



# ***KRISHANA PHOSCHEM LIMITED***

## **General Information**

### **Managing Director**

**Shri Praveen Ostwal**

### **Board of Directors**

**Shri Sunil Kothari**

**Shri Pradeep Agarwal**

**Shri Ashish Kothari**

**Smt. Priyanka Surana**

### **Company Secretary**

**Miss. Priyanka Bansal**

## **Registered & Corporate Office**

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

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

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

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

## **Works**

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

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

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

**Ph.No. 07390-284989**

## **Financial Institution and Bankers**

**1. HDFC Bank, Bhilwara (Raj.)**

**2. State Bank of India, Jhabua (M.P.)**

## **Statutory Auditors**

**M/s Ashok Kanther & Associates**

**90, Indira Market, Bhilwara (Rajasthan) 311001**

**Ph. No. 01482-227154**



# ***KRISHANA PHOSCHEM LIMITED***

## **Secretarial Auditor**

**M/s SP Jethlia & Co.  
1-A-23, R.C. Vyas Colony,  
Bhilwara, 311 001  
Ph. No. 01482-238944**

## **Registrar & Transfer Agent**

**Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup ( West )  
Mumbai 400078, Maharashtra, India  
Tel. No.: +91-22 – 61715400  
Fax No.: +91-22 – 25960329  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Email: [kpl.ipo@linkintime.co.in](mailto:kpl.ipo@linkintime.co.in)**

## **Listed on**

**National Stock Exchange “SME Emerge”**

## Managing Director's Message



Dear Members,

It gives me immense pleasure in presenting before you the salient performance and financial features of your company for the year ended 31st March, 2017. The period has been a satisfying year despite reduced GDP growth and severe competition. We had privilege of crossing some valuable milestones which will go a long way in enhancing stakeholders' value.

I also take this opportunity to thank our valued customers, whose continued patronage and confidence in our products inspires us to extend the best of services and enables us to provide value for their money.

Now I come to specifics and give an account of the work performed during the financial year 2016-17.

The Net Turnover for the year under review is Rs. 7962.08 Lakhs is 10 % short of the last year turnover in value terms but quantitatively it is only 4.67 % less than last year. This has been on account of due to downfall in MRP Prices of fertilizers products .However profits of the company is 139% more than the last year despite the fact that expansion undertaken by the company is yet to start yielding profits though interest on the loan is being paid.

The company's diversified chemical division has started production in the month of October and sulphuric acid project is expected to start production in the month of July, 2017. Once fully operational, these two projects will add substantially to top as well as bottom line of your company.

Being dedicated to manufacturing of BRP, SSP, GSSP, Intermediate dyes and other chemicals, we are committed to meet the demand of our customers through updating our technological capabilities including strengthening of R&D coupled with rugged, economic manufacturing analysis and automation solutions in line with the world's best, while maintaining continuous interaction with them to assess their emerging requirement, so as to be ready when the needs arise.

I am also happy to report listing of shares of your company on NSE emerge platform through an offer for sale which was oversubscribed by 35 times and set a record in the history of SME IPO. This has casted additional responsibilities on our shoulders to meet expectations of the market and the confidence reposed by the public in our capabilities and future prospects of the company.

We believe that technology holds the key to food safety, energy security, access to information, and economic freedom, which are necessary for empowering our further growth. We plan to achieve the goal through our strength - the Employees; I place on record the contribution made our employees and seek their continuous involvement in achieving the Company's objectives.

Your board is quite confident of reversing the trend in turnover during the current year to come out with better performance.

I therefore, seek continued patronage of our valued shareholders, customers, cooperation of our employees and thank all the well-wishers who have contributed to the growth of the organization. Being part of "Ostwal Group" we express our hearty gratitude to all Directors, Executives, Staff Members & all connected with our group performance which has given their support aiming grand success.

**With Warm Regards**

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

## ***KRISHANA PHOSCHEM LIMITED***

### **FINANCIAL HIGHLIGHTS**

(Rs. In Lacs)

| <b>Particulars</b>       | <b>2016-17</b>  | <b>2015-16</b>  |
|--------------------------|-----------------|-----------------|
| Net Sales                | 7962.08         | 8857.40         |
| Depreciation             | 620.55          | 556.32          |
| Misc. Exp. W/off         | 0.00            | 0.00            |
| Profit Before Tax        | 614.56          | 302.74          |
| Profit After Tax         | 330.16          | 138.26          |
| <b>Assets</b>            |                 |                 |
| Gross Fixed Assets       | 11240.25        | 9890.32         |
| Net Fixed Assets         | 7953.93         | 7174.97         |
| Capital Work in Progress | 2459.16         | 810.72          |
| Non-Current Assets       | 81.68           | 59.32           |
| Deferred Tax Assets      | 0               | 62.62           |
| Current Assets           | 4734.89         | 3622.08         |
| <b>Total</b>             | <b>15229.66</b> | <b>11729.71</b> |
| <b>Sources</b>           |                 |                 |
| Equity Share capital     | 2490.00         | 2100.00         |
| Reserves & Surplus       | 6769.76         | 5931.39         |
| Non-Current Liabilities  | 2419.75         | 1261.76         |
| Deferred Tax Liabilities | 55.81           | -               |
| Current Liabilities      | 3494.34         | 2436.56         |
| <b>Total</b>             | <b>15229.66</b> | <b>11729.71</b> |

|                              |      |      |
|------------------------------|------|------|
| Profit Before Tax Margin (%) | 7.72 | 3.42 |
| Profit After Tax Margin (%)  | 4.15 | 1.56 |



# **KRISHANA PHOSCHEM LIMITED**

## **DIRECTORS' REPORT**

**For the Year 2016-17**

**Dear Members,**

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### **FINANCIAL RESULT**

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

| <b>Particulars</b>           | <b><u>2016-2017</u></b> | <b><u>2015-2016</u></b> |
|------------------------------|-------------------------|-------------------------|
| Turnover                     | 7962.08                 | 8857.40                 |
| Profit Before Taxation       | 614.56                  | 302.74                  |
| Taxation                     | 284.40                  | 164.48                  |
| Profit / (Loss) after Tax    | 330.16                  | 138.26                  |
| Profit Before Tax Margin (%) | 7.72                    | 3.42                    |
| Profit After Tax Margin (%)  | 4.15                    | 1.56                    |

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

During the under review the company has achieved turnover of Rs. 7962.08 With production of 14738 M.T. of Beneficiated Rock Phosphate, 102650 M.T. of S.S.P. and 30790 MT of GSSP Production.

The company has also started production of chemicals in the month of October 2016 and achieved production of 193 M.T.

The net profit of the company is Rs.614.56 lakhs and profit after tax is Rs. 330.16 lakhs.

The company has set up unit III at AKVN Industrial area for manufacture of sulphuric acid, oleum, SO<sub>3</sub>, and other products with project cost of approx. 30 Crore. The project is expected to commence production in full swing July 2017.

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

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

### **LISTING OF THE COMPANY**

Company made its landmark move by entering into the capital market on February 27, 2017. The shares of your Company were listed on SME Platform of "NSE EMERGE", by way of offer for sales of 65,76,000 equity shares of face value of Rs. 10.00 each for cash at a price of Rs. 30.00 per equity share (share premium of Rs. 20.00 per equity share).

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



## ***KRISHANA PHOSCHEM LIMITED***

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 for the financial year ended on March 31<sup>st</sup>, 2017 is provided in Annexure I forming part of this report.

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

The term of M/s Ashok Kanther & Associates, Chartered Accountants, statutory auditors of the company will be expires in the conclusion of this 13th Annual General Meeting, therefore, the Company has appointed M/s. Rajneesh Kanther & Associates Statutory Auditors of the Company for a term of 05 years from the conclusion of this annual general meeting till the conclusion of 18th AGM held in the year 2022 subject to the ratification at each annual general meeting held after forthcoming annual general meeting.

They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

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

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

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, the company has appointed M/s SP Jethlia & Co., a Proprietorship firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for financial year 2016-17. The Secretarial Audit report is provided in Annexure II forming part of this report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remarks.

### **COST AUDITORS & AUDITORS' REPORT**

M/s. K. C. Moondra & Associates, Cost Accountant, was appointed Cost Auditors of your Company for FY 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee, the Board has appoint M/s K.C. Moondra & Associates, Cost Accountants (Registration No. 101814), for remuneration at Rs. 30000 plus applicable service tax and out of pocket expenses to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup>March, 2018. The appointment and the remuneration of the Cost Auditor is required to be ratified subsequently by the Members of the Company and further subject to the approval of the Central Government.

### **INTERNAL AUDITOR & INTERNAL CONTROL SYSTEM**

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The company has made appointment of Mr. Sourabh



## ***KRISHANA PHOSCHEM LIMITED***

Bapna, as the Internal Auditor of the Company and he reports to the chairman and the Audit Committee of the Board. The scope and functions of internal auditor is defined and reviewed by the Audit Committee.

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

### **DIVIDEND & RESERVES:**

The Board of Director of Company proposes to retain entire profits for the business of the company and carry the Reserves & Surplus of Rs. 6769.76 Lacs.

### **DEPOSITS:**

During the year, the Company has not accepted deposits from the public under Chapter V of the Companies Act, 2013. Your Company has not defaulted in repayment of deposits or payment of interest during the year. There was no public deposit outstanding as on March 31, 2017.

### **NO DEFAULT:**

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

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

In accordance with provisions of Companies Act, 2013 and company's Articles of Association, Sh. Sunil Kothari (DIN: 02056569), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Smt. Priyanka Surana is appointed as a Women Independent Non-Executive Director of the company w.e.f. 19th December 2016, to strengthen the board pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013.

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

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

The Board of Directors duly met 15 (Fifteen) times on 23<sup>rd</sup> April 2016, 1<sup>st</sup> June 2016, 29<sup>th</sup> June 2016, 12<sup>th</sup> August 2016, 15<sup>th</sup> September 2016, 17<sup>th</sup> September 2016 , 30<sup>th</sup> September 2016 ,5<sup>th</sup> October 2016, 14<sup>th</sup> December 2016, 20<sup>th</sup> December 2016, 29<sup>th</sup> December 2016, 27<sup>th</sup> January 2017, 6<sup>th</sup> february 2017,21<sup>st</sup> february 2017& 22<sup>nd</sup> february 2017 in the Financial Year, in respect of each meetings, proper





# ***KRISHANA PHOSCHEM LIMITED***

notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No resolution was by circulator resolution.

## **PARTICULARS OF EMPLOYEES**

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

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

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

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

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

## **RISK MANAGEMENT:**

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

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

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. The company has not entered into any contract or arrangement covered under section 188 of the Companies Act, 2013 read with the rule 15 of Companies (Meetings of Board and its power) Rule, 2014. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013. Further, there are no materially Related Party Transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained for transactions which are of repetitive nature.

Information on transactions with related parties pursuant to section 134(3) (h) of the act read with rule 8(2) of the companies (Accounts) Rules , 2014 are given in Annexure IX in form AOC-2 and the same part of this report.



# ***KRISHANA PHOSCHEM LIMITED***

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

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

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

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

### **BOARD EVALUATION:**

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

### **COMMITTEES OF BOARD:**

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

The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

The following Directors are the members of Audit Committee.

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

During the year the Committee had 4 Meetings i.e. on 16<sup>th</sup> May 2016, 05<sup>th</sup> September 2016, 26<sup>th</sup> December 2016 and 28<sup>th</sup> March 2017.

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

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

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

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

The Committee meets as and when any remuneration is to be fixed for any Directors /KMPs. During the year the Committee had 1 Meetings i.e. on 01<sup>st</sup> December, 2016.



# **KRISHANA PHOSCHEM LIMITED**

## **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The following Committee of Directors looks after the Investor Grievances:

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

During the year the 2 Stakeholder Relationship Committee Meetings were held on 20<sup>th</sup> December 2016, And 24<sup>th</sup> March 2017.

## **CORPORATE SOCIAL RESPONSIBILITY:**

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

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

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

The company has incurred as per recommendation of committee a sum of Rs. 11.83 Lacs during the year 2016-17 as against Rs.8.84 Lacs as per provisions of Company Act, 2013.

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

The CSR Report for the financial year ended on March 31<sup>st</sup>, 2017 is provided in Annexure VIII forming part of this report.

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

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

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

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



## ***KRISHANA PHOSCHEM LIMITED***

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17.

