

Date: 27.08.2019

To,

National Stock Exchange of India Ltd.

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

Dear Sir / Madam,

**Sub: Submission of Annual Report and Notice of the 15<sup>th</sup> Annual General Meeting.**

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

Pursuant to Regulation 34 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed Annual Report and Notice of the 15<sup>th</sup> Annual General Meeting of the Members of our Company is held on 03.30 P.M. on Thursday, 26<sup>th</sup> September, 2019 at Hotel Kanchi Resorts, Pur Road, Bhilwara 311001 Rajasthan.

Kindly take note of the above.

Yours faithfully,

For Krishana Phoschem Limited

Sd/-

(Priyanka Bansal)  
Company Secretary

Enclosed: as above

Date: 27.08.2019

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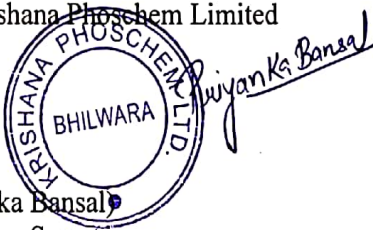
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# ***KRISHANA PHOSCHEM LIMITED***

## **General Information**

### **Managing Director**

**Shri Praveen Ostwal**

### **Board of Directors**

**Shri Sunil Kothari**

**Shri Pradeep Agarwal**

**Shri Ashish Kothari**

**Smt. Priyanka Surana**

**Shri Mahendra Kumar Ostwal**

**Shri Pankaj Ostwal**

**Shri Bheru Lal Ostwal**

### **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**

**Rajneesh Kanther & Associates**

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



# ***KRISHANA PHOSCHEM LIMITED***

**Ph. No. 01482-227154**

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## **Secretarial Auditor**

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

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## **Registrar & Transfer Agent**

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

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## **Listed on**

**National Stock Exchange “SME Emerge”**

## Chairman Message



**Dear Shareholders,**

It gives me immense pleasure in presenting before you the important performance and financial features of your company for the year ended 31st March, 2019. We had crossed many milestones during the year which have enhanced stakeholders' value.

Our goal is not just to build a great enterprise for our stakeholders, but, more importantly, to work in the direction for upliftment of millions of farmers across the country and we are happy to advise that now directly, we are catering to about Millions farmers through our various group concerns. Your Company believes that higher is the customer satisfaction, higher will be the Company's Success. Following this vision, the Marketing Department of the Company has been strengthened to reach the wider range of customers and satisfy their expectations by providing best quality products and services. Since beginning of the year, **we have started marketing our products in our own brand name "Annadata"**, we are happy to report that we have marketed, under the umbrella of Ostwal Group, record SSP fertilizer variants under our brand name and wish to enlarge the geographical coverage and bring larger number of farmers within our ambit. To achieve this, our group has appointed good number of marketing executives and also retail outlets, which would be channeled for our business and future expansion, if any.

Now I come to specifics and give financial performance and other work done by your company during the financial year 2018-19. The fruits of diversification undertaken by the company have started coming in and for which we really appreciate the patience of our shareholders. The Turnover for the year under review is all time high and reached Rs. 15271 lakhs recording a growth of 60% over the last year and Profits before tax of the company have also witnessed handsome rise and closed the year with Rs 2001 lakhs showing an increase of 215 % over the last year.

The chemical division started as a result of diversification plans has performed well and backed by strong demand from customers, profitability has been exceptionally good. Your directors have proposed for payment of dividend @5% which translates to Rs 0.50 per share as a token of appreciation for the patience exhibited by shareholders.

The Company is 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 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.

Since expanding footprint is key to sustain competition, your company is planning to set up a DAP plant with in the vicinity of our existing plants so as to take benefits of growing demand of DAP in the country and reduce dependency of the country on import. Detailed reports are under the planning stage only.

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 by our employees and seek their continuous involvement in achieving the Company's objectives.

This journey of over 15 years would not have been as exciting and fulfilling without the support of Shareholders, unconditional support of all our customers and our whole team. I would like to express my deep gratitude and indebtedness to them and hope to improve each day to serve you better.

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.

I, 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.

We will think bigger. We will think faster. But, most important of all, we will **Think Better** – to stay ahead of competition and of our times.

With Warm Regards

Sd/-

(Praveen Ostwal)

Chairman cum Managing Director

DIN: 00412207

# KRISHANA PHOSCHEM LIMITED

## FINANCIAL HIGHLIGHTS

(Rs.In Lacs)

Particulars	2018-19	2017-18
Revenue from operation	15271.02	9575.87
Depreciation	1031.85	795.42
Misc. Exp. W/off	0.00	0.00
Profit Before Tax	2001.32	636.25
Profit After Tax	1441.38	354.15
<b>Assets</b>		
Gross Fixed Assets	15758.14	15267.40
Net Fixed Assets	10648.91	11190.02
Capital Work in Progress	61.31	0.00
Non-Current Assets	54.18	58.25
Deferred Tax Assets	0	0
Current Assets	6744.10	3679.75
<b>Total</b>	<b>17508.50</b>	<b>14928.02</b>
<b>Sources</b>		
Equity Share capital	2490.00	2490.00
Reserves & Surplus	8440.79	7123.91
Non-Current Liabilities	1431.62	2063.17
Deferred Tax Liabilities	247.95	164.86
Current Liabilities	4898.14	3086.08
<b>Total</b>	<b>17508.50</b>	<b>14928.02</b>

Profit Before Tax Margin (%)	13.10	6.64
Profit After Tax Margin (%)	9.44	3.70





# **KRISHANA PHOSCHEM LIMITED**

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

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

**Website: www.krishnaphoschem.com**

**Fax No. : 01482-239638**

**Email: secretarial@krishnaphoschem.com**

## **NOTICE**

NOTICE is hereby given that the **15<sup>th</sup> Annual General Meeting** of the Members of **Krishana Phoschem Limited** will be held on Thursday, **26<sup>th</sup> September, 2019 at 03:30 P.M.** at Hotel Kanchi Resorts, Pur Road, Bhilwara, 311001 (Rajasthan) to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon and in this regard, the following resolutions pass as Ordinary Resolutions:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. To declare dividend on equity shares for the Financial Year 2018-19.

**"RESOLVED THAT** in terms of recommendation of Board of Directors of the company, the approval of the members of the company be and is hereby granted for the payment of dividend @Rs. 0.50 per share (i.e. 5%) on the fully paid up equity shares of Rs.10/- each of the company for the Year 2018-19.

3. To appoint a Director in place of Mr. Sunil Kothari (DIN 02056569), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Kothari (DIN 02056569), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

4. To approve and ratify the remuneration of the Cost Auditor(s) for the financial year ending 31st March 2020 and in this regard to consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

**"RESOLVED THAT** Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee for remuneration at such remuneration as shall be fix by the board of directors of the company to M/s K.C. Moondra & Associates, Cost Auditor(s) to conduct the cost audit of the Company for the financial year ending 31st March 2020.

5.To consider and if thought fit, to pass, with or without modification, to appoint Sh. Mahendra Kumar Ostwal as a Non-Executive Director, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 152, 161, 104 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sh. Mahendra Kumar Ostwal, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 26, 2019 and who holds office up to the date of this Annual General meeting, the consent of the members of the company be and is hereby accorded for appointment of Mr. Mahendra Kumar Ostwal as an Non-Executive Director, whose period of office shall be liable to retire by rotation, in addition to appointment as a Director, is hereby appointed as the Chairman of the Board, to hold office till his continuance on the Board as a Director.

6.To consider and if thought fit, to pass, with or without modification, to appoint Sh. Pankaj Ostwal as a Non-Executive Director, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 152, 161, 104 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sh. Pankaj Ostwal, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 26, 2019 and who holds office up to the date of this Annual General meeting, the consent of the members of the company be and is hereby accorded for appointment of Mr. Pankaj Ostwal as an Non-Executive Director, whose period of office shall be liable to retire by rotation.

7. To consider and if thought fit, to pass, with or without modification, to appoint Sh. Bheru Lal Ostwal as a Non-Executive Independent Director, the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sh. Bheru Lal Ostwal, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 26, 2019 and who holds office up to the date of this Annual General meeting, be and is hereby elected and appointed as an Non-Executive Independent Director not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company.”

