013 |
|--|--------------------------------------|--------------------------------------|
| Secured | | |
| (a) Term Loan | | |
| From other Parties - MPFC | 1,043.77 | 1,086.93 |
| | 1,043.77 | 1,086.93 |
| Unsecured | | |
| (a) Other Loans & Advances | | |
| Loans taken from directors, members & relatives etc. | 220.59 | 725.54 |
| | 220.59 | 725.54 |
| Total | 1,264.36 | 1,812.47 |



OSTWAL

KRISHANA PHOSCHEM LIMITED**Notes to the Financial Statements for the year ended 31st March 2014**

- 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 net interest rates ranging from 12.50% to 13.00% and remaining amount is payable in next 6 Years.

(₹ in lacs)

| Name of Banks | Date of maturity | No. of Installments outstanding as on 31.03.2014 | As at 31 st March 2014 | | | As at 31 st March 2013 | | |
|---------------|------------------|--|-----------------------------------|--------------------|--------------------------|-----------------------------------|--------------------|--------------------------|
| | | | Total outstanding | Current Maturities | Net Long Term Borrowings | Total outstanding | Current Maturities | Net Long Term Borrowings |
| MPFC | 1-Jan-18 | 19 | 282.01 | 60.00 | 222.01 | 342.27 | 60.00 | 282.27 |
| MPFC | 1-Jun-19 | 24 | 921.76 | 100.00 | 821.76 | 879.66 | 75.00 | 804.66 |
| Total | | | 1,203.77 | 160.00 | 1,043.77 | 1,221.93 | 135.00 | 1,086.93 |

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

5. DEFERRED TAX LIABILITIES/ ASSETS

- i) The company has recognized a provision for deferred tax assets of Rs. 113.22 Lac (P.Y. Rs. 161.29 Lac) in P&L account determined on account of timing differences in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as under :-

(₹ in lacs)

| <u>Deferred Tax Liabilities/Assets</u> | As at 31 st March 2014 | As at 31 st March 2013 |
|---|-----------------------------------|-----------------------------------|
| Deferred tax liabilities (depreciation on fixed assets) | 1,039.24 | 710.32 |
| Deferred tax Assets (Losses to be c/f) | 945.71 | 653.75 |
| Deferred Tax Liabilities/(Assets) | 93.53 | 56.57 |
| Less:MAT Credit | 299.75 | 149.56 |
| Net Deferred Tax Liabilities/(Assets) | (206.22) | (92.99) |

- ii) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

6. SHORT-TERM BORROWING

(₹ in lacs)

| <u>Short Term Borrowing</u> | As at 31 st March 2014 | As at 31 st March 2013 |
|---|-----------------------------------|-----------------------------------|
| Secured | | |
| (a) Other loans and advances | | |
| Working Capital Loan from SBBJ Bank repayable on demand | 1,652.20 | 1,160.80 |
| Total | 1,652.20 | 1,160.80 |

- 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 14.25% as on 31/03/2014.
- iii) The bank loan for working capital is guaranteed by personal guarantee of Managing Director Praveen Ostwal & Ekta Jain and corporate guarantee of Seasons Agro Chem India Pvt. Ltd.

Notes to the Financial Statements for the year ended 31st March 2014

7. TRADE PAYABLES

(₹ in lacs)

| <u>Trade Payables</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|-----------------------|----------------|-----------------------------------|-----------------------------------|
| (a) | Trade Payables | 1042.30 | 681.32 |
| Total | | 1042.30 | 681.32 |

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, 2014. 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

(₹ in lacs)

| <u>Other Current Liabilities</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|----------------------------------|---|-----------------------------------|-----------------------------------|
| a) | Current Maturities of Long Term Debt (Refer note no.4) | 160.00 | 135.00 |
| b) | Others Payables | | |
| i) | Statutory dues including Provident Fund and Tax deducted at source etc. | 31.40 | 10.08 |
| ii) | Liability Towards Staff & Workers | 24.06 | 20.02 |
| iii) | Other Liabilities | 22.34 | 22.26 |
| iv) | Advances from Customer | 172.33 | 0.53 |
| Total | | 410.13 | 187.89 |

9. SHORT TERM PROVISION

(₹ in lacs)

| <u>Short Term Provision</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|-----------------------------|--------------------------|-----------------------------------|-----------------------------------|
| Others (Specify nature) | | - | - |
| a) | Provision for income tax | 150.18 | 149.56 |
| b) | Provision for expenses | 0.56 | 4.61 |
| Total | | 150.74 | 154.17 |