No. of complaints received: Nil

No. of complaints disposed off: Nil

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2017 on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

### **MATERIAL CHANGES AND COMMITMENTS:**

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

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

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



# ***KRISHANA PHOSCHEM LIMITED***

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

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

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

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their grateful appreciation for the co-operation and assistance received from Share Holders, Customers, Banks, Financial Corporations, 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**  
**Date**      **26/05/2017**

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

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



# KRISHANA PHOSCHEM LIMITED

## ANNEXURE-I

Form No. MGT-9

As on the financial year ended on 31.03.2017

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

### REGISTRATION AND OTHER DETAILS

|      |   |  |
|------|---|--|
| i)   | CIN   | U24124RJ2004PLC019288  |
| ii)  | Registration Date   | 14/05/2004   |
| iii) | Name of the Company   | Krishana Phoschem Limited  |
| iv)  | Category / Sub-Category of the Company                                    | Company Limited by Shares/<br>Non-Govt. Company  |
| v)   | Address of the Registered office and contact details                      | 5-O-20, Basement, R.C. Vyas Colony<br>Bhilwara (Raj.)  |
| vi)  | Whether listed company (Yes / No)   | Yes  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup ( West)<br>Mumbai 400078, Maharashtra, India<br>Tel No. :- 91-22-61715400<br>Fax:- 91-22-25960329<br>Website:- <a href="http://www.linkintime.co.in">www.linkintime.co.in</a><br>Email:- <a href="mailto:kplipo@linkintime.co.in">kplipo@linkintime.co.in</a> |

### PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Single Super Phosphate                           | 20122                            | 63.37                              |
| 2      | Granular Single Super Phosphate                  | 20122                            | 33.70                              |

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

| S. No. | Name and Address of the Company | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section          |
|--------|---------------------------------|-----------------------|--------------------------------|------------------|-----------------------------|
| 1      | Ostwal Phoschem (India) Limited | U26933RJ1989PLC032188 | Holding                        | 39.22            | 2(6) of Companies Act, 2013 |



# KRISHANA PHOSCHEM LIMITED

|   |   |          |          |       |          |   |          |       |       |
|---|---|----------|----------|-------|----------|---|----------|-------|-------|
| FII's   | - | -        | -        | -     | -        | - | -        | -     | -     |
| Foreign<br>Venture Capital<br>Funds   | - | -        | -        | -     | -        | - | -        | -     | -     |
| Others<br>(specify)   | - | -        | -        | -     | -        | - | -        | -     | -     |
| <b>Sub-total<br/>(B)(1):-</b>   | - | -        | -        | -     | -        | - | -        | -     | -     |
| <b>2 Non-<br/>Institutions</b>  |   |          |          |       |          |   |          |       |       |
| a) Bodies Corp.   |   |          |          |       |          |   |          |       |       |
| Indian  | 0 | 4068750  | 4068750  | 19.38 | 4682147  | - | 4682147  | 18.80 | 0.57  |
| Overseas  | - | -        | -        | -     | -        | - | -        | -     | -     |
| b) Individuals  |   |          |          |       |          |   |          |       |       |
| Individual<br>shareholders<br>holding nominal<br>share capital<br>up to Rs. 1 lakh          | - | -        | -        | -     | 2194788  | - | 2194788  | 8.81  | 8.81  |
| Individual<br>shareholders<br>holding nominal<br>share capital in<br>excess of Rs 1<br>lakh | 0 | 900000   | 900000   | 4.29  | 2327988  | - | 2327988  | 9.35  | 5.05  |
| Others<br>(specify)   | - | -        | -        | -     | -        | - | -        | -     | -     |
| Clearing<br>Members   |   |          |          |       | 1435827  | - | 1435827  | 5.77  | 5.77  |
| NRI   |   |          |          |       | 4000     | - | 4000     | 0.016 | 0.016 |
| <b>Sub-total<br/>(B)(2):-</b>   |   | 4968750  | 4968750  | 23.67 | 10644750 | - | 10644750 | 42.75 | 19.08 |
| Total Public<br>Shareholding<br>(B)=(B)(1)+<br>(B)(2)                                       |   | 4968750  | 4968750  | 23.67 | 10644750 | - | 10644750 | 42.75 | 19.08 |
| <b>C. Shares held<br/>by Custodian<br/>for GDRs &amp;<br/>ADRs</b>                          | - | -        | -        | -     | -        | - | -        | -     | -     |
| Grand Total<br>(A+B+C)  |   | 21000000 | 21000000 | 100   | 24900000 |   | 24900000 | 100   |       |



## Shareholding of Promoters

| S No. | Shareholder's Name                           | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|-------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|       |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1     | Pankaj Ostwal                                | 540000                                    | 2.57                             | -  | 5000                                | 0.02                             | -  | Change                                   |
| 2     | Praveen Ostwal                               | 678500                                    | 3.23                             | -  | 678500                              | 2.72                             | -  | No Change                                |
| 3     | Nitu Ostwal                                  | 472500                                    | 2.25                             | -  | 2500                                | 0.01                             | -  | Change                                   |
| 4     | Ekta Jain                                    | 480000                                    | 2.29                             | -  | 5000                                | 0.02                             | -  | Change                                   |
| 5     | M.K. Ostwal (Karta of M.K. Ostwal HUF)       | 552500                                    | 2.63                             | -  | 2500                                | 0.01                             | -  | Change                                   |
| 6     | Pankaj Ostwal (Karta of Pankaj Ostwal HUF)   | 300000                                    | 1.43                             | -  | 5000                                | 0.02                             | -  | Change                                   |
| 7     | Praveen Ostwal (Karta of Praveen Ostwal HUF) | 300000                                    | 1.43                             | -  | 5000                                | 0.02                             | -  | Change                                   |
| 8     | Mahendra Kumar Ostwal                        | 85000                                     | 0.40                             | -  | 5000                                | 0.02                             | -  | Change                                   |
| 9     | M/s Chunri Prints Pvt. Ltd.                  | 888000                                    | 4.23                             | -  | 588000                              | 2.36                             | -  | Change                                   |
| 10    | Seasons Agro Chem India Private Limited      | 2387500                                   | 11.37                            | -  | 1260250                             | 5.06                             | -  | Change                                   |

# KRISHANA PHOSCHEM LIMITED

|    |                                 |         |       |   |         |       |   |        |
|----|---------------------------------|---------|-------|---|---------|-------|---|--------|
| 11 | Ostwal Phoschem (India) Limited | 4966500 | 23.65 | - | 9766500 | 39.22 | - | Change |
| 12 | M/s Paneri Textiles Pvt. Ltd    | 824250  | 3.93  | - | 524250  | 2.11  | - | Change |
| 13 | Archid Products Pvt. Ltd.       | 1771500 | 8.44  | - | 1407750 | 5.65  | - | Change |

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

| Name of Promoter                          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>Ostwal Phoschem (India) Limited</b>    |   |                                  |   |                                  |
| At the beginning of the year              | 4966500                                   | 23.65                            | 4966500                                 | 23.65                            |
| Received from Share transfer (12.08.2016) | 900000                                    | -                                | 5866500                                 | -                                |
| Allotment(05.10.2016)                     | 3900000                                   | -                                | 9766500                                 | -                                |
| At the End of the year                    | 9766500                                   | 39.22                            | 9766500                                 | 39.22                            |

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

| S. No. | Name of shareholder                     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.     | <b>SWASTIK CLOTHTEX PRIVATE LIMITED</b> |   |                                  |   |                                  |
|        | At the beginning of the year            | 1440000                                   | 6.86                             | 1444000                                 | 5.7992                           |

# KRISHANA PHOSCHEM LIMITED

|    |  |        |      |         |        |
|----|--|--------|------|---------|--------|
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 1444000 | 5.7992 |
| 2. | <b>HEM FINLEASE PVT. LIMITED</b>   |        |      |         |        |
|    | At the beginning of the year   | -      | -    | 1008141 | 4.0488 |
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 1008141 | 4.0488 |
| 3. | <b>VESTA TEX PVT.LTD</b>   |        |      |         |        |
|    | At the beginning of the year   | 963750 | 4.59 | 963750  | 3.8705 |
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 963750  | 3.8705 |
| 4. | <b>SHUBHLAXMI TEX FAB PRIVATE LIMITED</b>  |        |      |         |        |
|    | At the beginning of the year   | 765000 | 3.64 | 765000  | 3.0723 |
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 765000  | 3.0723 |
| 5. | <b>SUSWANI TEXTILE PVT LTD</b>   |        |      |         |        |
|    | At the beginning of the year   | 507000 | 2.41 | 507000  | 2.0361 |
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 507000  | 2.0361 |
| 6. | <b>VISUALIZE TRADECOM PRIVATE LIMITED</b>  |        |      |         |        |
|    | At the beginning of the year   | 393000 | 1.87 | 393000  | 1.5783 |
|    | At the End of the year ( or on the date of separation, if separated during the year) | -      | -    | 393000  | 1.5783 |
| 7. | <b>MAHENDRA GARG</b>   |        |      |         |        |
|    | At the beginning of the year   | 225000 | 1.07 | 348000  | 1.3976 |

# KRISHANA PHOSCHEM LIMITED

|     |  |   |   |        |        |
|-----|--|---|---|--------|--------|
|     | At the End of the year ( or on the date of separation, if separated during the year) | - | - | 348000 | 1.3976 |
| 8.  | <b>INFINITY JEANS PRIVATE LIMITED.</b>   |   |   |        |        |
|     | At the beginning of the year   | - | - | 227859 | 0.9151 |
|     | At the End of the year ( or on the date of separation, if separated during the year) | - | - | 227859 | 0.9151 |
| 9.  | <b>SHANTI LAL KANTHER</b>  |   |   |        |        |
|     | At the beginning of the year   | - | - | 136000 | 0.5462 |
|     | At the End of the year ( or on the date of separation, if separated during the year) | - | - | 136000 | 0.5462 |
| 10. | <b>BONANZA PORTFOLIO LTD</b>   |   |   |        |        |
|     | At the beginning of the year   | - | - | 124000 | 0.4980 |
|     | At the End of the year ( or on the date of separation, if separated during the year) | - | - | 124000 | 0.4980 |

### **Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Name of shareholder          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|------------------------------|---|----------------------------------|---|----------------------------------|
|        |                              | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.     | <b>Sh. Praveen Ostwal</b>    |   |                                  |   |                                  |
|        | At the beginning of the year | 678500                                    | 3.23                             | 678500                                  | 2.72                             |
|        | At the End of the year       | 678500                                    | 3.23                             | 678500                                  | 2.72                             |

# KRISHANA PHOSCHEM LIMITED

## INDEBTEDNESS

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

(Rs. In Lakhs)

| Particular   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 2786.03                          | 432.89          |          | 3218.92            |
| ii) Interest due but not paid                              | -                                | -               |          | -                  |
| iii) Interest accrued but not due                          | 7.71                             | -               |          | 7.71               |
| <b>Total (i+ii+iii)</b>                                    | <b>2793.74</b>                   | <b>432.89</b>   |          | <b>3226.63</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| Addition   | 16309.02                         | 3215.14         |          | 19524.17           |
| Reduction  | 15939.83                         | 2252.63         |          | 18192.47           |
| <b>Net Change</b>  | <b>369.19</b>                    | <b>962.51</b>   |          | <b>1331.70</b>     |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 3155.21                          | 1395.40         |          | 4550.62            |
| ii) Interest due but not paid                              | -                                | 5.71            |          | 5.71               |
| iii) Interest accrued but not due                          | 0                                | -               |          |                    |
| <b>Total (i+ii+iii)</b>                                    | <b>3155.21</b>                   | <b>1401.11</b>  |          | <b>4556.32</b>     |

# KRISHANA PHOSCHEM LIMITED

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                   | Total Amount |
|--------|---|-------------------------|-------------------|--------------|
|        |   | Sh. Praveen Ostwal      | Sh. Sunil Kothari |              |
| 1      | Gross salary  |                         |                   |              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24.02                   | 7.90              | 31.92        |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                       | -                 | -            |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                       | -                 | -            |
| 2      | Stock Option  | -                       | -                 | -            |
| 3      | Sweat Equity  | -                       | -                 | -            |
| 4      | Commission  | -                       | -                 | -            |
|        | - as % of profit  | -                       | -                 | -            |
|        | - others, specify   | -                       | -                 | -            |
| 5      | Others, please specify  | -                       | -                 | -            |
|        | Total (A)   | 24.02                   | 7.90              | 31.92        |
|        | Ceiling as per the Act  |                         |                   |              |

### B. Remuneration to other directors - N.A.

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

| S. no. | Particulars of Remuneration   | Key Managerial Personnel |                      |     | Total Amount |
|--------|---|--------------------------|----------------------|-----|--------------|
|        |   | Company Secretary        |                      | CFO |              |
|        |   | Miss Suryanshi Jain      | Miss Priyanka Bansal |     |              |
| 1      | Gross salary  | 0.56                     | 0.34                 | 0   | 0.90         |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          | -                    | -   |              |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -                    | -   | -            |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                        | -                    | -   | -            |
| 2      | Stock Option  | -                        | -                    | -   | -            |
| 3      | Sweat Equity  | -                        | -                    | -   | -            |
| 4      | Commission  | -                        | -                    | -   | -            |
|        | - as % of profit  | -                        | -                    | -   | -            |



# ***KRISHANA PHOSCHEM LIMITED***

|   |                        |      |      |   |      |
|---|------------------------|------|------|---|------|
|   | - others, specify      | -    | -    | - | -    |
| 5 | Others, please specify | -    | -    | - | -    |
|   | Total                  | 0.56 | 0.34 | 0 | 0.90 |

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

**Place**      **Bhilwara**  
**Date**        **26/05/2017**

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

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

**ANNEXURE-II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 2016-17  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule*  
*No.9 of the Companies (Appointment and Remuneration Personnel)*  
*Rules, 2014]*

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 2016-17

To,  
The Members,  
Krishana Phoschem Limited

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

Based on our verification of the **Krishana Phoschem Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Krishana Phoschem Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

**I further report that**

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

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

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

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

**I further report that** during the audit period the company has:

1. Company made 6576000 Equity Shares as Offer for sale in Initial Public Offer.

For S P Jethlia & Company  
Company Secretaries

(S. P. Jethlia)  
Proprietor  
C.P. No. 4844  
M. No. 3464

Date: 26.05.2017  
Place: Bhilwara



# **KRISHANA PHOSCHEM LIMITED**

## **ANNEXURE- III**

### **Particulars of employee**

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

|   |  |
|---|--|
| (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.   | 1. Mr. Praveen Ostwal -13.70<br>2. Mr. Sunil Kothari - 4.51  |
| (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.   | 1. Praveen Ostwal (Managing Director) - 0%<br>2. Sunil Kothari (Whole Time Director & Chief Financial Officer) - 6.73%   |
| (iii) The percentage increase in the median remuneration of employees in the financial year   | The percentage increase in the median remuneration of employees in the financial year was 39.33 %.   |
| (iv) The number of permanent employees on the rolls of company.   | 74 Employee  |
| (v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | As against increase of 8.61% in respect of employees other than managerial, the increase of managerial personnel has been only 1.24 %  |
| (vi) Affirmation that the remuneration is as per the remuneration policy of the company.  | The company affirmed that the remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013. |

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

- (i) No Employee was employed throughout the financial year at an aggregate salary of not less than Rs. One Crore and Two Lacs.
- (ii) No Employee was employed for a part of the financial year at an aggregate salary of not less than Rs. Eight Lacs and Fifty Thousand per month.