8. To consider and, if thought fit, to pass, with or without modification(s), to appoint Mr. Pradeep Agarwal as an Independent Director of the Company for the five (5) consecutive years, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 149 and 152 any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Pradeep Agarwal (DIN: 06458531), who was appointed as an Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a term of 5 (Five) consecutive years on the Board of the Company up to the conclusion of the 20<sup>th</sup> AGM of the Company.”

9. To consider and, if thought fit, to pass, with or without modification(s), to Increase in Borrowing Powers of the Company, the following Resolution as a Special Resolution:

**“RESOLVED THAT** subject to the provision of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accord their consent to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013, and/or foreign lender and/or any body corporate/ entity/entities and/or authority/authorities, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 500.00 Crores (Rupees Five Hundred Crore Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from

temporary loan obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserve not set apart for any specified purpose.

**10.** To consider and, if thought fit, to pass, with or without modification(s), to Creation of Charge on Movable and Immovable properties of the Company, both present and future, the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provision of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any including any statutory modifications or re-enactment thereof the Shareholder of the Company hereby accord their consent to the Board of Directors to pledge, mortgage, hypothecate and/or charge on all or any of the movable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders for securing the borrowing of the Company availed/to be availed by way of loans, up to an aggregate limit of Rs. 500.00 Crores (Rupees Five Hundred Crore only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charge and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered/to be entered into between the Company and the lenders in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the lenders."

Dated: 23/08/2019  
Place: Bhilwara

By Order of the Board of Directors  
For Krishana Phoschem Limited

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

**NOTES:**

1. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Business under Item No. 4, 5, 6, 7, 8, 9 and 10 of the accompanying notice is annexed hereto.
2. In respect of Resolution at item no. 3, 5, 6, 7 and 8 a statement giving additional information on Directors seeking appointment/re-appointment is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Regulations).
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. The proxies to be effective should be

deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

Provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. Members seeking any information or clarification are requested to send in written queries to the Company in advance, before the date of the meeting by mail at [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com) or by post.

5. Members/Proxies and authorized representative are requested to bring their copy of Annual Report, the Attendance Slip sent herewith, duly filled in, for attending the meeting.

6. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.

8. Relevant documents referred to in the notice and explanatory statement are open for inspection at the registered office of the company on all working days up to the date of the meeting.

9. The Register of Members and the Share Transfer Books of the Company will remain closed from September 20, 2019 to September 26, 2019 (both days inclusive). The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, 23<sup>rd</sup> August 2019.

10. Dividend on Equity Shares, as recommended by the Board of Directors for the Year ended 31<sup>st</sup> March, 2019 and subject to approval of members at this Annual General Meeting, will be paid thirty days from the date of declaration to those shareholders whose name shall appear on the company's register of Members on September 19, 2019.

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



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

12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime India Private Limited.

13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited.

14. Electronic copy of the Annual Report for the FY 2018-19, Notice of the Annual General Meeting of the Company with Attendance Slip and Proxy Form is being sent to all the members whose email ID's are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.krishnaphoschem.com](http://www.krishnaphoschem.com).

15. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

16. Voting Through Electronic Means: The details of the process and manner of e-voting are explained herein below:

In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are given in this Notice. The Members may cast their votes using electronic voting systems from a place other than the venue of the Annual General Meeting (AGM) (remote e-voting). The instructions for e-voting are given herein below. The resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at AGM.

The facility for voting either through electronic voting systems or polling paper shall be made available at AGM and the Members attending the meeting who have not cast their vote by remote e voting shall be able to exercise their right to vote at the AGM.

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

The remote e-voting period commence on 23<sup>rd</sup> September, 2019 (9:00 A.M.) to 25<sup>th</sup> September, 2019 (5:00 P.M.). During the period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for e-voting are as under:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

How to Log-into NSDL e-Voting website?

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

(iv) Your User ID details are given below:

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

(v) Your password details are given below:

(a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which has been communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address and is mentioned at bottom of the Postal Ballot Form.

(vi) If you are unable to retrieve the "Initial password" or have forgotten your password:

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

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

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



- (vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- (viii) Now, you will have to click on “Login” button.
- (ix) After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

- (i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (ii) After click on Active Voting Cycles, you will be able to see all the companies’ “EVEN” in which you are holding shares and whose voting cycle is in active status.
- (iii) Select “EVEN” of company for which you wish to cast your vote.
- (iv) Now you are ready for e-Voting as the Voting page opens.
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- (vi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sourabh.bapna12@gmail.com](mailto:sourabh.bapna12@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- 4 A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- 5 M/s. Sourabh Bapna & Associates, Practicing Company Secretary (ACS: 51505 CP: 19968) has been appointed as Scrutinizer to scrutinize the e-voting process in accordance with the law in a fair and transparent manner.
- 6 The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 7 The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 8 The Results declared along with the report of the Scrutinizer will be displayed at the Registered Office, posted on the Website of the Company [www.krishnaphoschem.com](http://www.krishnaphoschem.com) and intimated to the Stock Exchanges on which the shares of the Company are listed.
- 9 Members who do not have access to e-voting facility have been additionally provided the facility of Voting through polling papers which will be made available at the AGM venue.
- 10 A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

Dated: 23/08/2019  
Place: Bhilwara

By Order of the Board of Directors  
For Krishana Phoschem Limited

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

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K.C. Moondra & Associates, Cost Accountant, to conduct the cost audit of the Company for the financial year ending 31st March, 2020. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

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

The Board commends the Ordinary Resolution set out at Item no. 4 for the approval of Members.'

**Item No. 5**

The Board of Directors has appointed Mr. Mahendra Kumar Ostwal as an Additional Director from 26th March 2019 pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting. His term of office shall be liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Mahendra Kumar Ostwal as a Non-Executive Director and also that he fulfills the conditions specified in the Companies Act, 2013 and the Company has also gone in for a major re-organisation with the objectives of accelerating growth and furthering its strategic goals. This strategic re-alignment will enable the Company to focus on growth opportunities. The Board of Directors held on 23rd August, 2019 for appointing Mr. Mahendra Kumar Ostwal as Chairman subject to the approval of the Member.

The Company has received from Mr. Mahendra Kumar Ostwal consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013.

A brief profile of Mr. Mahendra Kumar Ostwal, including nature of her expertise, is provided in the notice.

Accordingly the Board, recommends the passing of the Special Resolution as set out in the Item no. 5 of the Notice.

Except Mr. Mahendra Kumar Ostwal, being an appointee, Mr. Praveen Ostwal, Managing Director and Mr. Pankaj Ostwal Director of the company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 6**

The Board of Directors has appointed Mr. Pankaj Ostwal as an Additional Director from 26th March 2019 pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting. His term of office shall be liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Pankaj Ostwal as a Non-Executive Director and also that he fulfills the conditions specified in the Companies Act, 2013 and the Company has also gone in for a major re-organisation with the objectives of accelerating growth and furthering its strategic goals. This strategic re-alignment will enable the Company to focus on growth opportunities.

The Company has received from Mr. Pankaj Ostwal consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013.

A brief profile of Mr. Pankaj Ostwal, including nature of her expertise, is provided in the notice.

Accordingly the Board, recommends the passing of the Special Resolution as set out in the Item no. 6 of the Notice.

Except Mr. Pankaj Ostwal, being an appointee, Mr. Praveen Ostwal, Managing Director and Mr. Mahendra Kumar Ostwal , Director of the company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 7**

The Board of Directors has appointed Mr. Bheru Lal Ostwal as an Additional Director from 26th March 2019 pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting. His term of office is not liable to retire by rotation.

In accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013 the Securities and Exchange Board of India (SEBI) and all other applicable provisions, that every

Listed Company is required that at least half of the board of directors shall comprise of independent directors, so for giving the effect and make in line with the section Company has appointed Mr. Bheru Lal Ostwal, as an Independent Director on March 26, 2019, in accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013, not liable to retire by rotation and subject to the approval of members, to hold office for a term of 5 (Five) consecutive years up to the conclusion of 20th AGM of the company.

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

A brief profile of Mr. Bheru Lal Ostwal, including nature of her expertise, is provided in the notice.