10. FIXED ASSETS

- 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. 4024.79 Lac (P.Y. Rs. 1813.60 Lac) and Rs. 1374.19 Lac (P.Y. Rs. 1520.66 Lac) respectively on account of revaluation of fixed assets carried out in the year 2010-11 by the company. Depreciation of Rs. 146.47 Lac (P.Y. Rs. 146.47 Lac) has been charged to revaluation reserve.
- iii) The company has further revalued the book value of land by Rs. 1162.15 and plant & machinery by Rs. 1049.04 as on 31.03.2014 on the basis of External Valuers Report received by the Company. This has resulted into the increase in gross block of assets of Rs. 2211.19 lacs and corresponding increase in revaluation reserve of the company. The basis of valuation as mentioned into the report of external valuer is market rate in the case of land and net recoverable amount in the case of plant & machinery
- iv) Disposal from Gross Block represents sale of fixed assets.
- v) Deduction in depreciation is on account of sale of fixed assets.
- vi) 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 the Financial Statements for the year ended 31st March 2014

(₹ in lacs)

| Fixed Assets | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|-----------------------------------|----------------------------------|-----------------|-----------------|-------------|-----------------------------------|----------------------------------|----------------|--------------|-----------------------------------|---|---|
| | As at 1 st April 2013 | Revaluation | Additions | disposals | As at 31 st March 2014 | As at 1 st April 2013 | for the period | On disposals | As at 31 st March 2014 | Balance as at 31 st March 2014 | Balance as at 31 st March 2013 |
| a Tangible Assets | | | | | | | | | | | |
| Land & Site Development | 391.41 | 1,162.15 | - | - | 1,553.56 | - | - | - | - | 1,553.56 | 391.41 |
| Buildings-Factory | 1,358.34 | | 614.60 | - | 1,972.94 | 101.81 | 57.61 | | 159.42 | 1,813.52 | 1,256.53 |
| Plant and Equipment | 3,513.04 | 1,049.04 | 824.80 | - | 5,386.88 | 916.13 | 417.54 | | 1,333.67 | 4,053.21 | 2,596.91 |
| Furniture & Fixtures | 14.91 | | 0.14 | - | 15.05 | 3.68 | 0.95 | | 4.63 | 10.42 | 11.23 |
| Vehicles | 31.75 | | 29.79 | 5.51 | 56.03 | 3.12 | 3.07 | 1.39 | 4.80 | 51.23 | 28.63 |
| Office Equipments | 20.65 | | 2.23 | - | 22.88 | 3.15 | 1.06 | | 4.21 | 18.67 | 17.50 |
| Computers | 9.74 | | 1.71 | - | 11.45 | 5.71 | 1.78 | | 7.49 | 3.96 | 4.03 |
| Energy Saving Equipment | 29.35 | | - | - | 29.35 | 10.54 | 3.04 | | 13.58 | 15.77 | 18.81 |
| Pollution Control Equipment | 200.97 | | - | - | 200.97 | 33.15 | 20.78 | | 53.93 | 147.04 | 167.82 |
| Total | 5,570.16 | 2,211.19 | 1,473.27 | 5.51 | 9,249.11 | 1,077.29 | 505.83 | 1.39 | 1,581.73 | 7,667.38 | 4,492.87 |
| b Intangible Assets | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |
| c Capital Work In Progress | | | | | | | | | | 19.80 | 905.32 |
| Total this year | 5,570.16 | 2,211.19 | 1,473.27 | 5.51 | 9,249.11 | 1,077.29 | 505.83 | 1.39 | 1,581.73 | 7,687.18 | 5,398.19 |
| Total previous year | 3,698.79 | - | 1,875.18 | 3.81 | 5,570.16 | 712.47 | 367.40 | 2.58 | 1,077.29 | 5,398.19 | 4,494.24 |

11. LONG TERM LOANS AND ADVANCES

(₹ in lacs)

| <u>Long Term Loans and Advances</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|---|------------------|-----------------------------------|-----------------------------------|
| (Unsecured considered good unless otherwise stated) | | | |
| a. | Capital Advances | - | - |
| b. | Security Deposit | 141.31 | 166.83 |
| Total | | 141.31 | 166.83 |