## ***KRISHANA PHOSCHEM LIMITED***

(iii) No one was employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director.

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

**Place**      **Bhilwara**  
**Date**        **26/05/2017**

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

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

## ANNEXURE IV

### Details of Conservation Of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

Information pursuant to section 134 (c) (m) of the Companies Act, 2013 read with Companies (Companies (Accounts) rule 2014) Rule, 8 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2017.

#### 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:

| <b>A. Power &amp; Fuel Consumption:</b>       |                                 |                       |                       |
|---|---------------------------------|-----------------------|-----------------------|
|   |                                 | <b><u>2016-17</u></b> | <b><u>2015-16</u></b> |
|   | Electricity:                    |                       |                       |
| (A)   | Purchase of Units:              | 3165808               | 1820960               |
|   | Amount in Rs.                   | 23894367              | 16353076              |
|   | Rate / unit Rs.                 | 7.55                  | 8.98                  |
| (B)   | Own Generation Through Diesel:  | NIL                   | NIL                   |
|   | Units generated                 |                       |                       |
|   | Units per liter of oil          |                       |                       |
|   | Cost/unit (Rs.)                 |                       |                       |
| <b>B. Consumption per unit of production:</b> |                                 |                       |                       |
|   | Electricity (Unit/MT)           |                       |                       |
|   | Beneficiated Rock Phosphate     | 19.12                 | 27.33                 |
|   | Single Super Phosphate          | 13.83                 | 15.75                 |
|   | Granular Single Super Phosphate | 13.21                 | 14.08                 |
|   | Chemical                        | 5478.05               | -                     |

#### TECHNOLOGY ABSORPTION

The Company has strengthened 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.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no foreign currency exposure earning & outgoing during the year 2016-17.



# ***KRISHANA PHOSCHEM LIMITED***

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

**Place**      **Bhilwara**  
**Date**      **26/05/2017**

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

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

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



# ***KRISHANA PHOSCHEM LIMITED***

## **ANNEXURE-V**

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

[Pursuant to section 186 (4)]

|     | Particulars      | As at 31 <sup>st</sup> March,<br>2017 | As at 31 <sup>st</sup> March,<br>2016 |
|-----|------------------|---------------------------------------|---------------------------------------|
| (A) | Loan Given       | -                                     | -                                     |
|     |                  |                                       |                                       |
|     |                  |                                       |                                       |
| (B) | Investment made  | -                                     | -                                     |
|     |                  |                                       |                                       |
|     |                  |                                       |                                       |
| (C) | Guarantee given* | -                                     |                                       |
|     |                  |                                       |                                       |
|     |                  |                                       |                                       |

Place: Bhilwara  
Date : 26/05/2017

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

## ANNEXURE VI CORPORATE GOVERNANCE REPORT- 2016-17

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

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

### **2. Board of Directors**

#### **Composition of the Board**

As on March 31, 2017, the Company's Board comprised of 5(Five) Directors viz., 3 Non-Executive Independent Directors; a Managing Director and a Whole time Director. The Chairman of the Board is a Managing Director.

**Details of Board of Director's category, attendance at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee positions as on 31st March, 2017 are given below:**

| Sr. No. | Name of the Director | Category/ Status of Directorship                | No. of Board Meetings attended during year | Whether Attended AGM | No. of Directorships In Other Public Limited Companies | No. of Committee positions held in Public Limited Companies |        | No. of Equity Shares held in the Company |
|---------|----------------------|---|--|----------------------|--|---|--------|--|
|         |                      |   |  |                      |  | Chairman  | Member |  |
| 1       | Praveen Ostwal       | Chairman cum Managing Director                  | 15   | Yes                  | 2  | -   | 2      | 678500                                   |
| 2       | Sunil Kothari        | Whole Time Director and Chief Financial Officer | 15   | Yes                  | -  | -   | 1      | -  |
| 3       | Ashish Kothari       | Non-Executive Independent Director              | 15   | Yes                  | -  | 1   | 4      | -  |



|   |                        |   |    |     |   |   |   |   |
|---|------------------------|---|----|-----|---|---|---|---|
| 4 | <b>Pradeep Agarwal</b> | <b>Non-Executive Independent Director</b>       | 15 | Yes | - | 4 | 1 | - |
| 5 | <b>Priyanka Surana</b> | <b>Non-Executive Women Independent Director</b> | 06 | No  | - | - | 2 | - |

\* Mrs. Priyanka Surana was appointed as Non-Executive Women Independent Directors in EGM held on 19th December, 2016.

#### □ Number of Board Meetings

During the financial year from 1st April, 2016 to 31st March 2017, the Board of Directors met Fifteen times on 23-04-2016, 01-06-2016, 29-06-2016, 12-08-2016 , 15-09-2016, 17-09-2016, 30-09-2016, 05-10-2016, 14-12-2016, 20-12-2016, 29-12-2016, 27-01-2017, 06-02-2017, 21-02-2017, 22-02-2017. The maximum time gap between any two consecutive board meetings was less than 120 days.

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

None of the Non-Executive Directors holds any share in the Company.

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

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

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

#### Separate Meeting of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 28<sup>th</sup> February, 2017, at the Registered Office of the Company at 5-O-20, Basement, R.C. Vyas Colony, Bhilwara 311001, where at the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

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

### 3. Audit Committee

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

# **KRISHANA PHOSCHEM LIMITED**

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

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

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

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

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

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

Four Audit Committee Meetings were held during the year ended March 31, 2017. The maximum time gap between any of the two meetings was not more than one hundred and twenty days.

The dates on which the Audit Committee meetings held are May 16, 2016, September 05, 2016, December 26, 2016 and March 28, 2017.

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

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

**4. Nomination and Remuneration Committee**

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

# ***KRISHANA PHOSCHEM LIMITED***

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

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

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

The Company Secretary acts as the Secretary of the Committee.

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

| <b>Sr. No.</b> | <b>Name</b>                | <b>Designation</b>                        | <b>Position in Committee</b> |
|----------------|----------------------------|---|------------------------------|
| <b>1.</b>      | <b>Mr. Pradeep Agarwal</b> | <b>Non-Executive-Independent Director</b> | <b>Chairman</b>              |
| <b>2.</b>      | <b>Mr. Ashish Kothari</b>  | <b>Non-Executive-Independent</b>          | <b>Member</b>                |

|           |                             |   |               |
|-----------|-----------------------------|---|---------------|
|           |                             | <b>Director</b>                               |               |
| <b>3.</b> | <b>Mrs. Priyanka Surana</b> | <b>Non-Executive-Independent<br/>Director</b> | <b>Member</b> |

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

One Committee Meetings were held during the year ended March 31, 2017.

The dates on which the Committee meetings held on December 01, 2016.

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

| Name of Director     | Designation | Number of Meetings |          |
|----------------------|-------------|--------------------|----------|
|                      |             | Held               | Attended |
| Mr. Pradeep Agarwal  | Chairman    | 1                  | 1        |
| Mr. Ashish Kothari   | Member      | 1                  | 1        |
| Mrs. Priyanka Surana | Member      | 1                  | 1        |

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

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

## **5. Remuneration of director**

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

None except for the Sitting Fee to Independent Directors.

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

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

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

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

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

The Company Secretary acts as the Secretary of the Committee.

The constituted Stakeholders Relationship Committee comprises the following:

# KRISHANA PHOSCHEM LIMITED

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

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

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

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

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

| No. of Investor Complaints received | No. of Investor Complaints disposed | No. of Investor Complaints those remaining unresolved |
|-------------------------------------|-------------------------------------|---|
| 3                                   | 3                                   | 0   |

**Corporate Social Responsibility Committee**

In compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility (CSR) Committee as at March 31, 2017 is as under:

| Name of the Director | Designation | Nature of Directorship             |
|----------------------|-------------|------------------------------------|
| Mr. Pradeep Agarwal  | Chairman    | Non-Executive Independent Director |
| Shri Sunil Kothari   | Member      | Whole Time Director                |
| Shri Ashish Kothari  | Member      | Non-Executive Independent Director |

**7. General Body Meetings**

Particulars of last three Annual General Meetings:

| AGM  | Year Ended     | Venue   | Date                 | Time       |
|------|----------------|---|----------------------|------------|
| 12th | March 31, 2016 | 5-O-20, Basement, R.C. Vyas Colony, Bhilwara - 311001 | 28th September, 2016 | 11:00 A.M. |

# KRISHANA PHOSCHEM LIMITED

|      |                |   |                      |            |
|------|----------------|---|----------------------|------------|
| 11th | March 31, 2015 | 5-O-20, Basement, R. C. Vyas Colony, Bhilwara - 311001    | 21st September, 2015 | 11:00 A.M. |
| 10th | March 31, 2014 | 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara-311001 | 13th September, 2014 | 10:00 A.M. |

### Special Resolutions passed in previous three Annual General Meetings

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

| Date                 | Particulars   |
|----------------------|---|
| 28th September, 2016 | No Special Resolutions were passed  |
| 21st September, 2015 | Adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.  |
| 13th September, 2014 | Approving the reappointment of Sh. Sunil Kothari as Whole - Time Director designated as Chief Financial Officer of the company for a period of 5 years commencing from 1st April, 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. |

### Postal Ballot

No resolution requiring postal ballot was placed before the last Annual General Meeting.

## 8. Means of Communication

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

## 9. General Shareholders Information

| Sr. No. | Salient Items of Interest                                      | Particulars  |
|---------|--|--|
| 1.      | <b>Annual General Meeting</b><br>Date and Day<br>Time<br>Venue | On Saturday, September 23, 2017.<br>03.00 P.M<br>Hotel Kanchi Resorts , Pur Road Bhilwara (Raj) 311001 |