In the opinion of the Board, Sh. Bheru Lal Ostwal fulfills the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013. Accordingly the Board, recommends the passing of the Special Resolution as set out in the Item no. 7 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, Except Mr. Bheru Lal Ostwal, being an appointee, are concerned or interested (financially or otherwise) in this Resolution.

#### **Item No. 8**

The Board of Directors has appointed Mr. Pradeep Agarwal as a Non-Executive Director from 13th September 2014 pursuant to Section 149, 152 of the Companies Act, 2013.

In accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013 the Securities and Exchange Board of India (SEBI) and all other applicable provisions, that every Listed Company is required that at least half of the board of directors shall comprise of independent directors, so for giving the effect and to adhere to the section Company has appointed Mr. Pradeep Agarwal, not liable to retire by rotation and subject to the approval of members, to hold office for a term of 5 (Five) consecutive years up to the conclusion of 20th AGM of the company.

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

A brief profile of Mr. Pradeep Agarwal, including nature of her expertise, is provided in the notice.

In the opinion of the Board, Mr. Pradeep Agarwal fulfills the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013. Accordingly the Board, recommends the passing of the Special Resolution as set out in the Item no. 8 of the Notice.

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

**Item No. 9 & 10**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 500.00 Crores (Rupees Five Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The Board recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except as a member of the Company

By Order of the Board

For Krishana Phoschem Limited

Dated: 23/08/2019

Place: Bhilwara

Sd/-

(Priyanka Bansal)

Company Secretary & Compliance Officer



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

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

**Appointment / Reappointment**

1. Mr. Sunil Kothari (DIN 02056569) retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. Sunil Kothari aged 43 years, is the Whole Time Director & Chief Financial Officer of our Company. He is a Chartered Accountant by qualification. He is associated with our Company since 2008. He assisted in managing the financial matters of the company. He has been appointed as the Chief Financial Officer of the Company with effect from July 16, 2014 and Director with effect from February 14, 2008. He is young and dynamic person, having 12 years' experience and he is presently looking into the financial and technical matters of the Company.

Mr. Sunil Kothari is not a relative to the Chairman and Managing Director.

Mr. Sunil Kothari is a Whole Time Director of Krishana Phoschem Limited. He is a Member of Corporate Social Responsibility Committees of the Board of Company.

Mr. Sunil Kothari does not hold any shares of the Company.

2. To Appointment of Mr. Mahendra Kumar Ostwal as a Non-Executive Director:

Mr. Mahendra Kumar Ostwal aged 63 years, is Bachelor in Commerce from University of Rajasthan, and having 38 years' experience in Fertilizer Industries. He is also having 10 years' experience in DCM Shri Ram Company and as Commercial Manager for 8 years with Mahadeo Fertilizers Ltd.

He is also Managing Director of Ostwal Phoschem (India) Limited (Group Company) since 14.11.2002 and then he has led the organization successfully with clear strategic vision, focus on customers and inclusive execution of customer centric value in the market. Sh. Mahendra Kumar Ostwal also possesses varied experience in the Commercial, Marketing and Project field.

Mr. Mahendra Kumar Ostwal is the relative to the Chairman and Managing Director of the Company. He is the father of Mr. Praveen Ostwal, Managing director of Krishana Phoschem

Limited and Mr. Pankaj Ostwal is a Non-Executive Director of the Company. He has been appointed as an Additional Non -Executive Director of the Company with effect from March 26, 2019.

He is neither Chairman nor a Member of any Committees of the Board of Company. Sh. Mahendra Kumar Ostwal, holds 5000 shares of the Company.

3. To Appointment of Mr. Pankaj Ostwal as a Non-Executive Director:

Mr. Pankaj Ostwal aged 42 years, is Bachelor in Commerce from Maharshi Dayanand Saraswati University of Ajmer, and having 17 years' experience in Fertilizer as well as textile Sector Industries.

He is also Managing Director of Madhya Bharat Agro Products Limited (Group Company) since 17.09.2015.

Mr. Pankaj Ostwal is the relative to the Chairman and Managing Director of the Company. He is the brother of Mr. Praveen Ostwal, Managing director of Krishana Phoschem Limited and He is also the son of Mr. Mahendra Kumar Ostwal who is a Non-Executive Director of the Company. He has been appointed as an Additional Non -Executive Director of the Company with effect from March 26, 2019.

He is neither Chairman nor a Member of any Committees of the Board of Company. Sh. Pankaj Ostwal, holds 5000 shares of the Company.

4. To Appointment of Mr. Bheru Lal Ostwal as an Independent Director:

Mr. Bheru Lal Ostwal aged 55 years, presently doing business of cloth agency. He is Master in Commerce, from Rajasthan University and having 30 years' experience in the Industry and business.

He has been appointed as an Additional Non -Executive & Independent Director of the Company with effect from March 26, 2019.

Mr. Bheru Lal Ostwal is not a relative to the any of Directors of the Company. He is neither Chairman nor a Member of any Committees of the Board of Company

Sh. Bheru Lal Ostwal, holds 16000 shares of the Company.

5. To Appointment of Mr. Pradeep Agarwal as an Independent Director of the Company.

Mr. Pradeep Agarwal, aged 54 years. He holds Master Degree in Commerce (Business Administration) from University of Ajmer. He has vast experience in the field of project &





## ***KRISHANA PHOSCHEM LIMITED***

finance. He is working in Baldawa Textile Private Limited, Bhilwara as Finance Manager since 1990.

He has been appointed as a Non -Executive Independent Director of the Company with effect from September 13, 2014.

Mr. Pradeep Agarwal is not a relative to the any of Directors of the Company. He is Chairman of 4 committees and also Member of 1 Committee of the Board of Company.

Mr. Pradeep Agarwal does not hold any shares of the Company.



# **KRISHANA PHOSCHEM LIMITED**

## **DIRECTORS' REPORT** **For the Year 2018-19**

**Dear Members,**

Your Directors have pleasure in presenting the 15<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, 2019.

### **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>2018-2019</u></b>	<b><u>2017-2018</u></b>
Turnover	15271.02	9575.87
Profit Before Taxation	2001.32	636.25
Taxation	559.95	282.10
Profit / (Loss) after Tax	1441.38	354.15
Profit Before Tax Margin (%)	13.10	6.64
Profit After Tax Margin (%)	9.44	3.70

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

During the period under review the company has achieved turnover of Rs. 15271.02 lakhs with production of 25468 M.T. of Beneficiated Rock Phosphate, 92672 M.T. of Single Super Phosphate, 977 MT of H.Acid & Other Dyes Intermediate Products, 66839 M.T. of Sulphuric Acid, Oleum, Coloro Sulphonic Acid, Liquid SO<sub>3</sub> and other Products.

The profit of the company before tax is Rs.2001.32 lakhs and profit after tax is Rs. 1441.38 lakhs.

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

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

### **LISTING OF THE COMPANY**

The Shares of your Company were Listed on SME Platform of "NSE EMERGE". The annual Listing Fees for the Year 2019-20 has been Paid to the exchange.

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

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 for the financial year ended on March 31<sup>st</sup>, 2019 is provided in Annexure I forming part of this report and also disclosed on the website of the Company viz. <http://www.krishnaphoschem.com>.



# ***KRISHANA PHOSCHEM LIMITED***

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

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

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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 Sourabh Bapna & Associates, a Proprietorship firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for financial year 2019-2020. The Secretarial Audit report is provided in Annexure II forming part of this report.

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

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

M/s. K. C. Moondra & Associates, Cost Accountant, was appointed Cost Auditors of your Company for FY 2019-2020.

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 appointed M/s K.C. Moondra & Associates, Cost Accountants (Registration No. 101814), remuneration at such fixed by board of directors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020. 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 & AUDITORS' REPORT**

As per section 138 of The Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the company has appointed M/s Sourabh Bapna & Associates, Practicing Companies Secretaries as Internal Auditor to conduct Internal Audit for the Financial Year 2019-2020. The Company has received their consent for appointment.

The Internal Audit Report is received yearly by the Company and the same is reviewed and approved by the Audit Committee and Board of Directors for the year 2018-19.