12. INVENTORIES

(₹ in lacs)

| <u>Inventories</u> | | As at 31 st March 2014 | As at 31 st March 2013 |
|--------------------|-----------------|-----------------------------------|-----------------------------------|
| a. | Raw materials | 944.69 | 536.98 |
| b. | Finished Goods | 2,165.41 | 1,220.48 |
| c. | Stores & spares | 138.75 | 94.12 |
| Total | | 3,248.85 | 1851.58 |

The major components of inventory in case of raw material are Rock-Phosphate, Sulphuric Acid & HDPE Bags and in case of finished goods its includes Beneficiated Rock Phosphate(BRP), Single Super Phosphate(SSP) & Granular Single Super Phosphate.

Notes to the Financial Statements for the year ended 31st March 2014

13. TRADE RECEIVABLES

(₹ in lacs)

| Trade Receivables | | As at 31st March 2014 | As at 31st March 2013 |
|-----------------------------------|--|---|---|
| Unsecured, considered good | | | |
| a. | Trade receivables outstanding for a period less than six months from the date they are due for payment | 196.66 | 573.44 |
| b. | Trade receivables outstanding for a period exceeding six months from the date they are due for payment | - | - |
| Total | | 196.66 | 573.44 |

14. CASH AND CASH EQUIVALENT

(₹ in lacs)

| Cash and cash equivalent | | As at 31st March 2014 | As at 31st March 2013 |
|---------------------------------|-------------------|---|---|
| a) | Balance with Bank | 4.10 | 1.86 |
| b) | Cash in hand | 4.64 | 3.49 |
| Total | | 8.74 | 5.35 |

15. SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

| Short Term Loans and Advances | | As at 31st March 2014 | As at 31st March 2013 |
|--|-----------------------|---|---|
| Other loans & Advances (Unsecured considered good unless otherwise stated) | | | |
| i) | Advance Taxes | 121.86 | 135.64 |
| ii) | Prepaid expenses | 38.17 | 21.28 |
| iii) | Loans to employees | 2.54 | 3.03 |
| iv) | Advances to suppliers | 77.67 | 63.75 |
| v) | Output VAT Advance | - | 111.69 |
| vi) | Other | - | - |
| Total | | 240.24 | 335.39 |

Short Term Loan and advances includes Rs. Nil (Previous year Rs. Nil) receivable from Directors/Officers/Companies and firms under same management.

16. REVENUE

(₹ in lacs)

| Particulars | For the year ended 31st March 2014 | For the year ended 31st March 2013 |
|--------------------|--|--|
| Sale of products | 9,040.40 | 4,089.16 |
| Less : Excise Duty | 53.49 | 25.01 |
| Net Total | 8,986.91 | 4,064.15 |

17. OTHER INCOME

(₹ in lacs)

| Particulars | For the year ended 31st March 2014 | For the year ended 31st March 2013 | |
|--------------------|--|--|---------------|
| a. | Interest income | 18.34 | 6.27 |
| b. | Other non-operating income | 24.96 | 158.70 |
| c. | Forex Gain/(Loss) | - | 0.19 |
| Total | | 43.30 | 165.16 |

Notes to the Financial Statements for the year ended 31st March 2014
18. COST OF RAW MATERIAL CONSUMED

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---------------------|---|---|
| Opening Stock | 536.98 | 172.07 |
| Add: Purchases | 6,671.58 | 2,466.79 |
| Less: Closing Stock | 944.69 | 536.98 |
| Total | 6,263.87 | 2,101.88 |

Details of Raw Material Consumed

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | | For the year ended 31 st March 2013 | |
|---|---|-----------------|---|-----------------|
| | Qty. (MT) | Amount | Qty. (MT) | Amount |
| a. Rock phosphate consumed (BRP) | 98568.15 | 3,858.37 | 72802.25 | 931.59 |
| b. Rock phosphate consumed (SSP) | 15182.11 | 1,137.65 | 1989.39 | 170.52 |
| c. Beneficiated Rock phosphate captive consumed (SSP) | 44397.47 | - | 25983.05 | - |
| d. Sulphuric acid consumed | 37824.20 | 791.72 | 16249.18 | 513.80 |
| e. HDPE bags consumed (Nos.) | 1972580 | 312.96 | 855080 | 116.18 |
| f. Others | | 163.17 | - | 369.79 |
| Total | | 6,263.87 | | 2,101.88 |