# KRISHANA PHOSCHEM LIMITED

|     |   |   |                                  |                     |                                   |
|-----|---|---|----------------------------------|---------------------|-----------------------------------|
| 2.  | <b>Financial Year</b>   | April 1st 2016 to March 31st, 2017  |                                  |                     |                                   |
| 3.  | <b>Dividend Payment Date</b>  | Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting  |                                  |                     |                                   |
| 4.  | <b>Listing on Stock Exchanges</b>   | The Company's equity shares are listed on SME Platform of NSE on 27th February, 2017. The listing fee for the same has been paid.   |                                  |                     |                                   |
| 5.  | <b>Symbol</b>   | KRISHANA<br>ISIN : INE506W01012   |                                  |                     |                                   |
| 6.  | <b>Market Price Data: High, Low during each month in Last Financial Year</b>                                      | N.A   |                                  |                     |                                   |
| 7.  | <b>Register and Transfer Agents</b>   | LINK INTIME INDIA PRIVATE LIMITED<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (West)<br>Mumbai 400 078, Maharashtra, India.<br>Tel: 91-22 – 61715400<br>Fax: 91-22 – 25960329<br>Website: www.linkintime.co.in<br>email: kpl.ipo@linkintime.co.in              |                                  |                     |                                   |
| 8.  | <b>Share Transfer System</b>  | As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.  |                                  |                     |                                   |
| 9.  | <b>Distribution of Shareholding (as on 31.03.2017)</b>  |   |                                  |                     |                                   |
|     | <b>Shareholding</b>   | <b>No. of Shareholder</b>   | <b>Percentage of Shareholder</b> | <b>No. of Share</b> | <b>Percentage of Shareholding</b> |
|     | 1-500   | 2   | 0.3063                           | 217                 | 0.0009                            |
|     | 1001-2000   | 3   | 0.4594                           | 5538                | 0.0222                            |
|     | 2001-3000   | 4   | 0.6126                           | 10005               | 0.0402                            |
|     | 3001-4000   | 494   | 75.6508                          | 1975783             | 7.9349                            |
|     | 4001-5000   | 5   | 0.7657                           | 25000               | 0.1004                            |
|     | 5001-10000  | 50  | 7.6570                           | 397469              | 1.5963                            |
|     | 10001-.....   | 95  | 14.5482                          | 22485988            | 90.3052                           |
|     | <b>Total</b>  | <b>653</b>  | <b>100</b>                       | <b>24900000</b>     | <b>100</b>                        |
| 10. | <b>Dematerialization of shares and liquidity</b>  | All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.   |                                  |                     |                                   |
| 11. | <b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b> | Not Applicable  |                                  |                     |                                   |
| 12. | <b>Plant Locations</b>  | Unit I : Plot No. 115, 116, 117<br>and 118-A, 118-B, 119<br>120 , and 126 – 133, Meghnagar<br>Jhabua , Madhya<br>Pradesh<br>Unit II : Plot No. 142 and 143,<br>Meghnagar Jhabua,<br>Madhya Pradesh<br>Unit III: Plot No. 126-A and<br>134, Meghnagar<br>Jhabua, Madhya<br>Pradesh |                                  |                     |                                   |
| 13. | <b>Address for correspondence</b>   | 5-O-20, Basement R C<br>Vyas Colony,<br>Bhilwara – 311001,<br>Rajasthan, India.<br>Ph. No. 91-1482-237104/ 239091/ 230060   |                                  |                     |                                   |

## **10. Other Disclosures**

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

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

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

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

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

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

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

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

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

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

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

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

### **Instance of non-Compliance of any requirement of corporate governance report:**

There has been no instance of non-compliance of any requirement of corporate governance report.

### **Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46:**

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





# **KRISHANA PHOSCHEM LIMITED**

## **Disclosure of Accounting Treatment:**

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

## **CEO and CFO Certification**

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s). The annual Compliance Certificate given by Chairman and Managing Director and Chief Financial Officer is attached with this Report an integral part of the Annual Report.

## **Code of conduct for Board Members and Senior Management Personnel**

The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website [www.krishnaphoschem.com](http://www.krishnaphoschem.com). The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code.

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

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

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

**Place** Bhilwara  
**Date** 26/05/2017

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

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



# ***KRISHANA PHOSCHEM LIMITED***

## **CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO**

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do further certify that there has been:
- i. No Significant changes in internal control over financial reporting during the year;
- ii. No Significant changes in accounting policies during the year;
- iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

Place                      Bhilwara

Date                        26.05.2017

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

**DIN 00412207**

**Sd/-**  
(Sunil Kothari )  
**Whole Time Director**

**DIN 02056569**



# ***KRISHANA PHOSCHEM LIMITED***

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To The Members,  
Krishana Phoschem Limited

We have examined the compliance conditions of corporate governance by Krishana Phoschem Limited for the Financial year ended March 31, 2017 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For S P Jethlia & Company  
Company Secretaries

**Sd/-**

(S. P. Jethlia)  
Proprietor  
C.P. No. 4844  
M. No. 3464

Date: 26.05.2017  
Place: Bhilwara

## **ANNEXURE-VII**

### **NOMINATION AND REMUNERATION POLICY**

#### **Introduction:**

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

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

The Committee shall:

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

#### **Definitions:**

- **"Board"**:-Board means Board of Directors of the Company.
- **"Director"**:-Directors means Directors of the Company.
- **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-  
(i) The Chief Executive Officer or the managing director or the manager;

# ***KRISHANA PHOSCHEM LIMITED***

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

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

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

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

#### **Chairman:**

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

#### **Frequency of Meetings:**

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

#### **Committee Members’ Interests:**

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

**Voting:**

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Evaluation:**

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

**Criteria for Evaluation of the Board:**

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

**1. Executive Directors:**

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

**2. Non-Executive Director:**

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

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;

# ***KRISHANA PHOSCHEM LIMITED***

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

## **Remuneration:**

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

## **Deviations from this policy**

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



# ***KRISHANA PHOSCHEM LIMITED***

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

**Place**      **Bhilwara**  
**Date**        **26/05/2017**

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

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

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





# **KRISHANA PHOSCHEM LIMITED**

## **ANNEXURE-VIII**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

*(Information pursuant to section 134 (3) (0) of the Companies Act, 2013 read with the Rule 8 & 9 of (Companies CSR Rule, 2014)*

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes-**

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 29th September, 2014, approved a CSR Policy of the Company.

In accordance with the primary CSR philosophy of the group and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as Tree Plantation, School Bags Distribution, Promoting Education, Environmental Sustainability, Eradicating Hunger and healthcare.

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

**2. Composition of CSR Committee-**

CSR Committee shall consist of following persons:

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

**3. Average net profit of the company for last three financial years-**

| Year        | Net profit (In Lacs) |
|-------------|----------------------|
| 2015-2016   | 302.74               |
| 2014-2015   | 276.50               |
| 2013-2014   | 747.83               |
| Total       | 1327.07              |
| Avg. Profit | 442.36               |

**4. CSR Expenditure - CSR Expenditure for financial year 2016-17 of Company is 8.84 Lacs i.e. 2% of Rs. 442.36 lacs.**

## 5. Details of CSR Spent during the financial year 2016-2017-

(a) Total amount to be spent for the financial year Rs. 11.83 Lacs

(b) Amount unspent for the financial year - Nil

(c) Manner in which the amount spent during the financial year is detailed below.

(Rs. InLacs)

| (1)    | (2)                                      | (3)                                    | (4)   | (5)  | (6)  | (7)   | (8)  |
|--------|--|--|---|--|--|---|--|
| S. No. | CSR Project or activity Identified       | Sector in which the Project is covered | Projects or Programs (1)Local Area or other (2)Specify The State and District where Projects or Programs was undertaken | Amount outlay (budget) Project Programs wise | Amount Spent on The Projects or programs <b>Sub heads-</b><br>(1) Direct Expenditure On projects or programs<br>(2)Overheads | Cumulative expenditure Up to the Reporting period | Amount Spent : Direct or Through Implementing Agency |
| 1      | Tree Plantation                          | Environmental Sustainability           | Meghnagar (M.P.)  | 0.71   | 0.71   | 0.71  | Direct   |
| 2      | Vishal Saptam Khel mela                  | Promoting Healthcare                   | Thandla (M.P.)  | 0.51   | 0.51   | 0.51  | Direct   |
| 3      | Bhopal Vigyan Mela                       | Promoting Education                    | Bhopal (M.P.)   | 0.60   | 0.60   | 0.60  | Direct   |
| 4      | Sakal Jain Samaj                         | Promoting Healthcare                   | Bhilwara (Raj.)   | 0.11   | 0.11   | 0.11  | Direct   |
| 5      | Sai Mandir                               | Hunger Eradication                     | Meghnagar (M.P.)  | 0.29   | 0.29   | 0.29  | Direct   |
| 6      | Vanvasi Kalyan Parishad                  | Poverty                                | Bhopal (M.P.)   | 0.21   | 0.21   | 0.21  | Direct   |
| 7      | Rashtriya Swayamsevak Sangh              | Charity Donation /                     | Meghnagar (M.P.)  | 0.11   | 0.11   | 0.11  | Direct   |
| 8      | School Bag Distribution Nearby Meghnagar | Charity Donation /                     | Meghnagar (M.P.)  | 8.86   | 8.86   | 8.86  | Direct   |
| 9.     | School at Agral                          | Charity Donation /                     | Agral M.P.  | 0.08   | 0.08   | 0.08  | Direct   |

# **KRISHANA PHOSCHEM LIMITED**

|     |                              |                    |                  |              |              |              |        |
|-----|------------------------------|--------------------|------------------|--------------|--------------|--------------|--------|
| 10. | Shri Siddhi Vinayak Mandir   | Pooja              | Meghnagar (M.P.) | 0.11         | 0.11         | 0.11         | Direct |
| 11. | Chair Distribution at school | Charity Donation / | Agral M.P.       | 0.12         | 0.12         | 0.12         | Direct |
| 12. | Teraphanth Yuvak Parishad    | Charity Donation / | Bhilwara (Raj.)  | 0.12         | 0.12         | 0.12         | Direct |
|     |                              | <b>Total</b>       |                  | <b>11.83</b> | <b>11.83</b> | <b>11.83</b> |        |

**6. In case the Company has failed to spend the 2% of the average net profit of the last 3 FYs or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report- N.A.**

**7. Responsibility Statement-**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**Sd/-**

(Praveen Ostwal)  
**Managing Director**

**Sd/-**

(Pradeep Agarwal)  
**Chairman CSR Committee**

**Sd/-**

(Sunil Kothari)  
**Member**

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE IX

### Form No. AOC-2

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

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

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

| Name(s) of the related party              | Nature of relationship                                | Duration of contract | Salient terms | Amount (In Lac.) |
|---|---|----------------------|---------------|------------------|
| <b>Investment in Equity Instrument</b>    |   | -                    | -             | -                |
| <b>Purchase of Material</b>               |   | <b>FY 16-17</b>      |               |                  |
| Madhya Bharat Agro Products Ltd.          | A public Company in which Praveen Ostwal is a member. | -                    | See note-1    | 386.64           |
| Seasons Agrochem (India) Pvt. Ltd         | A Private Company in which Director is member         |                      | See note-1    | 366.00           |
| <b>Rent payment of Immovable Property</b> |   | <b>FY 16-17</b>      |               |                  |
| Ostwal Phoschem India Limited             | Holding   |                      | See note-1    | 0.05             |
| <b>Sale of Material</b>                   |   | <b>FY 16-17</b>      |               |                  |
| Madhya Bharat Agro Products Ltd           | A public Company in which Praveen Ostwal is a member. |                      | See note-1    | 6.87             |
| Ostwal Phoschem India Limited             | Holding   |                      | See note-1    | 2.50             |
| <b>Loan Taken</b>                         |   | <b>FY 16-17</b>      |               |                  |
| Ostwal Phoschem India Limited             | Holding   |                      | See note-1    | 785.00           |



# ***KRISHANA PHOSCHEM LIMITED***

| <b>Interest Paid on Loan Taken</b> |         | <b>FY 16-17</b> |            |      |
|------------------------------------|---------|-----------------|------------|------|
| Ostwal Phoschem India Limited      | Holding |                 | See note-1 | 6.34 |

**Note:**

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

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

**Sd/-**

**Sd/-**

(Praveen Ostwal)  
**Managing Director**

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

Place Bhilwara (Raj)

Date 26.05.2017

**DIN 00412207**



# ***KRISHANA PHOSCHEM LIMITED***

## **ANNEXURE X** **MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

### **INDUSTRY SCENARIO AND DEVELOPMENTS**

The Company is engaged in the manufacturing of Single Super Phosphate (SSP), Beneficiated Rock Phosphate (BRP) and Dyes intermediates & other allied products. Beneficiated Rock Phosphate and Sulphuric Acid is basic raw material for SSP. SSP is used in for replenishing "P" (Phosphorus) in the soil which gets depleted steadily with each crop.

### **OPPORTUNITIES**

KPL is constantly looking to expand in the chemical line of product i.e. Sulphuric Acid, Oleum SO<sub>3</sub> and there exists good scope for various expansion and development to new product due to availability of ample land and skill manpower and position Scope of produce new chemicals products as sulphuric acid is a mother chemical and vastly applicable in manufacturing of various chemicals. Following opportunities are also available for KPL:

- Increase in product line covering Macro and Micro nutrients
- Government Initiatives for fertilizer Industry
- Strong Marketing network in India with Shree Ram Fertilizer
- Substantial infrastructure Facilities
- Scope for expansion as mentioned above
- High Growth Potential

### **THREATS**

- Competition from other Fertilizer manufacturing companies as we are in leading position with M/s Shri Ram Fertilizer & Chemicals.
- Inconsistent Government policies for fertilizer industry
- Government Intervention.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Detail of Unit wise or Product wise performance is furnished separately in the Annual Report.

### **FUTURE OUTLOOK- PROJECT**

After successful completion of H-Acid & other allied products project with capacity of 1324 TPAY and Single Super Phosphate capacity of 120000 TPAY and GSSP 90000 your directors have further envisaged to set up a Sulphuric Acid project, Oleum SO<sub>3</sub> projects etc. The Company has obtained necessary clearance and statutory permissions and civil constructions, plant & machinery, installation and marketing financial tie ups are under progress and projects may be finished very soon in future.

### **RISK & CONCERN**

Our business is mostly dependent upon the growth of agriculture and Agri-products which are subject to substantial risks faced by the weather condition in India. Weather condition such as delayed monsoon or less rainfall may affect our business, the dependence on Government



# ***KRISHANA PHOSCHEM LIMITED***

policies which ultimately impact the overall performance of the industry. These are all factors which are beyond the control of the private enterprise and would continue to be a challenge.