## **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.

## **RESERVES**

During the Year under review, The Board of Director of company have recommended to transfer Rs. 1521.61 lakhs to surplus & general reserve after making provision for dividend. With this, the reserve & surplus has increased to Rs. 5160.93

## **DIVIDEND**

After considering earnings, requirement for funds and with the objective of rewarding the Shareholder's the Board has recommended final dividend of 5% being Rs. 0.50 per equity share of Rs. 10/- each for the financial year 2018-2019, subject to approval at the ensuing Annual General Meeting.

## **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, 2019.

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

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

## **NO DEFAULT:**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with provisions of Companies Act, 2013 and company's Articles of Association, 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.

During the year, the Board of Directors of the Company had appointed Mr. Mahendra Kumar Ostwal as Additional Non-Executive Director & Mr. Pankaj Ostwal as Additional Non-Executive Director and Mr. Bheru Lal Ostwal as an Additional Non-Executive Independent Director of the



## ***KRISHANA PHOSCHEM LIMITED***

Company with effect from March 26, 2019 and shall hold office up to the date of the ensuing Annual General meeting of the Company.

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 14 (Fourteen) times on 18<sup>th</sup> April 2018, 29<sup>th</sup> May 2018, 05<sup>th</sup> July 2018, 25<sup>th</sup> July 2018, 30<sup>th</sup> July 2018, 24<sup>th</sup> August 2018, 17<sup>th</sup> September 2018, 20<sup>th</sup> October 2018, 31<sup>st</sup> October 2018, 13<sup>th</sup> December 2018, 25<sup>th</sup> January 2019, 09<sup>th</sup> February 2019, 26<sup>th</sup> February 2019, and 26<sup>th</sup> March 2019 in the Financial Year 2018-19 in respect of each meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. 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. There are no materially significant related party transactions made by the company during the financial year which were in the conflict of interest of the company.

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

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

The Corporate Governance and Management Discussion & Analysis Report, as required pursuant to the SEBI ((Listing Obligations & Disclosure Requirements) Regulations, 2015, is provided in Annexure VI and Annexure X 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:**

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

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

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

The following Directors are the members of Audit Committee.

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

During the year the Committee had 4 Meetings i.e. on 12<sup>th</sup> April 2018, 24<sup>th</sup> July 2018, 30<sup>th</sup> October 2018 and 28<sup>th</sup> January 2019.



# **KRISHANA PHOSCHEM LIMITED**

## **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 2 Meetings i.e. on 05<sup>th</sup> April, 2018 and 11<sup>th</sup> March, 2019.

## **INDEPENDENT DIRECTORS COMMITTEE:**

The following are the members of independent directors committee:

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

During the year one Independent Directors Committee Meetings were held on 20<sup>th</sup> March 2019

## **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The following Committee of Directors looks after the Investor Grievances:

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

During the year the 4 Stakeholder Relationship Committee Meetings were held on 25<sup>th</sup> April 2018, 23<sup>rd</sup> July 2018, 22<sup>nd</sup> October 2018, And 11<sup>th</sup> January 2019.

## **CORPORATE SOCIAL RESPONSIBILITY:**

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

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. 6.51 Lacs during the year 2018-19 as against Rs.10.36 Lacs as per provisions of Company Act, 2013.

The Company is endeavored to ensure full utilization of the allocated CSR budget. The Company has been able to spent majority of funds committed for CSR Activity. Whatever small unspent Amount left was on lack of Appropriate Transparent Proposal.

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

During the year the Committee had 2 Meetings i.e. on 29th September 2018, and 30th March 2019.

The CSR Report for the financial year ended on March 31<sup>st</sup>, 2019 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.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

No. of complaints received: Nil

No. of complaints disposed off: Nil

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2019, 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



## ***KRISHANA PHOSCHEM LIMITED***

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, 2019 on a going concern basis; and
- (e) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

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

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

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

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

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



# ***KRISHANA PHOSCHEM LIMITED***

## **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      10/05/2019**

**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 31.03.2019**

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

### REGISTRATION AND OTHER DETAILS

i)	CIN	L24124RJ2004PLC019288
ii)	Registration Date	14/05/2004
iii)	Name of the Company	Krishana Phoschem Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Non-Govt. Company
v)	Address of the Registered office and contact details	5-O-20, Basement, R.C. Vyas Colony Bhilwara (Raj.)
vi)	Whether listed company (Yes / No)	Yes NSE "Emerge"
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Maharashtra, India Tel No. :- 91-22-49186000 Fax:- 91-22-49186060 Website:- <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email:- <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@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	45.00
2	H.Acid	20119	25.00
3	Sulphuric Acid	20112	30.00

### 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)	L26933RJ1989PLC032188	Holding	45.17	Section 2(46) of the Companies Act ,2013

## SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

[illegible]

# KRISHANA PHOSCHEM LIMITED

Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2 Non-Institutions</b>									
a) Bodies Corp.									
Indian	0	4704699	4704699	18.90	4864699	-	4864699	19.54	0.64
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	1553949	1553949	6.24	895990	-	895990	3.60	-2.64
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	3608510	3608510	14.50	3372751	-	3372751	13.55	- 0.95
Others (specify)	-	-	-	-	-	-	-	-	-
Clearing Members		333592	333592	1.34	31310	-	31310	0.12	-1.22
NRI		24000	24000	0.09	-	-	-	-	-0.09
NRI(Non Repatriable)		8000	8000	0.03	-	-	-	-	-0.03
<b>Sub-total (B)(2):-</b>		<b>10232750</b>	<b>10232750</b>	<b>41.10</b>	<b>9164750</b>		<b>9164750</b>	<b>36.81</b>	<b>-4.29</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)		<b>10232750</b>	<b>10232750</b>	<b>41.10</b>	<b>9164750</b>		<b>9164750</b>	<b>36.81</b>	<b>-4.29</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>24900000</b>	<b>24900000</b>	<b>100</b>	<b>24900000</b>		<b>24900000</b>	<b>100</b>	<b>-</b>

# KRISHANA PHOSCHEM LIMITED

## Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pankaj Ostwal	5000	0.02	-	5000	0.02	-	No Change
2	Praveen Ostwal	678500	2.72	-	678500	2.72	-	No Change
3	Nitu Ostwal	2500	0.01	-	2500	0.01	-	No Change
4	Ekta Jain	5000	0.02	-	5000	0.02	-	No Change
5	M.K. Ostwal (Karta of M.K. Ostwal HUF)	2500	0.01	-	2500	0.01	-	No Change
6	Pankaj Ostwal (Karta of Pankaj Ostwal HUF)	5000	0.02	-	5000	0.02	-	No Change
7	Praveen Ostwal (Karta of Praveen Ostwal HUF)	5000	0.02	-	5000	0.02	-	No Change
8	Mahendra Kumar Ostwal	5000	0.02	-	5000	0.02	-	No Change
9	M/s Chunri Prints Pvt. Ltd.	588000	2.36	-	588000	2.36	-	No Change
10	Seasons Agro Chem India Private Limited	1260250	5.06	-	1260250	5.06	-	No Change
11	Ostwal Phoschem (India) Limited	10178500	40.88	-	11246500	45.17	-	4.29
12	M/s Paneri Textiles Pvt. Ltd	524250	2.11	-	524250	2.11	-	No Change

# KRISHANA PHOSCHEM LIMITED

13	Archid Products Pvt. Ltd.	1407750	5.65	-	1407750	5.65	-	No Change
	<b>Total</b>	<b>14667250</b>	<b>58.9</b>	<b>0</b>	<b>15735250</b>	<b>63.19</b>	<b>0</b>	<b>4.29</b>

## 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	10178500	40.88	10178500	40.88
Purchase	1068000	4.29	11246500	45.17
At the End of the year	11246500	45.17	11246500	45.17

## 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	1444000	5.7992	1444000	5.7992
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	1444000	5.7992	1444000	5.7992
2.	<b>SHUBHLAXMI TEX FAB PRIVATE LIMITED</b>				
	At the beginning of the year	765000	3.0723	765000	3.0723