19. CHANGES IN INVENTORY OF FINISHED GOODS

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|--|---|---|
| Stock at the beginning of the year (A) | 1,220.48 | 266.10 |
| Stock at the end of the year (B) | 2,165.41 | 1,220.48 |
| (Increase)/Decrease in stocks (B-A) | (944.93) | (954.38) |

20. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---|---|---|
| a. Salaries & Incentives | 144.67 | 136.39 |
| b. Contribution to Provident Fund & ESI | 9.78 | 9.12 |
| c. Gratuity Fund contribution | 1.81 | 3.68 |
| d. Staff welfare expenses | 14.19 | 14.15 |
| Total | 170.45 | 163.34 |

21. FINANCE COSTS

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|--------------------|---|---|
| Interest Expenses | 425.17 | 190.13 |
| Other Bank Charges | 16.94 | 7.88 |
| Total | 442.11 | 198.01 |

Notes to the Financial Statements for the year ended 31st March 2014

22. DEPRECIATION AND OTHER AMORTIZATION EXPENSES

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---------------------------|---|---|
| Current year depreciation | 505.83 | 367.40 |
| Add(less) : Revaluation | (146.47) | (146.47) |
| Total | 359.36 | 220.93 |

23. OTHER EXPENSES

(₹ in lacs)

| <u>Particulars</u> | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---|---|---|
| A. Manufacturing Expenses | | |
| Consumption of Stores & Spares parts | 187.25 | 337.59 |
| Power & Fuel | 270.79 | 296.87 |
| Repairs & Maintenance to Plant & Machinery | 3.50 | 18.96 |
| Other manufacturing expenses | 411.21 | 324.83 |
| Total (A) | 872.75 | 978.25 |
| B. Administration Expenses | | |
| Rent | 3.10 | 3.18 |
| Rates & taxes | 0.71 | 0.25 |
| Insurance | 13.97 | 17.46 |
| Repairs to buildings | - | 0.17 |
| Directors' Remuneration | 29.77 | 29.06 |
| Auditors' Remuneration | 0.80 | 0.71 |
| CSR Expenses | 3.33 | 7.57 |
| Forex (Gain)/Loss | 28.92 | 0.00 |
| Miscellaneous Expenditure | 64.40 | 55.68 |
| Total (B) | 145.00 | 114.08 |
| C. Selling & Distribution Expenses | | |
| Freight & Transport | 927.54 | 485.24 |
| Advertisement & Business promotion | 1.71 | 1.44 |
| Godown Rent | 25.99 | 20.76 |
| Others | 18.53 | 152.23 |
| Total (C) | 973.77 | 659.67 |
| Grand Total | 1,991.52 | 1,752.00 |

24. RELATED PARTY TRANSACTIONS

a) Key Managerial persons

- (i) Mr. Praveen Ostwal
- (ii) Mr. Sunil Kothari
- (iii) Ms. Meenakshi Anchlia

b) Enterprises over which Key Managerial persons exercises significant influence:

- (i) Madhya Bharat Agro Products Ltd.
- (ii) Ostwal Phoschem (India) Ltd. (Formerly known as Tedco Granite Limited)
- (iii) Seasons International Pvt. Ltd.
- (iv) Seasons Agro Chem India Pvt. Ltd.

Notes to the Financial Statements for the year ended 31st March 2014
c) Transactions with the related parties

(₹ in lacs)

| Particulars | For the year ended 31 st March 2014 | | For the year ended 31 st March 2013 | |
|--------------------|---|---|---|---|
| | Key Management Personal | Enterprises over which significant influence | Key Management Personal | Enterprises over which significant influence |
| Remuneration | 31.26 | - | 35.50 | - |
| Purchases of goods | - | 1,343.03 | - | - |
| Sale of goods | - | 1,498.22 | - | 1,719.15 |
| Guarantee | - | 3,150.00 | - | 2,650.00 |

25. 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:

(₹ in lacs)

| Particulars | | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|-------------|---|---|---|
| i) | Reconciliation of opening and closing balances of defined benefit obligation | | |
| | a) At the beginning of the year | 16.67 | 12.78 |
| | b) Current Service Cost | 3.86 | 3.14 |
| | c) Interest Cost | 1.33 | 1.02 |
| | d) Actuarial (Gain) Loss | -0.57 | -0.27 |
| | e) Benefits paid | -0.51 | 0 |
| | f) Defined Benefits Obligation at year end | 20.78 | 16.67 |
| ii) | Reconciliation of opening and closing balances of fair value of plan assets | | |
| | a) At beginning of the year | 22.09 | 17.17 |
| | b) Expected Return on plan assets | 2.03 | 1.60 |
| | c) Actuarial Gain / (Loss) | 0.00 | 0.00 |
| | d) Employer Contributions | 1.72 | 3.32 |
| | e) Benefits paid | -0.51 | 0.00 |
| | f) Fair Value of the plan assets at the year end | 25.33 | 22.09 |
| iii) | Reconciliation of fair value of obligation and Assets | | |
| | a) Present value of obligation as at year end | 20.78 | 16.67 |
| | b) Fair value of plan assets as at year end | 25.33 | 22.09 |
| | c) Amount recognized in Balance Sheet (a-b) | -4.55 | -5.42 |
| iv) | Expense recognized during the year: | | |
| | a) Current Service Cost | 3.86 | 3.14 |
| | b) Interest Cost | 1.33 | 1.02 |
| | c) Expected return on plan assets | -2.03 | -1.60 |
| | d) Actuarial (gain) / loss | -0.57 | -0.27 |
| | e) Net Cost (a+b+c+d) | 2.59 | 1.67 |
| v) | Investment Details of Plan Assets : | | |

Notes to the Financial Statements for the year ended 31st March 2014

| Name of retirement benefit | Name of Trust | Policy No. | Investment with |
|---|--|-----------------------------------|-----------------------------------|
| Gratuity | Krishana Phoschem Limited Employees Group Gratuity Trust | GGCA 101000041 (Old no. 325394) | 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 | | | |
| | | 31st March 2014 | 31st March 2013 |
| 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 | | 31st March 2014 | 31st March 2013 |
| Defined Benefits Obligation | | 20.78 | 16.67 |
| Plan assets | | 25.33 | 22.09 |
| Surplus/(deficit) | | 4.55 | 5.42 |
| Experience adjustment on plan Liabilities (loss)/ gain | | 0.57 | 0.27 |
| 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 | | | |
| Particulars | | 31st March 2014 | 31st March 2013 |
| i) Employers Contribution to Provident Fund | | 9.43 | 8.65 |

26. FOREIGN CURRENCY EXPOSURE

During the year 2013-14 company import Rock Phosphate and amount paid in USD. Company paid total USD 2510517.89 & foreign exchange loss is Rs. 2891813/-.

27. EARNING PER SHARE

(₹ in lacs)

| Particulars | For the year ended 31st March 2014 | For the year ended 31st March 2013 |
|---|--|--|
| Net profit available to equity shareholders (Rs. in lacs) | 717.63 | 730.14 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 18,000,000 | 18,000,000 |
| Basic and Diluted Earnings (Rs. per Share) | 3.99 | 4.06 |
| Adjusted Earnings (Rs. per Share) due to Bonus issue in the year 2011-12 | 3.99 | 4.06 |

28. PAYMENT TO AUDITOR

(₹ in lacs)

| Particulars | For the year ended 31st March 2014 | For the year ended 31st March 2013 |
|----------------------|--|--|
| To Statutory Auditor | 0.60 | 0.60 |
| To Cost Auditor | 0.20 | 0.11 |
| Total | 0.80 | 0.71 |



OSTWAL

KRISHANA PHOSCHEM LIMITEDNotes to the Financial Statements for the year ended 31st March 2014**29. IMPORTED & INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED –**

All raw material, components and spare parts consumed by the company are indigenous except company has imported Rock Phosphate of 73505.14 MT out of which 33650 MT through high sea sale agreement.

30. STATEMENT OF ADDITIONAL INFORMATIONS:**a) Particulars of Installed capacity:**

(As certified by management being technical matter)