## **INTERNAL CONTROL SYSTEM**

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

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

## **OPERATIONAL PERFORMANCE**

During the year under review, your Company brought a new project of H Acid & Other allied products. Your company has achieved the turnover of Rs.7962.08 Lakh and the net profit after tax for the current year stands at Rs. 330.16 Lakh as against Rs. 138.26 lakh in previous year.

## **HUMAN RESOURCE DEVELOPMENT**

As a part of ongoing exercise of the restructuring and re-organization of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements. We have had cordial relations with the staff throughout the year.

## **CAUTIONARY STATEMENT**

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

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

|              |                   |                          |                        |
|--------------|-------------------|--------------------------|------------------------|
| <b>Place</b> | <b>Bhilwara</b>   | <b>Sd/-</b>              | <b>Sd/-</b>            |
| <b>Date</b>  | <b>26/05/2017</b> | <b>(Praveen Ostwal)</b>  | <b>(Sunil Kothari)</b> |
|              |                   | <b>Managing Director</b> | <b>Whole Time</b>      |
|              |                   | <b>(DIN: 00412207)</b>   | <b>Director</b>        |
|              |                   |                          | <b>(DIN: 02056569)</b> |

## 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, 2017 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

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

1. As required by section 143(3) of the Act, we report that: -
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-  
Ashok Kanther  
**(Partner)**  
M. No. 043571

Place: Bhilwara  
Date: 26.05.2017

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

Annexure referred to in Point 2 of the Auditors' Report of even date to the members of Krishana Phoschem Limited for the year ended as on March 31, 2017.

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b. As per the information and explanations given to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. As per the information given to us the title deeds of the immovable properties are held in the name of the company.
- (ii) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such verification.
- (iii) As per the information and explanation given to us and on the basis of our examination of the books of account, the company has not granted loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus clause iii (a), iii (b) iii (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 has been complied with by the company.
- (v) In our opinion and as per the information and explanations given to us and on the basis of our examination of the books of account, the company has not accepted any deposits covered under section 73 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (vii) a. According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, cess and any 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 2017 for a period of more than 6 months from the date they became due.
- b. According to the record of the company, there is no amounts payable in respect of income tax or sales-tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any disputes.
- (viii) 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 or banks. There are no debenture holders of the company.
- (ix) According to the record of the company, no money has been raised by way of initial public offer or further public offer but Company has been made offer for sale by way of initial public offer. Further company raised money of Rs. 691.83 Lacs by way of term loan. The loan has been utilized for the purpose for which it has been sanctioned.
- (x) Based on our audit procedures performed and on the information and explanations 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 for such case by the management.
- (xi) According to the records of the company and on the basis of information and explanation given to us, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a nidhi. Therefore, clause 12 of the Companies (Auditor's Report) order, 2016 is not applicable to the Company.
- (xiii) In our opinion and according to the record of the company all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) According to the record of the company, the company has not made any preferential allotment or fully or partly convertibles debentures during the year. Company has made private placements of shares during the year in compliance of section 42 of Companies Act, 2013 and amount raised has been utilized for the purpose for which it has been raised.
- (xv) According to the information and explanations given to us and the records examined by us the company has not entered into any non-cash transactions with directors or persons connected with him.

ASHOK KANTHER & ASSOCIATES  
Chartered Accountants  
FRN 050014C

90, Indira Market  
Bhilwara (Raj.)  
Phone : 01482-227154 (O), 9414287289

- (xvi) According to the record of the company, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Sd/-  
Ashok Kanther  
**(Partner)**  
M. No. 043571

Place: Bhilwara  
Date: 26/05/2017

**KRISHANA PHOSCHEM LIMITED**  
**AUDITED BALANCE SHEET AS AT 31ST MARCH 2017**



( Rs. In Lakh)

| Particulars                      |  | Note No. | As at 31st March<br>2017 | As at 31st March<br>2016 |
|----------------------------------|--|----------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b> |  |          |                          |                          |
| <b>1 Shareholders' funds</b>     |  |          |                          |                          |
|                                  | (a) Share capital                        | 2        | 2490.00                  | 2100.00                  |
|                                  | (b) Reserves and surplus                 | 3        | 6769.76                  | 5931.39                  |
| <b>2 Non-current Liabilities</b> |  |          |                          |                          |
|                                  | (a) Long-term borrowings                 | 4        | 2419.75                  | 1261.76                  |
|                                  | (b) Deferred tax liabilities (Net)       | 5        | 55.81                    | 0.00                     |
|                                  | (c) Other long term liabilities          |          |                          |                          |
| <b>3 Current Liabilities</b>     |  |          |                          |                          |
|                                  | (a) Short-term borrowings                | 6        | 1663.19                  | 1658.97                  |
|                                  | (b) Trade payables                       | 7        | 1079.75                  | 318.27                   |
|                                  | (c) Other current liabilities            | 8        | 540.79                   | 344.27                   |
|                                  | (d) Short-term provisions                | 9        | 210.61                   | 115.05                   |
| <b>TOTAL</b>                     |  |          | <b>15229.66</b>          | <b>11729.71</b>          |
| <b>II. ASSETS</b>                |  |          |                          |                          |
| <b>1 Non-current assets</b>      |  |          |                          |                          |
|                                  | (a) Fixed assets                         |          |                          |                          |
|                                  | (i) Tangible assets                      | 10       | 7953.93                  | 7174.97                  |
|                                  | (ii) Intangible assets                   |          |                          |                          |
|                                  | (iii) Capital work-in-progress           |          | 2459.16                  | 810.72                   |
|                                  | (iv) Intangible assets under development |          |                          |                          |
|                                  | (b) Non-current investments              | 11       | 0.00                     | 0.00                     |
|                                  | (c) Deferred tax Assets (Net)            | 5        | 0.00                     | 62.62                    |
|                                  | (d) Long-term loans and advances         | 12       | 81.68                    | 59.32                    |
|                                  | (e) Other non-current assets             | 13       | 0.00                     | 0.00                     |
| <b>2 Current assets</b>          |  |          |                          |                          |
|                                  | (a) Inventories                          | 14       | 2557.13                  | 1527.87                  |
|                                  | (b) Trade receivables                    | 15       | 1436.96                  | 1501.20                  |
|                                  | (c) Cash and cash equivalents            | 16       | 3.65                     | 6.09                     |
|                                  | (d) Short-term loans and advances        | 17       | 737.15                   | 586.92                   |
|                                  | (e) Other current assets                 | 18       | 0.00                     | 0.00                     |
| <b>TOTAL</b>                     |  |          | <b>15229.66</b>          | <b>11729.71</b>          |

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 )

**Partner**

M.No.: 043571

Place: Bhilwara (Raj)

Dated: 26/05/2017

Sd/-  
(Priyanka Bansal)

**Company Secretary**

M.No.: A-45193

Sd/-  
(Sunil Kothari)

**Whole Time Director & CFO**

Din : 02056569

Sd/-  
(Praveen Ostwal)

**Managing Director**

DIN : 00412207

**KRISHANA PHOSCHEM LIMITED**  
**AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017**



(Rs. In Lakh)

| Particulars  | Note No.    | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|--|-------------|------------------------------------|------------------------------------|
| I. Revenue from operations   | 19          | 7962.08                            | 8857.40                            |
| II. Other income   | 20          | 128.20                             | 155.23                             |
| <b>III. Total Revenue (I + II)</b>   |             | <b>8090.28</b>                     | <b>9012.63</b>                     |
| IV. <u>Expenses:</u>   |             |                                    |                                    |
| Cost of materials consumed   | 21          | 4630.90                            | 4202.91                            |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 22          | (458.08)                           | 1523.18                            |
| Employee benefits expense  | 23          | 123.90                             | 167.24                             |
| Finance costs  | 24          | 422.41                             | 475.70                             |
| Depreciation and amortization expense  | 25          | 620.55                             | 556.32                             |
| Other expenses   | 26          | 2136.04                            | 1784.54                            |
| <b>Total Expenses</b>  |             | <b>7475.72</b>                     | <b>8709.89</b>                     |
| <b>V. Profit before exceptional and extraordinary items and tax</b>          | (III-IV)    | 614.56                             | 302.74                             |
| VI. Exceptional items  |             | 0.00                               | 0.00                               |
| <b>VII. Profit before extraordinary items and tax</b>                        | (V-VI)      | 614.56                             | 302.74                             |
| VIII. Extraordinary Items  |             | 0.00                               | 0.00                               |
| <b>IX. Profit before tax</b>   | (VII- VIII) | 614.56                             | 302.74                             |
| <b>X. Tax expense:</b>   |             |                                    |                                    |
| (1) Current tax  |             | 173.22                             | 107.34                             |
| (2) Deferred tax   |             | 118.43                             | 69.37                              |
| (3) Earlier Year's Tax   |             | -7.25                              | -12.23                             |
| <b>Total Tax Expenses</b>  |             | <b>284.40</b>                      | <b>164.48</b>                      |
| <b>XI. Profit (Loss) for the period from continuing operations</b>           | (IX-X)      | 330.16                             | 138.26                             |
| XII. Profit/(loss) from discontinuing operations                             |             | 0.00                               | 0.00                               |
| XIII. Tax expense of discontinuing operations                                |             | 0.00                               | 0.00                               |
| <b>XIV. Profit/(loss) from Discontinuing operations (after -tax)</b>         | (XII-XIII)  | 0.00                               | 0.00                               |
| <b>XV. Profit (Loss) for the period</b>                                      | (XI + XIV)  | <b>330.16</b>                      | <b>138.26</b>                      |
| XVI. Earnings per equity share:  |             |                                    |                                    |
| Basic & Diluted  |             | 1.44                               | 0.66                               |

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 )

**Partner**

M.No.: 043571

Place: Bhilwara (Raj)

Dated: 26/05/2017

Sd/-  
(Priyanka Bansal)

**Company Secretary**

M.No. A-45193

Sd/-  
(Sunil Kothari)

**Whole Time Director & CFO**

Din : 02056569

Sd/-  
(Praveen Ostwal)

**Managing Director**

DIN : 00412207

**KRISHNA PHOSCHEM LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017**



|   | (Rs. In Lacs)                         |                                       |
|---|---------------------------------------|---------------------------------------|
| Particular  | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>                          |                                       |                                       |
| Net profit before tax   | 614.56                                | 302.74                                |
| <b>Adjustments for:</b>   |                                       |                                       |
| Depreciation and Amortization   | 620.55                                | 556.32                                |
| Interest Income   | (4.82)                                | (6.18)                                |
| Misc Exps write off   |                                       |                                       |
| Loss / (Profit) on sale of Fixed Assets                                 | 6.89                                  | 1.6                                   |
| Interest Expenses   | 422.41                                | 475.70                                |
| <b>Operating profit before working capital change</b>                   | <b>1,659.59</b>                       | <b>1,330.18</b>                       |
| <b>Adjustments for:</b>   |                                       |                                       |
| Increase/(Decrease) in Trade payable                                    | 761.48                                | (909.34)                              |
| Increase/(Decrease) in Other Current Liability                          | 196.52                                | 50.82                                 |
| Increase/(Decrease) in Short Term Provisions                            | 29.68                                 | 7.71                                  |
| (Increase)/Decrease in Inventories                                      | (1,029.26)                            | 1,581.33                              |
| (Increase)/Decrease in Trade Receivable                                 | 64.24                                 | (1,020.35)                            |
| (Increase)/Decrease in Short term Loan and Advances                     | (84.85)                               | (155.02)                              |
| Increase/(Decrease) in Short term Borrowings                            | 4.23                                  | (31.04)                               |
| <b>Net changes in working capital</b>                                   | <b>(57.96)</b>                        | <b>(475.89)</b>                       |
| <b>Cash Generated from/(used in) operations</b>                         | <b>1,601.63</b>                       | <b>854.29</b>                         |
| Direct Taxes paid   | (165.47)                              | (73.32)                               |
| <b>Net cash from/(Used in) operating activities (A)</b>                 | <b>1,436.16</b>                       | <b>780.97</b>                         |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>                          |                                       |                                       |
| Purchase of Fixed Assets  | (3,094.43)                            | (349.32)                              |
| Sale/Decrease of Fixed Assets   | 21.29                                 | 7.39                                  |
| Interest Received   | 4.82                                  | 6.18                                  |
| (Increase)/decrease in long term loans and advances                     | (22.36)                               | 36.31                                 |
| <b>Net cash from investing activities (B)</b>                           | <b>(3,090.68)</b>                     | <b>(299.44)</b>                       |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                           |                                       |                                       |
| Proceeds from issuance of share capital                                 | 916.50                                | 0.00                                  |
| Proceeds from long term borrowings                                      | 1,157.99                              | (15.05)                               |
| Interest paid   | (422.41)                              | (475.70)                              |
| Proceeds from Differed Creditors  |                                       |                                       |
| <b>Net cash from financing activities (C)</b>                           | <b>1,652.08</b>                       | <b>(490.75)</b>                       |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                | <b>(2.44)</b>                         | <b>(9.22)</b>                         |
| Cash and cash equivalents as at(Opening Balance) 01.04.2016             | 6.09                                  | 15.31                                 |
| Cash and cash equivalents as at(Closing Balance) 31.03.2017             | 3.65                                  | 6.09                                  |
| Summary of significant accounting policies                              |                                       |                                       |
| The accompanying notes are an integral part of the financial statements |                                       |                                       |

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 )  
**Partner**

Sd/-  
(Priyanka Bansal)  
**Company Secretary**

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

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

M.No.: 043571  
Place: Bhilwara (Raj)  
Dated: 26/05/2017

M.No.: A-45193

## **1. ACCOUNTING POLICIES**

### **BASIS OF ACCOUNTING:**

The Financial Statements of the Company have been prepared in accordance with the requirements of the Companies Act, 2013, 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 for the year on fixed assets has been provided on straight line method as per useful life and in the manner specified in Schedule II of the Companies Act, 2013.
- Useful life of assets used for double shift / triple shift has been reviewed and readjusted on each Balance Sheet date on the basis of shift used / depreciation charged.
- Scrap value of the assets are determined at the rate of 5% of original cost.