# ***KRISHANA PHOSCHEM LIMITED***

	Increase /Decrease in Share Holding during the year	212000	0.8514	977000	3.9237
	At the End of the year	977000	3.9237	977000	3.9237
3.	<b>VESTA TEX PVT.LTD</b>				
	At the beginning of the year	963750	3.8705	963750	3.8705
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	963750	3.8705	963750	3.8705
4.	<b>SUSWANI TEXTILE PVT LTD</b>				
	At the beginning of the year	534949	2.1484	534949	2.1484
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	534949	2.1484	534949	2.1484
5.	<b>VISUALIZE TRADECOM PRIVATE LIMITED</b>				
	At the beginning of the year	393000	1.5783	393000	1.5783
	Increase /Decrease in Share Holding during the year	112000	0.4498	505000	2.0281
	At the End of the year	505000	2.0281	505000	2.0281
6.	<b>SHAIENDRA KUMAR GARG</b>				
	At the beginning of the year	388000	1.5582	388000	1.5582
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	388000	1.5582	388000	1.5582
7.	<b>MAHENDRA GARG</b>				
	At the beginning of the year	348000	1.3976	348000	1.3976
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	348000	1.3976	348000	1.3976
8.	<b>SHREYANSH BAID</b>				



# ***KRISHANA PHOSCHEM LIMITED***

	At the beginning of the year	160000	0.6426	160000	0.6426
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	160000	0.6426	160000	0.6426
9.	<b>KANTHED SHANTI LAL HUF</b>				
	At the beginning of the year	136000	0.5462	136000	0.5462
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.5462	136000	0.5462
10.	<b>NAND KISHORE JAIN</b>				
	At the beginning of the year	136000	0.5462	136000	0.5462
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.5462	136000	0.5462
11.	<b>NORATAN DEVI KANTHER</b>				
	At the beginning of the year	136000	0.5462	136000	0.5462
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.5462	136000	0.5462
12.	<b>SHANTI LAL KANTHER</b>				
	At the beginning of the year	136000	0.5462	136000	0.5462
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	136000	0.5462	136000	0.5462
13.	<b>SONALI GARG</b>				
	At the beginning of the year	128000	0.5140	128000	0.5140
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	128000	0.5140	128000	0.5140

# KRISHANA PHOSCHEM LIMITED

## Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Sh. Praveen Ostwal</b>				
	At the beginning of the year	678500	2.72	678500	2.72
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	678500	2.72	678500	2.72
2	<b>Sh. Pankaj Ostwal</b>				
	At the beginning of the year	5000	0.02	5000	0.02
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	5000	0.02	5000	0.02
3.	<b>Sh. Bheru Lal Ostwal</b>				
	At the beginning of the year	16000	0.06	16000	0.06
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	16000	0.06	16000	0.06
4.	<b>Sh. Mahendra Kumar Ostwal</b>				
	At the beginning of the year	5000	0.02	5000	0.02
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	5000	0.02	5000	0.02
5.	<b>Sh. Ashish Kothari</b>				
	At the beginning of the year	4000	0.01	4000	0.01
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	4000	0.01	4000	0.01

# 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	3198.78	938.46		4137.24
ii) Interest due but not paid	-	53.57		53.57
iii) Interest accrued but not due	0	-		
<b>Total (i+ii+iii)</b>	<b>3198.78</b>	<b>992.03</b>		<b>4190.81</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	14942.37	306.62		15248.99
Reduction	15430.83	827.75		16258.58
<b>Net Change</b>	<b>-488.46</b>	<b>-521.13</b>		<b>-1009.59</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2710.32	470.90		3181.22
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	0	-		
<b>Total (i+ii+iii)</b>	<b>2710.32</b>	<b>470.90</b>		<b>3181.22</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. no.	Particulars of Remuneration	Name of MD/WT/ 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	48.00	8.90	56.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

# KRISHANA PHOSCHEM LIMITED

4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
	Others, please specify	-	-	-
	Total (A)	48.00	8.90	56.90
	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 Priyanka Bansal		
1	Gross salary	1.55	0	1.55
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.55	-	1.55
	(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	1.55	-	1.55

# ***KRISHANA PHOSCHEM LIMITED***

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

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

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

**Place      Bhilwara**  
**Date      10/05/2019**

<b>Sd/-</b>	<b>Sd/-</b>
<b>(Praveen Ostwal)</b>	<b>(Sunil Kothari)</b>
<b>Managing Director</b>	<b>Whole Time</b>
	<b>Director</b>
<b>(DIN: 00412207)</b>	<b>(DIN: 02056569)</b>

# ***SOURABH BAPNA & ASSOCIATES***

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

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## **ANNEXURE-II**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 2018-19**

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

To,

The Members,

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 31st March, 2019 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 31st March, 2019 according to the provisions of:

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

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

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

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

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

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

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



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

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

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**I further report that**

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

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

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

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

For Sourabh Bapna & Associates

Company Secretaries

Sd/-

(Sourabh Bapna)

Proprietor

C.P. No. 19968

M. No. 51505

Date: 10.05.2019

Place: Bhilwara

### 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 -22.12 2. Mr. Sunil Kothari - 4.15
(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) - 99.90 2. Sunil Kothari (Whole Time Director & Chief Financial Officer) - 6.37%
(iii) The percentage increase in the median remuneration of employees in the financial year	NA
(iv) The number of permanent employees on the rolls of company.	101 Employees
(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	As against increase of 19.66% in respect of employees other than managerial, the increase of managerial personnel has been 75.50 %
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirmed that the remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

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

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



## ***KRISHANA PHOSCHEM LIMITED***

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

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

**Place**      **Bhilwara**  
**Date**      **10/05/2019**

**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 (Accounts) rule 2014) Rule, 8 and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2019.

#### 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>2018-19</u></b>	<b><u>2017-18</u></b>
	Electricity:		
(A)	Purchase of Units:	4166722	3642733
	Amount in Rs.	32445776	29859683
	Rate / unit Rs.	7.79	8.20
(B)	Own Generation Through Diesel:	NIL	NIL
	Units generated	16447	19053
	Units per liter of oil	2.19	2.20
	Cost/unit (Rs.)	31.05	31.06
(C)	Own Generation Through Steam		NIL
	Units generated	6053718	2481962
	Units per liter of oil	0	0
	Cost/unit (Rs.)	0	0
<b>B. Consumption per unit of production:</b>			
	Electricity (Unit/MT)		
	Beneficiated Rock Phosphate	13.06	26.54
	Single Super Phosphate	13.01	16.06
	Granular Single Super Phosphate	37.58	21.74
	H-Acid & other Dyes & Intermediate	2262.00	2722.69
	Sulphuric Acid & other Chemicals	90.57	83.30



# ***KRISHANA PHOSCHEM LIMITED***

## **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 Government of India. The Company will continue to thrust on R & D activities of the Company.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There is no foreign currency exposure earning& outgoing during the year 2018-19.

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

**Sd/-**

(Praveen Ostwal)

**Managing Director**  
(DIN: 00412207)

**Sd/-**

(Sunil Kothari)

**Whole Time  
Director**  
(DIN: 02056569)

**Place**      **Bhilwara**  
**Date**      **10/05/2019**

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE-V

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

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

	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(A)	Loan Given	-	-
(B)	Investment made	-	-
(C)	Guarantee given*	-	-

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

**Place** Bhilwara  
**Date** 10/05/2019

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

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

# KRISHANA PHOSCHEM LIMITED

## ANNEXURE VI CORPORATE GOVERNANCE REPORT- 2018-19

### 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 lead the Company to make strong corporate governance values intrinsic to all its operations. The Company is lead 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, 2019, the Company's Board comprised of 8(Eight) Directors viz., 3 (Three) Non-Executive Independent Directors; 1 (One) Promoter and Managing Director, 1 (One) Whole time Director, 1 (One) Additional Non-Executive Independent Director, and a 2 (Two) Promoter and Additional Non-Executive Director. The Chairman of the Board is also 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, 2019 are given below:

Sr . No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings during year	No. of Board Meetings attended during year	Whether Attended AGM	No. of Directorships In Other Public Limited Companies	No. of Committee positions held in Public Limited Companies		No. of Equity Shares held in the Company
							Chairman	Member	
1	Praveen Ostwal	Chairman cum Managing Director	14	14	Yes	1. Ostwal Phoschem (India) Limited(Non-Executive Director) 2. Madhya Bharat Agro Products Limited (Non-Executive Director)	-	2	678500