(MT)

| Products | | 2013-2014 | | 2012-2013 | |
|----------|---------------------------------|-----------|-----------|-----------|-----------|
| | | Licensed | Installed | Licensed | Installed |
| i) | Beneficiated Rock Phosphate | 200000 | 200000 | 200000 | 200000 |
| ii) | Single Super Phosphate | 120000 | 120000 | 120000 | 120000 |
| iii) | Granular Single Super Phosphate | 90000 | 90000 | - | - |

b) Details of Production & Sales

(₹ in lacs)

| Products | | 2013-2014 | | 2012-2013 | |
|----------|---------------------------------|-----------|---------|-----------|---------|
| | | Qty(MT) | Value | Qty(MT) | Value |
| i) | Production | | | | |
| | Beneficiated Rock Phosphate | 63399.00 | | 41551.00 | |
| | Single Super Phosphate | 102277.50 | | 47098.92 | |
| | Granular Single Super Phosphate | 9554.00 | | | |
| ii) | Sales | | | | |
| | Beneficiated Rock Phosphate | 19019.73 | 1542.41 | 19306.26 | 1422.34 |
| | Single Super Phosphate | 82786.60 | 7079.73 | 29269.35 | 2574.69 |
| | Granular Single Super Phosphate | 6155.05 | 364.77 | - | - |

c) Closing Stocks of finished goods

(₹ in lacs)

| Products | | 31.03.2014 | | 31.03.2013 | |
|----------|---------------------------------|------------|---------|------------|---------|
| | | Qty(MT) | Value | Qty(MT) | Value |
| | Beneficiated Rock Phosphate | 2048.045 | 150.62 | 2066.249 | 108.65 |
| | Single Super Phosphate | 27766.47 | 1765.62 | 17829.568 | 1111.83 |
| | Granular Single Super Phosphate | 3398.95 | 249.17 | - | - |

31 a) Figures of Previous year have been regrouped, rearranged and/or reclassified wherever consider necessary to make these comparable with the current year.

b) Figures have been shown in Lacs, except otherwise stated.

As per our report of even date.

For M/s Ashok Kanther & Associates

Chartered Accountants

FRN 050014C

For and on Behalf of the Board of Directors

Sd/-

(Ashok Kanther)

Proprietor

M.No.: 043571

Sd/-

(Meenakshi Anchlia)

Company Secretary

Sd/-

(Sunil Kothari)

Director

Sd/-

(Praveen Ostwal)

Managing Director

Place : Bhilwara (Raj.)

Dated : 16.07.2014

KRISHANA PHOSCHEM LIMITED



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Krishana Phoschem Limited

CIN: U24124RJ2004PLC019288

Registered Office: 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara 311001 Rajasthan

www.krishnaphoschem.com, info@krishnaphoschem.com

10th Annual General Meeting - 13th September 2014

Name of the member's :

Registered Address :

E-mail ID :

Folio No./ Client ID :

I/We, being the member (s) of shares of the above named company, hereby appoint.

| S.No. | Name | Address | E-mail ID | Signature |
|-------|------|---------|-----------|-----------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **10th Annual General Meeting** of the Company, to be held on the **Saturday, 13th day of September, 2014** at 10.00 A.M. at 5-O-2, Basement Office, R. C. Vyas Colony, Bhilwara Rajasthan 311001 and any adjournment thereof in respect of such as are indicated below:

| Resolution No. | Particulars of Resolution | Vote Option* | | |
|----------------|--|--------------|---------|---------|
| | | For | Against | Abstain |
| | Ordinary Business | | | |
| 1 | Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended on 31 st March, 2014. | | | |
| 2 | Appoint a director in place of Sh. Pradeep Agarwal, who retires by rotation and being eligible, seeks re-appointment as Independent Director for a period of five years. | | | |
| 3 | Appointment of Sh. Ashok Kanther as Statutory Auditor of the Company. | | | |
| | Special Business | | | |
| 4 | Change in the terms of Whole Time Director in AOA. | | | |

Signed thisday of2014

Signature of the member

Signature of Proxy holder(s)

| Affix Revenue |
| Stamp of not |
| less than Rs. |
| 0.15 |

Note: 1. This form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. *It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitle to vote in the manner as he/she may deem appropriate.



KRISHANA PHOSCHEM LIMITED

ATTENDANCE SLIP

Krishana Phoschem Limited

CIN: U24124RJ2004PLC019288

Registered Office: 5-O-2, Basement Office, R.C. Vyas Colony, Bhiwara 311001 Rajasthan

www.krishnaphoschem.com, info@krishnaphoschem.com

10th Annual General Meeting - 13th September 2014

Registered Folio No.

Number of Shares Held

I certify that I am a member/proxy for the member of the company.

I hereby record my presence at the 10th Annual General Meeting of the Company at the registered office 5-O-2, Basement Office, R.C.Vyas Colony, Bhiwara Rajasthan 311001 on **Saturday, 13th September, 2014** at 10.00 A.M.

Name of the Member/Proxy

Signature of the Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.