### **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.

### **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.

### **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 no any contingent Liabilities held as on 31st March 2017.



**2. SHARE CAPITAL**
**(Rs. In Lakh)**

| <b>Share Capital</b>                             | <b>As at 31st March 2017</b> |                | <b>As at 31st March 2016</b> |                |
|--|------------------------------|----------------|------------------------------|----------------|
|  | <b>Number</b>                | <b>Amount</b>  | <b>Number</b>                | <b>Amount</b>  |
| <b>Authorized</b>                                |                              |                |                              |                |
| Equity Shares of Rs.10/- each                    | 25000000                     | 2500.00        | 25000000                     | 2500.00        |
| <b>Issued</b>                                    |                              |                |                              |                |
| Equity Shares of Rs. 10/- each                   | 24900000                     | 2490.00        | 21000000                     | 2100.00        |
| <b>Subscribed &amp; Paid up</b>                  |                              |                |                              |                |
| Equity Shares of Rs 10/- each fully paid         | 24900000                     | 2490.00        | 21000000                     | 2100.00        |
| <b>Subscribed but not fully Paid up</b>          |                              |                |                              |                |
| Equity Shares of Rs 10/- each but not fully paid | -                            | -              | -                            | -              |
| <b>Total</b>                                     | <b>24900000</b>              | <b>2490.00</b> | <b>21000000</b>              | <b>2100.00</b> |

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

| <b>Particulars</b>                                | <b>Equity Shares</b> |               |
|---|----------------------|---------------|
|   | <b>Number</b>        | <b>Amount</b> |
| Shares outstanding at the beginning of the period | 21000000             | 2,100.00      |
| Shares Issued during the period                   | 3900000              | 390.00        |
| Shares brought back during the period             | 0                    | -             |
| Shares outstanding at the end of the period       | 24900000             | 2490.00       |

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

| <b>Name of Shareholder</b>              | <b>As at 31st March 2017</b> |                     | <b>As at 31st March 2016</b> |                     |
|---|------------------------------|---------------------|------------------------------|---------------------|
|   | <b>No. of Shares held</b>    | <b>% of Holding</b> | <b>No. of Shares held</b>    | <b>% of Holding</b> |
| Ostwal Phoschem (India) Limited         | 9766500                      | 39.22               | 4966500                      | 23.65               |
| Swastik Clothtex Pvt. Ltd.              | 1440000                      | 5.78                | 1440000                      | 6.86                |
| Archid Products Pvt. Ltd.               | 1407750                      | 5.65                | 1771500                      | 8.44                |
| Seasons Agro Chem India Private Limited | 1260250                      | 5.06                | 2387500                      | 11.37               |
| Madhya Bharat Agro Products Limited     | 0                            | 0.00                | 1785000                      | 8.50                |

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.

vi) Disclosure pursuant to Note no. 6(A)(i) of part-I of schedule III to the Companies Act, 2013

| <b>Particulars</b>                    | <b>Years</b>   |                |                |                |                |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                       | <b>2016-17</b> | <b>2015-16</b> | <b>2014-15</b> | <b>2013-14</b> | <b>2012-13</b> |
| <b>Equity Shares:</b>                 |                |                | -              | -              | -              |
| Fully paid up pursuant to contract(s) |                |                | -              | -              | -              |
| Fully paid up by way of bonus shares  |                |                | -              | -              | -              |
| 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

(Rs. In Lakh)

| Reserve & Surplus  | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| <b>i) Revaluation Reserves</b>   |                     |                     |
| Opening Balance  | 3,111.34            | 3,353.60            |
| (+) Addition during the year   | -                   | -                   |
| (-) Deduction during the year  | 18.29               | 11.26               |
| (-) Current year depreciation on revaluation transfer to General Reserve | 230.10              | 231.00              |
| (-) Yearlier year depreciation charged from revaluation resvere          | -                   | -                   |
| <b>Closing Balance</b>   | <b>2,862.95</b>     | <b>3,111.34</b>     |
| <b>ii) Surplus</b>   |                     |                     |
| Opening Balance  | 2,520.05            | 2,150.79            |
| (+) Net Profit/(Net Loss) For the current year                           | 330.16              | 138.26              |
| (+) Transfer from Revaluation Reserves                                   | 230.10              | 231.00              |
| (-) Depereciation releated to yearlier year                              | -                   | -                   |
| (-) Proposed Dividends   | -                   | -                   |
| (-) Interim Dividends  | -                   | -                   |
| (-) Bonus issue  | -                   | -                   |
| (-) Transfer to Reserves   | -                   | -                   |
| <b>Closing Balance</b>   | <b>3,080.31</b>     | <b>2,520.05</b>     |
| <b>iii) Security Premium</b>   |                     |                     |
| Opening Balance  | 300.00              | 300.00              |
| (+) Addition During the year   | 526.50              | -                   |
| (-) Deduction During the year  | -                   | -                   |
| <b>Closing Balance</b>   | <b>826.50</b>       | <b>300.00</b>       |
| <b>Total</b>   | <b>6,769.76</b>     | <b>5,931.39</b>     |

### 4. LONG TERM BORROWING

(Rs. In Lakh)

| LONG TERM BORROWING                      | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| <b>Secured</b>                           |                     |                     |
| (a) Term Loan                            |                     |                     |
| From other Parties - HDFC                | 1,018.64            | 828.87              |
|  | <b>1,018.64</b>     | <b>828.87</b>       |
| <b>Unsecured</b>                         |                     |                     |
| (a) Other Loans & Advances               |                     |                     |
| Loans taken from directors, members etc. | 1,401.11            | 432.89              |
|  | <b>1,401.11</b>     | <b>432.89</b>       |
| <b>Total</b>                             | <b>2,419.75</b>     | <b>1,261.76</b>     |

i) **Nature of Security** – The term loans from HDFC 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 HDFC are repayable in monthly installments and having floating net interest rates ranging from 10.15% to 9.00%.

| Name of Banks | Date of Maturity | No. of Installments outstanding as on 31.03.2017 | As at 31 March 2017 |                    |                          | As at 31 March 2016 |                    |                          |
|---------------|------------------|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|               |                  |  | Total Outstanding   | Current Maturities | Net Long Term Borrowings | Total Outstanding   | Current Maturities | Net Long Term Borrowings |
| HDFC          | 7-Jan-18         | 10   | 74.90               | 74.90              | -                        | 159.17              | 84.25              | 74.92                    |
| HDFC          | 7-May-19         | 26   | 481.46              | 211.41             | 270.05                   | 667.88              | 186.32             | 481.56                   |
| HDFC          | 7-Jul-21         | 52   | 935.66              | 187.07             | 748.59                   | 300.00              | 27.61              | 272.39                   |
| <b>Total</b>  |                  |  | <b>1,492.02</b>     | <b>473.38</b>      | <b>1,018.64</b>          | <b>1,127.05</b>     | <b>298.18</b>      | <b>828.87</b>            |

iii) **Guarantors** - Secured loan is guaranteed by personal guarantee of Managing Director Praveen Ostwal & Mahendra Kumar Ostwal, Pankaj Ostwal and Ekta Jain.

## **5. DEFFERED TAX LIABILITIES/ ASSETS**

- i) The company has recognized a provision for deferred tax liability of Rs. 118.43 Lac (P.Y. deferred tax liability Rs. 69.37 Lac ) in P&L account determined on account of timing differences in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as under :-

| (Rs. In Lakh)   |                     |                     |
|---|---------------------|---------------------|
| Deffered Tax Liabilities/Assets                         | As at 31 March 2017 | As at 31 March 2016 |
| <b>Deffered Tax Liabilities/Assets</b>                  |                     |                     |
| Deffered tax liabilities (depreciation on fixed assets) | 871.79              | 902.33              |
| Deffered tax Assets (Losses to be c/f)                  | 344.80              | 635.23              |
| <b>Deffered Tax Liabilities/(Assets)</b>                | <b>526.99</b>       | <b>267.10</b>       |
| Less:MAT Credit   | 471.18              | 329.72              |
| <b>Net Deffered Tax Liabilities/(Assets)</b>            | <b>55.81</b>        | <b>(62.62)</b>      |

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

## **6. SHORT-TERM BORROWING**

| (Rs. In Lakh)   |                     |                     |
|---|---------------------|---------------------|
| SHORT-TERM BORROWING                                    | As at 31 March 2017 | As at 31 March 2016 |
| <b>Secured</b>  |                     |                     |
| <b>a) Other loans and advances</b>                      |                     |                     |
| Buyers Credit from HDFC Bank                            | 146.23              | -                   |
| Working Capital Loan from HDFC Bank repayable on demand | 1,516.96            | 1,658.97            |
| <b>Total</b>  | <b>1,663.19</b>     | <b>1,658.97</b>     |

- i) **Nature of Security** – The bank loan for working capital is secured against hypothecation of company's entire current assets including raw material, stock in process, finished goods, store & spares, book debts, receivables including goods in transit along with document proof title to goods such as MTRs/RRs/bills of lading etc. The same is also secured by second charge over 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 9.00% as on 31/03/2017
- iii) The bank loan for working capital is guaranteed by personal guarantee of Managing Director Praveen Ostwal & Mahendra Kumar Ostwal, Pankaj Ostwal and Ekta Jain.

## **7. TRADE PAYABLES**

| (Rs. In Lakh)            |                     |                     |
|--------------------------|---------------------|---------------------|
| TRADE PAYABLES           | As at 31 March 2017 | As at 31 March 2016 |
| <b>a) Trade payables</b> | 1,079.75            | 318.27              |
| <b>Total</b>             | <b>1,079.75</b>     | <b>318.27</b>       |

There are no Micro, small and medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 30th November, 2016. 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**

| (Rs. In Lakh)  |                     |                     |
|--|---------------------|---------------------|
| OTHER CURRENT LIABILITIES  | As at 31 March 2017 | As at 31 March 2016 |
| <b>a) Current Maturities of Long Term Debt ( Refer note no.4)</b>          | 473.38              | 298.18              |
| <b>b) Others Payables</b>  |                     |                     |
| i) Statutory dues including Provident Fund and Tax deducted at source etc. | 44.17               | 21.70               |
| ii) Liability Towards Staff & Workers                                      | 23.24               | 24.39               |
| iii) Other Liabilities   | -                   | -                   |
| iv) Advances from Customer   | -                   | -                   |
| <b>Total</b>   | <b>540.79</b>       | <b>344.27</b>       |

## 9. SHORT TERM PROVISION

(Rs. In Lakh)

| SHORT TERM PROVISION          |                          | As at 31 March 2017 | As at 31 March 2016 |
|-------------------------------|--------------------------|---------------------|---------------------|
| <b>Other (Specify nature)</b> |                          |                     |                     |
| a)                            | Provision for income tax | 173.22              | 107.34              |
| b)                            | Provision for expenses   | 37.39               | 7.71                |
| <b>Total</b>                  |                          | <b>210.61</b>       | <b>115.05</b>       |

## 10. FIXED ASSETS

- i) The Company has provided depreciation on fixed assets on the basis of their useful life on single shift used basis on BRP, SSP & GSSP plant, except extra shift depreciation has been provided on SSP & GSSP plant for the actual no. of days for which the plant has been operated on double or triple shift basis in accordance with the provisions of Section 123 read with the Part C of Schedule II to the Companies Act, 2013. 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. 4024.79 Lac) and Rs. 2862.95 Lac (P.Y. Rs. 3111.34 Lac) respectively on account of revaluation of fixed assets carried out in the year 2010-11 by the company. Depreciation of Rs.230.1 Lac (P.Y. Rs. 231.01 Lac) has been charged to profit & loss A/c.
- 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.