# KRISHANA PHOSCHEM LIMITED

2	Sunil Kothari	Whole Time Director and Chief Financial Officer	14	14	Yes	-	-	1	-
3	Ashish Kothari	Non-Executive Independent Director	14	14	No	-	1	4	4000
4	Pradeep Agarwal	Non-Executive Independent Director	14	14	No	-	4	1	-
5	Priyanka Surana	Non-Executive Women Independent Director	14	14	Yes	-	-	2	-
6	Mahendra Kumar Ostwal	Additional Non-Executive Director	14	0	No	1. Ostwal Phoschem (India) Limited (Managing Director) 2. Madhya Bharat Agro Products Limited (Non-Executive Director)			5000
7	Pankaj Ostwal	Additional Non-Executive Director	14	0	No	1. Ostwal Phoschem (India) Limited (Non-Executive Director) 2. Krishana Phoschem Limited (Non-Executive Director)		3	5000
8.	Bheru Lal Ostwal	Additional Non-Executive Director and Independent Director	14	0	No	1. Ostwal Phoschem (India) Limited (Non-Executive Independent Director) 2. Madhya Bharat Agro			16000

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

*\* Mr. Mahendra Kumar Ostwal & Pankaj Ostwal was appointed as Non-Executive Director and Mr. Bheru Lal Ostwal was appointed as a Non-Executive Independent Director w.e.f. 26<sup>th</sup> March, 2019.*

## Number of Board Meetings

During the financial year from 1st April, 2018 to 31st March 2019, the Board of Directors met fourteen times on 18-04-2018, 29-05-2018, 05-07-2018, 25-07-2018, 30-07-2018, 24-08-2018, 17-09-2018, 20-10-2018, 31-10-2018, 13-12-2018, 25-01-2019, 09-02-2019, 26-02-2019 and 26-03-2019. The maximum time gap between any two consecutive board meetings was less than 120 days.

## Disclosure of relationships between directors inter-se

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

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

Sh. Pankaj Ostwal, who holds 5000 Equity Shares, Sh. Mahendra Kumar Ostwal who holds 5000 Equity Shares, Sh. Bheru Lal Ostwal who holds 16000 Equity Shares and Sh. Ashish Kothari who holds 4000 Equity Shares in the Company.

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

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

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

## Separate Meeting of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 20<sup>th</sup> March, 2019, 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:

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

# ***KRISHANA PHOSCHEM LIMITED***

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

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

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

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

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

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

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

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

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

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

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

## 3. Audit Committee

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

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

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

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

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

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

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

Four Audit Committee Meetings were held during the year ended March 31, 2019. 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 April 12, 2018, July 24, 2018, October 30, 2018 and January 28, 2019.

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

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

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

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

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

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

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

# KRISHANA PHOSCHEM LIMITED

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

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

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

Two Committee Meetings were held during the year ended March 31, 2019.

The dates on which the Committee meetings held on April 05, 2018 and March 11, 2019

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	2	2
Mr. Ashish Kothari	Member	2	2
Mrs. Priyanka Surana	Member	2	2

## (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.

During the Year the 4 stakeholder Relationship committee Meetings were held on 25<sup>th</sup> April 2018, 23<sup>rd</sup> July 2018, 22<sup>nd</sup> October 2018, and 11<sup>th</sup> January 2019.

The Company Secretary acts as the Secretary of the Committee.

The constituted Stakeholders Relationship Committee comprises the following:

Sr. No.	Name	Designation	Position in Committee
1.	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
0	0	0

## 7. Corporate Social Responsibility Committee

In compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility (CSR) Committee as at March 31, 2019 is as under:



# KRISHANA PHOSCHEM LIMITED

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

## 8. General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
14th	March 31, 2018	Hotel Kanchi Resorts, Pur Road, Bhilwara, 311001 (Rajasthan).	27th September, 2018	03:30 P.M.
13th	March 31, 2017	Hotel Kanchi Resorts, Pur Road, Bhilwara, 311001 (Rajasthan).	23rd September, 2017	03:00 P.M.
12th	March 31, 2016	5-O-20, Basement, R.C. Vyas Colony, Bhilwara - 311001	28th September, 2016	11:00 A.M.

Particulars of last Extra Ordinary General Meeting:

Particulars	Venue	Date	Time
Extra Ordinary General Meeting	5-O-20, Basement R.C. Vyas Colony, Bhilwara, 311001 (Rajasthan)	16th January , 2019	03:00 P.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
27th September, 2018	1. To approve and ratify the remuneration of the Cost Auditor(s) for the financial year ending 31st March 2019. 2. To Approval of related party transactions with Related Parties. 3. To Approval of Loans to Directors/Interested Parties 4. To Re-Appointment of Mr. Praveen Ostwal as Managing Director of the Company
23rd September, 2017	To approve and ratify the remuneration of the Cost Auditor(s) for the financial year ending 31st March 2018.
28th September, 2016	No Special Resolutions were passed

## Postal Ballot

During the year, Company passed a resolution requiring postal ballot for Migration of Company from NSE Emerge Platform to Main Board of NSE India Limited.

**Person who conducted the Postal Ballot** - M/s. Sourabh Bapna & Associates, Companies Secretaries.

## Resolution proposed to be passed through Postal Ballot

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

## 9. Means of Communication

- 1) The unaudited quarterly results are announced within forty five days from the close of the Half Yearly 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 made presentation to the institutional investors or analysts dated on 11<sup>th</sup> January, 2019. The presentation of analyst or institutional investors meet held on 11<sup>th</sup> January, 2019 at Mumbai. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

## 10. General Shareholders Information

Sr. No.	Salient Items of Interest	Particulars	
1.	<b>Annual General Meeting</b> Date and Day Time Venue	On Thursday, September 26, 2019. 03.30 P.M Hotel Kanchi Resorts , Pur Road Bhilwara (Raj) 311001	
2.	<b>Financial Year</b>	April 1st 2018 to March 31st, 2019	
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. The listing fee for the same has been paid.	
5	<b>Symbol</b>	KRISHANA ISIN : INE506W01012	
6.	<b>Market Price Data: High, Low during each month in Last Financial Year</b>		
	<b>Month</b>	<b>High</b>	<b>Low</b>
	<b>Apr-18</b>	<b>39.25</b>	<b>34</b>
	<b>May-18</b>	<b>36</b>	<b>35</b>
	<b>June- 18</b>	<b>39</b>	<b>28</b>
	<b>July-18</b>	<b>41</b>	<b>37</b>

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	Aug-18	40.95	31		
	Sep-18	37.45	36		
	Oct-18	41.5	36		
	Nov- 18	51.6	36		
	Dec-18	57	36.5		
	Jan-19	61.95	54		
	Feb-19	59.95	58		
	Mar-19	64.1	50		
7.	Register and Transfer Agents	LINK INTIME INDIA PRIVATE LIMITED C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India. Tel: 91-22 – 49186000 Fax: 91-22 – 49186060 Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in			
8.	Share Transfer System	As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.			
9.	Distribution of Shareholding (as on 31.03.2019)				
	Shareholding	No. of Shareholder	Percentage of Shareholder	No. of Share	Percentage of Shareholding
	2001-3000	2	0.6667	5000	0.0201
	3001-4000	164	54.6667	655249	2.6315
	4001-5000	5	1.6667	25000	0.1004
	5001-10000	34	11.3333	271990	1.0923
	10001-99999999999	95	31.6667	23942761	96.1557
	Total	300	100	24900000	100
10.	Dematerialization of shares and liquidity	All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.			
11.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Not Applicable			
12.	Plant Locations	Unit I : Plot No. 115, 116, 117 and 118-A, 118-B, 119 120 , and 126 – 133, Meghnagar Jhabua , Madhya Pradesh Unit II : Plot No. 142 and 143, Meghnagar Jhabua, Madhya Pradesh Unit III: Plot No. 126-A and 134, Meghnagar Jhabua, Madhya Pradesh			
13.	Address for correspondence	5-O-20, Basement R C Vyas Colony, Bhilwara – 311001, Rajasthan, India. Ph. No. 91-1482-237104/ 239091/ 230060			

		Email:secretarial@krishnaphoschem.com; Website: www.krishnaphoschem.com
14.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Not Applicable

## **11.Other Disclosures**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not Applicable

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

The Certificate from Practicing Company secretary, M/s. Sourabh Bapna & Associates, regarding that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019.