## 11. NON CURRENT INVESTMENT

| NON CURRENT INVESTMENT |  | As at 31 March 2017 | As at 31 March 2016 |
|------------------------|--|---------------------|---------------------|
|                        |  |                     |                     |
|                        |  | -                   | -                   |
| <b>Total</b>           |  | <b>-</b>            | <b>-</b>            |

## 12. LONG TERM LOANS AND ADVANCES

| LONG TERM LOANS AND ADVANCES                        |                  | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------|---------------------|---------------------|
| (Unsecured considered good unless otherwise stated) |                  |                     |                     |
| a.  | Capital Advances | -                   | -                   |
| b.  | Security Deposit | 81.68               | 59.32               |
| <b>Total</b>  |                  | <b>81.68</b>        | <b>59.32</b>        |

## 13. OTHER NON CURRENT ASSETS

| OTHER NON CURRENT ASSETS |  | As at 31 March 2017 | As at 31 March 2016 |
|--------------------------|--|---------------------|---------------------|
|                          |  |                     |                     |
| <b>Total</b>             |  | <b>-</b>            | <b>-</b>            |

**10. FIXED ASSETS**

| Fixed Assets                      | Gross Block        |                             |                 |              |                       | Accumulated Depreciation |                |              |                       | Net Block                     |                               |
|-----------------------------------|--------------------|-----------------------------|-----------------|--------------|-----------------------|--------------------------|----------------|--------------|-----------------------|-------------------------------|-------------------------------|
|                                   | As at 1 April 2016 | Revaluation / (Impairments) | Additions       | (Disposals)  | As at 31st March 2017 | As at 1 April 2016       | for the period | On disposals | As at 31st March 2017 | Balance as at 31st March 2017 | Balance as at 31st March 2016 |
| <b>a Tangible Assets</b>          |                    |                             |                 |              |                       |                          |                |              |                       |                               |                               |
| Land & Site Development           | 1,553.57           | -                           |                 |              | 1,553.57              | -                        | -              | -            | -                     | 1,553.57                      | 1,553.57                      |
| Buildings-Factory                 | 2,324.24           | -                           | 356.18          |              | 2,680.42              | 296.33                   | 77.68          | -            | 374.01                | 2,306.41                      | 2,027.91                      |
| Plant and Equipment               | 5,657.06           | -                           | 992.05          | 76.44        | 6,572.67              | 2,270.26                 | 515.00         | 43.55        | 2,741.71              | 3,830.96                      | 3,386.80                      |
| Office Equipments                 | 30.79              | -                           | 2.11            |              | 32.90                 | 20.42                    | 3.76           | -            | 24.18                 | 8.72                          | 10.37                         |
| Computers                         | 12.40              | -                           | 5.69            |              | 18.09                 | 11.14                    | 1.24           | -            | 12.38                 | 5.71                          | 1.26                          |
| Furniture & Fixtures              | 15.93              | -                           | 0.52            |              | 16.45                 | 8.90                     | 1.40           | -            | 10.30                 | 6.15                          | 7.03                          |
| Vehicles                          | 61.61              | -                           | 0.62            | 19.62        | 42.61                 | 15.82                    | 6.43           | 6.04         | 16.21                 | 26.40                         | 45.79                         |
| Energy Saving Equipment           | 29.35              | -                           | -               |              | 29.35                 | 16.29                    | 1.36           | -            | 17.65                 | 11.70                         | 13.06                         |
| Pollution Control Equipment       | 200.97             | -                           | -               |              | 200.97                | 75.87                    | 10.97          | -            | 86.84                 | 114.13                        | 125.10                        |
| Electric Installations            | 4.40               | -                           | 88.82           |              | 93.22                 | 0.32                     | 2.72           | -            | 3.04                  | 90.18                         | 4.08                          |
|                                   |                    |                             |                 | -            |                       |                          |                |              |                       |                               |                               |
| <b>Total</b>                      | <b>9,890.32</b>    | <b>-</b>                    | <b>1,445.99</b> | <b>96.06</b> | <b>11,240.25</b>      | <b>2,715.35</b>          | <b>620.56</b>  | <b>49.59</b> | <b>3,286.32</b>       | <b>7,953.93</b>               | <b>7,174.97</b>               |
| <b>b Intangible Assets</b>        | -                  |                             | -               | -            | -                     | -                        | -              | -            | -                     | -                             | -                             |
| <b>Total</b>                      | <b>-</b>           |                             | <b>-</b>        | <b>-</b>     | <b>-</b>              | <b>-</b>                 | <b>-</b>       | <b>-</b>     | <b>-</b>              | <b>-</b>                      | <b>-</b>                      |
| <b>c Capital Work In Progress</b> |                    |                             |                 |              |                       |                          |                |              |                       | 2,459.16                      | 810.72                        |
|                                   |                    |                             |                 |              |                       |                          |                |              |                       |                               |                               |
| <b>Total this year</b>            | <b>9,890.32</b>    | <b>-</b>                    | <b>1,445.99</b> | <b>96.06</b> | <b>11,240.25</b>      | <b>2,715.35</b>          | <b>620.56</b>  | <b>49.59</b> | <b>3,286.32</b>       | <b>10,413.09</b>              | <b>7,985.69</b>               |
| <b>Total previous year</b>        | <b>9,525.35</b>    | <b>-</b>                    | <b>401.27</b>   | <b>36.30</b> | <b>9,890.32</b>       | <b>2,175.07</b>          | <b>556.33</b>  | <b>16.05</b> | <b>2,715.35</b>       | <b>7,985.69</b>               | <b>8,212.95</b>               |

**14. INVENTORIES**

(Rs. In Lakh)

| <b>INVENTORIES</b> | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|--------------------|----------------------------|----------------------------|
| a. Raw materials   | 847.16                     | 293.64                     |
| b. Finished Goods  | 1,544.40                   | 1,086.32                   |
| c. Stores & spares | 165.57                     | 147.91                     |
| <b>Total</b>       | <b>2,557.13</b>            | <b>1,527.87</b>            |

The major components of inventory in case of raw material are Rock-Phosphate, Sulphuric Acid & HDPE Bags, boron, Zinc Sulphate (Boron & Zinc Sulphate are fortified with SSP), Napthelene, Oleum, Castic Soda etc. and in case of finished goods its includes Beneficiated Rock Phosphate(BRP), Single Super Phosphate(SSP), Granular Single Super Phosphate(GSSP) & Chemical Product (H-Acid).

**15. TRADE RECEIVABLES**

(Rs. In Lakh)

| <b>TRADE RECEIVABLES</b>  | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|---|----------------------------|----------------------------|
| <b>Unsecured, considered good</b>   |                            |                            |
| a. Trade receivables outstanding for a period less than six months from the date they are due for payment | 1,436.96                   | 1,501.20                   |
| b. Trade receivables outstanding for a period exceeding six months from the date they are due for payment | -                          | -                          |
| <b>Total</b>  | <b>1,436.96</b>            | <b>1,501.20</b>            |

**16. CASH AND CASH EQUIVALENT**

(Rs. In Lakh)

| <b>CASH AND CASH EQUIVALENT</b> | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|---------------------------------|----------------------------|----------------------------|
| a) Balance with Bank            | 1.02                       | 0.72                       |
| b) Cash in hand                 | 2.63                       | 5.37                       |
| <b>Total</b>                    | <b>3.65</b>                | <b>6.09</b>                |

**17. SHORT TERM LOANS AND ADVANCES**

(Rs. In Lakh)

| <b>SHORT TERM LOANS AND ADVANCES</b>                | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|---|----------------------------|----------------------------|
| <b>Other loans &amp; Advances</b>                   |                            |                            |
| (Unsecured considered good unless otherwise stated) |                            |                            |
| i) Advance Taxes                                    | 123.30                     | 57.92                      |
| ii) Prepaid expenses                                | 25.06                      | 30.71                      |
| iii) Loans to employees                             | 2.63                       | -                          |
| iv) Advances to suppliers                           | 278.34                     | 191.90                     |
| v) Output VAT Advance                               | 307.82                     | 306.39                     |
| <b>Total</b>  | <b>737.15</b>              | <b>586.92</b>              |

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

**18. OTHER CURRENT ASSETS**

(Rs. In Lakh)

| <b>SHORT TERM LOANS AND ADVANCES</b> | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
|--------------------------------------|----------------------------|----------------------------|
| <b>Total</b>                         | <b>-</b>                   | <b>-</b>                   |

**19. REVENUE**

(Rs. In Lakh)

| Particulars        | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|--------------------|------------------------------------|------------------------------------|
| Sale of products   | 8,060.90                           | 8,699.76                           |
| Sale of Services   | -                                  | 207.68                             |
| Less : Excise Duty | 98.82                              | 50.04                              |
| <b>Net Total</b>   | <b>7,962.08</b>                    | <b>8,857.40</b>                    |

**20. OTHER INCOME**

(Rs. In Lakh)

| Particulars                   | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|-------------------------------|------------------------------------|------------------------------------|
| a. Interest income            | 4.82                               | 6.18                               |
| b. other non-operating income | 95.81                              | 149.05                             |
| c. Forex Gain/(Loss)          | 27.57                              | -                                  |
| <b>Total</b>                  | <b>128.20</b>                      | <b>155.23</b>                      |

**21. COST OF RAW MATERIAL CONSUMED**

(Rs. In Lakh)

| Particulars         | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---------------------|------------------------------------|------------------------------------|
| Opening Stock       | 293.64                             | 358.22                             |
| Add: Purchases      | 5,184.42                           | 4,138.33                           |
| Less: Closing Stock | 847.16                             | 293.64                             |
| <b>Total</b>        | <b>4,630.90</b>                    | <b>4,202.91</b>                    |

**Details of Raw material consumed**

(Rs. In Lakh)

| Particulars   | For the year ended 31st March 2017 |                 | For the year ended 31st March 2016 |                 |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
|   | Qty (MT)                           | Amount          | Qty (MT)                           | Amount          |
| a. Rock phosphate consumed (BRP)                      | 18703.82                           | 308.20          | 9250.00                            | 484.60          |
| b. Rock phosphate consumed (SSP)                      | 42119.42                           | 2,460.82        | 37168.31                           | 2,548.94        |
| c. Beneficiated Rock phosphate captive consumed (SSP) | 14556.50                           | -               | 8046.00                            | -               |
| d. Sulphuric acid consumed                            | 38136.84                           | 901.20          | 31739.08                           | 784.70          |
| e. HDPE bags consumed (Nos.)                          | 2011980                            | 260.49          | 1784480                            | 233.83          |
| f. Boron (Row Decobar) consumed                       | 12.768                             | 5.65            | 14.865                             | 6.69            |
| g. Zinc Sulphate consumed                             | 573.039                            | 148.04          | 134.197                            | 33.55           |
| h. Re-regents   |                                    | 44.97           |                                    | 50.69           |
| m. Napthelen  | 147.967                            | 95.87           |                                    |                 |
| q. Other for chemical product                         |                                    | 405.66          |                                    | 59.91           |
| <b>Total</b>  |                                    | <b>4,630.90</b> |                                    | <b>4,202.91</b> |

**22. CHANGES IN INVENTORY OF FINISHED GOODS**

(Rs. In Lakh)

| Particulars                                | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|--|------------------------------------|------------------------------------|
| Stock at the beginning of the year (A)     | 1,086.32                           | 2,609.50                           |
| Stock at the end of the year (B)           | 1,544.40                           | 1,086.32                           |
| <b>(Increase)/Decrease in stocks (B-A)</b> | <b>(458.08)</b>                    | <b>1,523.18</b>                    |

**23. EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakh)

| Particulars                             | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---|------------------------------------|------------------------------------|
| a. Salaries & Incentives                | 106.59                             | 145.16                             |
| b. Contribution to Provident Fund & ESI | 7.41                               | 10.60                              |
| c. Gratuity Fund contribution           | 2.43                               | 0.18                               |
| d. Staff welfare expenses               | 7.47                               | 11.30                              |
| <b>Total</b>                            | <b>123.9</b>                       | <b>167.24</b>                      |

## 24. FINANCE COSTS

(Rs. In Lakh)

| Particulars        | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|--------------------|------------------------------------|------------------------------------|
| Interest Expenses  | 412.36                             | 469.83                             |
| Other Bank Charges | 10.05                              | 5.87                               |
| <b>Total</b>       | <b>422.41</b>                      | <b>475.70</b>                      |

## 25. DEPRECIATION AND OTHER AMORTIZATION EXPENSES

(Rs. In Lakh)

| Particulars               | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---------------------------|------------------------------------|------------------------------------|
| Current year depreciation | 390.45                             | 325.31                             |
| Add(less) : Revaluation   | 230.10                             | 231.01                             |
| <b>Total</b>              | <b>620.55</b>                      | <b>556.32</b>                      |

## 26. OTHER EXPENSES

(Rs. In Lakh)

| Particulars                                   | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---|------------------------------------|------------------------------------|
| <b>A. Manufacturing Expenses</b>              |                                    |                                    |
| Consumption of Stores & Spares parts          | 385.57                             | 132.08                             |
| Power & Fuel                                  | 221.31                             | 222.20                             |
| Repairs & Maintenance to Plant & Machinery    | 6.03                               | 4.24                               |
| Other manufacturing expenses                  | 315.49                             | 344.40                             |
| <b>Total (A)</b>                              | <b>928.40</b>                      | <b>702.92</b>                      |
| <b>B. Administration Expenses</b>             |                                    |                                    |
| Rent  | 0.71                               | 0.88                               |
| Rates & taxes                                 | 0.35                               | 1.91                               |
| Insurance                                     | 29.17                              | 28.65                              |
| Directors' Remuneration                       | 31.93                              | 31.40                              |
| Auditors' Remuneration                        | 0.90                               | 0.80                               |
| CSR Expenses                                  | 11.83                              | 5.53                               |
| Forex (Gain)/Loss                             | -                                  | 0.03                               |
| Miscellaneous Expenditure                     | 83.33                              | 87.83                              |
| <b>Total (B)</b>                              | <b>158.22</b>                      | <b>157.03</b>                      |
| <b>C. Selling &amp; Distribution Expenses</b> |                                    |                                    |
| Freight & Transport                           | 754.73                             | 875.44                             |
| Advertisement & Business promotion            | 2.46                               | 1.95                               |
| Godown Rent                                   | 21.86                              | 40.36                              |
| Others  | 270.37                             | 6.84                               |
| <b>Total (C)</b>                              | <b>1,049.42</b>                    | <b>924.59</b>                      |
| <b>Grand Total</b>                            | <b>2,136.04</b>                    | <b>1,784.54</b>                    |

## 27. RELATED PARTY TRANSACTIONS

### a) Key Managerial persons

|                             |   |
|-----------------------------|---|
| (i) Mr. Praveen Ostwal      | Managing Director                             |
| (ii) Mr. Sunil Kothari      | Whole Time Director & Chief Financial Officer |
| (iii) Miss. Suryanshi Jain  | Company Secretary                             |
| (iii) Miss. Priyanka Bansal | Company Secretary                             |



- 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 Agrochem India Pvt Ltd

- c) Transactions with the related parties

(Rs. In Lakh)

| Particulars        | For the year ended 31st March 2017 |   | For the year ended 31st March 2016 |   |
|--------------------|------------------------------------|---|------------------------------------|---|
|                    | Key Management Personal            | Enterprises over which significant influence of KMP | Key Management Personal            | Enterprises over which significant influence of KMP |
| Remuneration       | 32.83                              | -   | 32.09                              | -   |
| Purchases of goods | -                                  | 752.65  | -                                  | 1,749.73  |
| Sale of goods      | -                                  | 9.38  | -                                  | 6.80  |
| Rent Paid          | -                                  | 0.05  | -                                  | 0.07  |
| Loan taken         | -                                  | 785.00  | -                                  | -   |
| Interest Paid      | -                                  | 6.34  | -                                  | -   |

## 28. 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:**

(Rs. In Lakh)

| Particulars |   | For the year ended 31 Mar 2017 | For the year ended 31 Mar 2016 |
|-------------|---|--------------------------------|--------------------------------|
| <b>i)</b>   | <b>Reconciliation of opening and closing balances of defined benefit obligation</b> |                                |                                |
|             | a) At the beginning of the year   | 14.71                          | 22.80                          |
|             | b) Current Service Cost   | 2.45                           | 3.63                           |
|             | c) Interest Cost  | 1.18                           | 1.82                           |
|             | d) Actuarial (Gain) Loss  | -3.8                           | 2.79                           |
|             | e) Benefits paid  | -0.79                          | -16.33                         |
|             | f) Defined Benefits Obligation at year end  | 13.75                          | 14.71                          |
| <b>ii)</b>  | <b>Reconciliation of opening and closing balances of fair value of plan assets</b>  |                                |                                |
|             | a) At beginning of the year   | 14.07                          | 28.37                          |
|             | b) Expected Return on plan assets   | 1.13                           | 2.03                           |
|             | c) Actuarial Gain / (Loss)  | 0.00                           | 0.00                           |
|             | d) Employer Contributions   | 2.17                           | 0.00                           |
|             | e) Benefits paid  | -0.79                          | -16.33                         |
|             | f) Fair Value of the plan assets at the year end                                    | 16.58                          | 14.07                          |
| <b>iii)</b> | <b>Reconciliation of fair value of obligation and Assets</b>                        |                                |                                |
|             | a) Present value of obligation as at year end                                       | 13.75                          | 14.71                          |
|             | b) Fair value of plan assets as at year end   | 16.58                          | 14.07                          |
|             | c) Amount recognized in Balance Sheet (a-b)   | -2.83                          | 0.64                           |
| <b>iv)</b>  | <b>Expense recognized during the year:</b>  |                                |                                |
|             | a) Current Service Cost   | 2.45                           | 3.63                           |
|             | b) Interest Cost  | 1.18                           | 1.82                           |
|             | c) Expected return on plan assets   | -1.13                          | -2.03                          |
|             | d) Actuarial (gain) / loss  | -3.8                           | 2.79                           |
|             | e) Net Cost (a+b+c+d)   | -1.3                           | 6.21                           |
| <b>v)</b>   | <b>Investment Details of Plan Assets :</b>  |                                |                                |

| Name of retirement benefit   | Name of Trust  | Policy No.     | Investment with |
|--|--|----------------|-----------------|
| Gratuity   | Krishana Phoschem Limited Employees Group Gratuity Trust   | GGCA 101000041 | 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 2017  | 31 March 2016   |
| 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 2017  | 31 March 2016   |
|  | Defined Benefits Obligation  | 13.75          | 14.71           |
|  | Plan assets  | 16.58          | 14.07           |
|  | Surplus/(deficit)  | 2.83           | -0.64           |
|  | Experience adjustment on plan Liabilities (loss)/ gain   | 3.8            | -2.79           |
|  | Experience adjustment on plan Assets (loss)/ gain  | 0.00           | 0.00            |
| <b>(b) Defined Contribution Plans:</b>                               |  |                |                 |
| Amount recognized as an expense and also included in the Note no. 21 |  |                |                 |
|  |  | 31 March 2017  | 31 March 2016   |
| i)   | Employers Contribution to Provident Fund   | 7.38           | 11.24           |

## 29. FOREIGN CURRENCY EXPOSURE

During the period from 01.04.2016 to 31.03.2017 company import Rock Phosphate, Napthline & capital goods in USD 2309770 and 9000MT Rock Phosphate import under High Sea Sale agreement.

## 30. EARNING PER SHARE

| Particulars   | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---|------------------------------------|------------------------------------|
| Net profit available to equity shareholders (Rs. in Lakh)                   | 330.16                             | 138.26                             |
| Weighted average number of equity shares outstanding during the year (Nos.) | 24,900,000                         | 21,000,000                         |
| Basic and Diluted Earnings (Rs. per Share)                                  | 1.44                               | 0.66                               |

## 31. 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 26250 MT, Napthelene 17 MT & one capital goods.

### 32. STATEMENT OF ADDITIONAL INFORMATION:

- a) **Particulars of installed capacity:**  
(As certified by management being technical matter)

(MT)

|      | Products                          | As at 31st March 2017 |           | As at 31st March 2016 |           |
|------|-----------------------------------|-----------------------|-----------|-----------------------|-----------|
|      |                                   | Licensed              | Installed | Licensed              | Installed |
| i)   | Beneficiated Rock Phosphate       | 200000                | 200000    | 200000                | 200000    |
| ii)  | Single Super Phosphate (Powder)   | 120000                | 120000    | 120000                | 120000    |
| iii) | Single Super Phosphate (Granular) | 90000                 | 90000     | 90000                 | 90000     |
| iv)  | Chemical Product                  | 1324                  | 1324      | 0                     | 0         |

- b) **Details of Production & Sales**

(Rs. In Lakh)

|                      | Products                              | 2016-17   |         | 2015-16  |         |
|----------------------|---------------------------------------|-----------|---------|----------|---------|
|                      |                                       | Qty(MT)   | Value   | Qty(MT)  | Value   |
| <b>i) Production</b> |                                       |           |         |          |         |
|                      | Beneficiated Rock Phosphate           | 14738.06  |         | 8046.00  |         |
|                      | Single Super Phosphate-Green (Powder) | 102650.67 |         | 81850.01 |         |
|                      | Single Super Phosphate (Granular)     | 30790.00  |         | 22164.00 |         |
|                      | Chemical Product                      | 193.07    |         | 0.00     |         |
| <b>ii) Sales</b>     |                                       |           |         |          |         |
|                      | Beneficiated Rock Phosphate           | 0.00      | 0.00    | 0.00     | 0.00    |
|                      | Single Super Phosphate (Powder)       | 65932.90  | 5045.85 | 81471.55 | 6693.79 |
|                      | Single Super Phosphate(Granular)      | 32901.90  | 2683.05 | 22285.80 | 1999.31 |
|                      | Chemical Product                      | 81.20     | 324.52  | 0.00     | 6.65    |

- c) **Closing Stocks of finished goods**

|      | Products                              | 31.3.2017 |        | 31.3.2016 |        |
|------|---------------------------------------|-----------|--------|-----------|--------|
|      |                                       | Qty(MT)   | Value  | Qty(MT)   | Value  |
| i)   | Beneficiated Rock Phosphate           | 181.56    | 9.12   | 0.00      | 0.00   |
| ii)  | Single Super Phosphate-Green (Powder) | 12931.01  | 793.93 | 7003.24   | 477.33 |
| iii) | Single Super Phosphate (Granular)     | 4597.40   | 327.64 | 6709.30   | 609.00 |
| iv)  | Chemical Product                      | 111.87    | 413.68 | 0.00      | 0.00   |

- i) Production of SSP-Green (Powder) includes consumption of Boron Qty 12.768 MT & Zinc Sulphate Qty 573.039 MT.  
ii) Sales of Single Super Phosphate had included sales of Bronated(PSSP) with Qty 510.4 MT & Zincated (PSSP) with Qty 30753.9 MT.  
Sales of Granular Single Super Phosphate had included sales of Bronated(GSSP) with Qty 425 MT & Zincated (GSSP) with Qty 6919 MT.  
iii) Closing Stock of Single Super Phosphate had included closing stock of Bronated(PSSP) with Qty 101.6 MT & Zincated (PSSP) with Qty 35.1 MT.  
iv) Closing Stock of Granular Single Super Phosphate had included closing stock of Bronated(GSSP) with Qty 96 MT.

### 33 Discloser of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below (Rs. In Lakhs) :-

| Particular                            | SBNs | Other Denomination Notes | Total |
|---------------------------------------|------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 3.91 | 4.57                     | 8.48  |
| (+) Permitted receipts                | 0.00 | 4.40                     | 4.40  |
| (-) Permitted payments                | 0.00 | 2.40                     | 2.40  |
| (-) Amount deposited in Banks         | 3.91 | 0.00                     | 3.91  |
| Closing cash in hand as on 30.12.2016 | 0.00 | 6.57                     | 6.57  |

34 **SEGMENT WISE REPORT**

|          | <b>Particular</b>  | <b>2016-17</b> | <b>2015-16</b> |
|----------|--|----------------|----------------|
| <b>1</b> | <b>Segment Revenue</b>                                       |                |                |
| a        | Manufacturing of Fertilisers                                 | 7673.50        | 8649.72        |
| b        | Manufacturing of Chemicals                                   | 288.59         | 207.68         |
| c        | Trading  | 0.00           | 0.00           |
|          | <b>Total</b>   | <b>7962.08</b> | <b>8857.40</b> |
|          | Less: Inter segment revenue                                  | 0.00           | 0.00           |
|          | <b>Net sales/Income from Operations</b>                      | <b>7962.08</b> | <b>8857.40</b> |
| <b>2</b> | <b>Segment Results (Profit/Loss before tax and interest)</b> |                |                |
| a        | Manufacturing of Fertilisers                                 | 1111.67        | 773.48         |
| b        | Manufacturing of Chemicals                                   | -74.70         | 4.97           |
| c        | Trading  | 0.00           | 0.00           |
|          | <b>Total</b>   | <b>1036.97</b> | <b>778.45</b>  |
|          | Less: (i) Interest   | 422.41         | 475.70         |
|          | (ii) other Unallocated expenditure net off                   | 0.00           | 0.00           |
|          | (iii) Unallocatable income                                   | 0.00           | 0.00           |
|          | <b>Total Profit before Tax</b>                               | <b>614.56</b>  | <b>302.74</b>  |

**35** The company has taken a plan from SBI Life in compliance of terms of sanction of Cash Credit Limit taken from SBBJ. The company has paid premium & debited to the profit & Loss account. As per the assignment of the policy the maturity value will be received to Managing Director Mr. Praveen Ostwal. The Managing Director Mr. Praveen Ostwal of the company has been duly undertake to derive no benefit out of that & consented to deposit the entire amount into the company as and when received to him. The maturity value will be credited to profit & Loss A/c in the year of receipt.

**36** a) Figures of Previous year have been regrouped, rearranged and/or reclassified wherever consider necessary to make these comparable with the current year.  
b) Amount have been shown in Lakh. 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 )  
**Partner**  
M.No.: 043571

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

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

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

Place: Bhilwara (Raj)  
Dated: 26/05/2017