**(j) Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required in the relevant financial year the same to be disclosed along with the reason thereof:** Not Applicable.**(k) Total fees of all service paid by the listed company and its Subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** Rs. 1, 10,000 per annum**(l) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

No. of complaints received: Nil

No. of complaints disposed off: Nil

**(m) Instance of non-Compliance of any requirement of corporate governance report:** There has been no instance of non-compliance of any requirement of corporate governance report.**(n) Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46:** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

# KRISHANA PHOSCHEM LIMITED

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

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

**(p) CEO and CFO Certification**

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

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

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

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

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

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place     Bhilwara  
Date     10/05/2019

(Praveen Ostwal)  
  
Managing Director  
(DIN: 00412207)

(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, 2019 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                      10.05.2019**

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

**DIN 00412207**

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

**DIN 02056569**



# ***SOURABH BAPNA & ASSOCIATES***

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

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## **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, 2019 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Sourabh Bapna & Associates

Company Secretaries

Sd/-

(Sourabh Bapna)

Proprietor

C.P. No. 19968

M. No. A51505

Date: 10.05.2019

Place: Bhilwara

# ***KRISHANA PHOSCHEM LIMITED***

## **ANNEXURE-VII**

### **NOMINATION AND REMUNERATION POLICY**

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

#### **Introduction:**

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

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

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. 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.

# ***KRISHANA PHOSCHEM LIMITED***

• **“Key Managerial Personnel”:-** Key Managerial Personnel (KMP) means-

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

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

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

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

## **Chairman:**

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

## **Frequency of Meetings:**

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

## **Committee Members' Interests:**

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

**Voting:**

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

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

**General Appointment Criteria:**

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

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

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

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

**Evaluation:**

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

**Criteria for Evaluation of the Board:**

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

**1. Executive Directors:**

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

**2. Non-Executive Director:**

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

(a) Act objectively and constructively while exercising their duties;

(b) Exercise their responsibilities in a bona fide manner in the interest of the Company;

# ***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**        **10/05/2019**

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

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

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

## 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)
2017-2018	636.25
2016-2017	614.56
2015-2016	302.74
Total	1553.55
Avg. Profit	517.85

**4. CSR Expenditure** - CSR Expenditure for financial year 2018-19 of Company is 10.36 Lacs i.e. 2% of Rs. 517.85 lacs.

**5. Details of CSR Spent during the financial year 2018-2019**

- (a) Total amount to be spent for the financial year Rs. 6.51 Lacs  
(b) Amount unspent for the financial year – 3.85 Lacs  
(c) Manner in which the amount spent during the financial year is detailed below.

# KRISHANA PHOSCHEM LIMITED

(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> (1) Direct Expenditure On projects or programs (2)Overheads	Cumulative expenditure Up to the Reporting period	Amount Spent : Direct or Through Implementing Agency
1	Shri Madjaycharya Sadhna Samiti	Charity Donation /	Bhilwara (Raj.)	2.00	2.00	2.00	Direct
2	Jain international trade Organization	Charity Donation /	Bhilwara (Raj.)	1.00	1.00	1.00	Direct
3	Nirmala Devi Ostwal Seva Sansthan	Charity Donation /	Bhilwara (Raj.)	0.75	0.75	0.75	Direct
4	Mahaveer International Foundation Trust	Charity Donation /	Bhilwara (Raj.)	0.81	0.81	0.81	Direct
5	Purchase Food	Extreme Poverty Hunger /	Bhilwara (Raj.)	1.95	1.95	1.95	Direct
		<b>Total</b>		<b>6.51</b>	<b>6.51</b>	<b>6.51</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-**

The Company is endeavored to ensure full utilization of the allocated CSR budget. The Company has been able to spent majority of funds committed for CSR Activity. Whatever small unspent Amount left was on lack of Appropriate Transparent Proposal.

## **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.





# ***KRISHANA PHOSCHEM LIMITED***

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

**Place**      **Bhilwara**  
**Date**        **10/05/2019**

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

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

# 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 18-19</b>		
Madhya Bharat Agro Products Ltd.	Interested Director	-	See note-1	392.30
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	189.91
Ostwal Phoschem (India) Limited	Holding Company		See note-1	39.28
<b>Rent payment of Immovable Property</b>				
		<b>FY 18-19</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	0.06
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	0.05
<b>Sale of Material</b>		<b>FY 18-19</b>		
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	18.79
Ostwal Phoschem (India) Limited	Holding Company		See note-1	2833.54
Madhya Bharat Agro Products Ltd.	Interested Director		See note-1	66.78
<b>Loan Taken</b>				
		<b>FY 18-19</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	206.41
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	210.00
<b>Loan Paid</b>				
		<b>FY 18-19</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	588.04
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	150.00

# **KRISHANA PHOSCHEM LIMITED**

<b>Interest Paid on Loan Taken</b>		<b>FY 18-19</b>		
Ostwal Phoschem (India) Limited	Holding Company		See note-1	8.96
Seasons Agrochem India Pvt. Ltd	Interested Director		See note-1	3.07

**Note:**

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

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

Place Bhilwara (Raj)

Date 10.05.2019

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

**DIN 00412207**

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

## **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 mainly H.Acid & Chemical products i.e. Sulphuric Acid, Oleum . Coloro Sulphonic Acid & Liquid SO<sub>3</sub>. . Beneficiated Rock Phosphate and Sulphuric Acid is basic raw material for SSP. Napathlene is basic raw material for H.Acid & Sulphur is basic raw material for production of Sulphuric Acid.

SSP is used in for replenishing “P” (Phosphorus) in the soil which gets depleted steadily with each crop and Sulphuric Acid fulfil Sulphur deficiency in the soil & makes phosphate water soluble so it easily absorbable or used by plant.

### **OPPORTUNITIES**

KPL is constantly looking to expand in the various expansion and development of new products especially in fertilizers & chemical field. Which have ready market due to availability of ample land and skill manpower. Following positives for KPL areas under:

- Government Initiatives for fertilizer Industry making fertilizer production a lucrative line of business.
- Substantial infrastructure Facilities
- High Growth Potential in Acid Division.

### **THREATS**

- Competition from other Fertilizer manufacturing companies.
- 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**

The company is planning for go expansion in fertilizer & chemical division. Plant likely to be installed Di- Ammonia Phosphate, Phosphoric Acid & Vinyl Sulphone. Expected month of started production is March 2021.

### **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 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.

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

# KRISHANA PHOSCHEM LIMITED

## INTERNAL CONTROL SYSTEM

The company has in place adequate internal control system, 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 has achieved the turnover of Rs.15271.02 Lakh and the net profit after tax for the current year stands at Rs. 1441.38 Lakh as against Rs. 354.15 lakh in previous year. Net profit ratio gone up from 3.70 %to 9.44% in current year. During the Year the company has also terminated its marketing with Shri Ram & started marketing its product through its own marketing team.

## KEY FINANCIAL RATIOS

Sr. No	Particulars of Ratio	31.03.2019	31.03.2018	Explanation for change in Ratios
1	Debtors Turnover	7.17	7.02	Due to better realization from debtors
2	Inventory Turnover	4.63	5.46	With termination of marketing agreement with Shri Ram to meet the expected demand in the seasons which is May & June stock was created.
3	Interest Coverage Ratio	6.87	2.11	Improve due to better performance of the company.
4	Current Ratio	1.36	1.19	Improve due to better performance of the company.
5	Debt Equity Ratio	0.20	0.32	Improve due to better performance and repayment of debt.
6	Operating Profit Margin (%)	12.11	5.23	Improve due to better performance of the company.
7	Net Profit Margin (%)	9.43	3.70	Improve due to better performance of the company.

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

Sr. No	Particulars of Ratio	31.03.2019	31.03.2018	Explanation for change in Return on Net Worth
1	Return on Net Worth	17.00%	5.09%	Improve due to better performance of the company.

# ***KRISHANA PHOSCHEM LIMITED***

## **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**

Place Bhilwara (Raj)

Date 10.05.2019

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

**DIN 00412207**

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

## 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, 2019 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, 2019;
- 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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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.



RAJNEESH KANTHER & ASSOCIATES  
Chartered Accountants  
FRN 021262C

90, Indira Market  
Bhilwara (Raj.)  
Phone: 01482-227154 (O), 9833685154

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. Rajneesh Kanther & Associates**  
Chartered Accountants  
FRN 021262C

Place: Bhilwara  
Date: 10.05.2019

Rajneesh Kanther  
**(Partner)**  
M. No. 102162

**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, 2019.

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 2019 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. Company raised money of Rs. 500.00 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 not 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.

RAJNEESH KANTHER & ASSOCIATES  
Chartered Accountants  
FRN 021262C

90, Indira Market  
Bhilwara (Raj.)  
Phone: 01482-227154 (O), 9833685154

- (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.
- (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. Rajneesh Kanther & Associates**  
Chartered Accountants  
FRN 021262C

Sd/-  
Rajneesh Kanther  
**(Partner)**  
M. No. 102162

Place: Bhilwara  
Date: 10.05.2019

**KRISHANA PHOSCHEM LIMITED**  
**BALANCE SHEET AS AT 31st March 2019**



(Rs. In Lakh)

Particulars		Note No.	As at 31st March 2019	As at 31st March 2018
I.	<b><u>EQUITY AND LIABILITIES</u></b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	2	2490.00	2490.00
	(b) Reserves and surplus	3	8440.79	7123.91
			<b>10930.79</b>	<b>9613.91</b>
2	<b>Non-current Liabilities</b>			
	(a) Long-term borrowings	4	1431.62	2063.17
	(b) Deferred tax liabilities (Net)	5	247.95	164.86
	(c) Other long term liabilities			
			<b>1679.57</b>	<b>2228.03</b>
3	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	1136.31	1575.63
	(b) <b>Trade payables</b>	7		
	i) Total Outstanding dues of Micro enterprise and small enterprises		66.99	0.00
	ii) Total Outstanding dues of creditors other than Micro enterprise and small enterprises		1712.76	594.89
	(c) Other current liabilities	8	1371.29	730.45
	(d) Short-term provisions	9	610.80	185.10
			<b>4898.14</b>	<b>3086.07</b>
	<b>TOTAL</b>		<b>17508.50</b>	<b>14928.01</b>
II.	<b><u>ASSETS</u></b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant & Equipments			
	(i) tangible assets	10	10648.91	11190.02
	(ii) Intangible assets			
	(iii) Capital work-in-progress		61.31	0.00
	(iv) Intangible assets under development			
	(b) Non-current investments	11	0.00	0.00
	(c) Deferred tax Assets (Net)		0.00	0.00
	(d) Long-term loans and advances	12	54.18	58.25
	(e) Other non-current assets	13	0.00	0.00
			<b>10764.40</b>	<b>11248.27</b>
2	<b>Current assets</b>			
	(a) Inventories	14	3301.61	1755.27
	(b) Trade receivables	15	2128.54	1363.89
	(c) Cash and cash equivalents	16	4.47	4.43
	(d) Short-term loans and advances	17	1309.48	556.15
	(e) Other current assets	18	0.00	0.00
			<b>6744.10</b>	<b>3679.74</b>
	<b>TOTAL</b>		<b>17508.50</b>	<b>14928.01</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 Rajneesh Kanther & Associates**

**Chartered Accountants**

FRN 021262C

For and on Behalf of the Board of Directors

Sd/-  
(Rajneesh Kanther )

**Partner**

M.No.: 102162

Place: Bhilwara (Raj)

Dated: 10/05/2019

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**



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March 2019**

(Rs. In Lakh)

Particulars		Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I.	Revenue from operations	19	15271.02	9575.87
II.	Other income	20	29.86	87.30
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>15300.88</b>	<b>9663.17</b>
IV.	Expenses:			
	Cost of materials consumed	21	8168.22	4497.59
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(510.65)	528.89
	Employee benefits expense	23	192.46	143.63
	Finance costs	24	340.94	574.93
	Depreciation and amortization expense	25	1031.85	795.42
	Other expenses	26	4076.74	2486.46
	<b>Total Expenses</b>		<b>13299.56</b>	<b>9026.92</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax</b>	(III-IV)	2001.32	636.25
VI.	Exceptional items		0.00	0.00
<b>VII.</b>	<b>Profit before extraordinary items and tax</b>	(V-VI)	2001.32	636.25
VIII.	Extraordinary Items		0.00	0.00
<b>IX.</b>	<b>Profit before tax</b>	(VII- VIII)	<b>2001.32</b>	<b>636.25</b>
<b>X.</b>	<b>Tax expense:</b>			
	(1) Current tax		476.86	173.05
	(2) Deferred tax		83.09	109.05
	(3) Earlier Year's Tax			
	<b>Total Tax Expenses</b>		<b>559.94</b>	<b>282.10</b>
<b>XI.</b>	<b>Profit (Loss) for the period from continuing operations</b>	(IX-X)	<b>1441.38</b>	<b>354.15</b>
XII.	Profit/(loss) from discontinuing operations		0.00	0.00
XIII.	Tax expense of discontinuing operations		0.00	0.00
<b>XIV.</b>	<b>Profit/(loss) from Discontinuing operations (after -tax)</b>	(XII-XIII)	0.00	0.00
<b>XV.</b>	<b>Profit (Loss) for the period</b>	(XI + XIV)	<b>1441.38</b>	<b>354.15</b>
XVI.	Earnings per equity share:			
	Basic & Diluted		<b>5.79</b>	<b>1.42</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 Rajneesh Kanther & Associates**

**Chartered Accountants**

FRN 021262C

For and on Behalf of the Board of Directors

Sd/-

(Rajneesh Kanther)

**Partner**

M.No.: 102162

Place: Bhilwara (Raj)

Dated: 10/05/2019

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 2019**



(Rs. In Lacs)

Particular	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	2,001.32	636.25
<b>Adjustments for:</b>		
Depreciation and Amortization	1,031.85	795.42
Interest Income	(2.53)	(2.70)
Misc Exps write off		
Loss / (Profit) on sale of Fixed Assets	0.01	1.86
Interest Expenses	340.94	574.94
<b>Operating profit before working capital change</b>	<b>3,371.59</b>	<b>2,005.76</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade payable	1,184.86	(484.86)
Increase/(Decrease) in Other Current Liability	640.84	189.66
Increase/(Decrease) in Short Term Provisions	(2.61)	(25.34)
(Increase)/Decrease in Inventories	(1,546.34)	801.86
(Increase)/Decrease in Trade Receivable	(764.65)	73.07
(Increase)/Decrease in Short term Loan and Advances	(476.30)	181.42
Increase/(Decrease) in Short term Borrowings	(439.32)	(87.56)
<b>Net changes in working capital</b>	<b>(1,403.52)</b>	<b>648.24</b>
<b>Cash Generated from/(used in) operations</b>	<b>1,968.07</b>	<b>2,654.00</b>
Direct Taxes paid	(450.09)	(173.63)
<b>Net cash from/(Used in) operating activities (A)</b>	<b>1,517.98</b>	<b>2,480.37</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(554.58)	(1,578.36)
Sale/Decrease of Fixed Assets	2.51	4.15
Interest Received	2.53	2.70
(Increase)/decrease in long term loans and advances	4.07	23.43
<b>Net cash from investing activities (B)</b>	<b>(545.46)</b>	<b>(1,548.08)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	0.00	0.00
Proceeds from long term borrowings	(631.55)	(356.58)
Interest paid	(340.94)	(574.94)
Proceeds from Differed Creditors		
<b>Net cash from financing activities (C)</b>	<b>(972.49)</b>	<b>(931.52)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>0.04</b>	<b>0.77</b>
Cash and cash equivalents as at (Opening Balance) 01.04.2018	4.43	3.65
Cash and cash equivalents as at Closing Balance) 31.03.2019	4.47	4.43

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 Rajneesh Kanther & Associates**  
**Chartered Accountants**  
FRN 021262C

For and on Behalf of the Board of Directors

Sd/-  
(Rajneesh 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.: 102162  
Place: Bhilwara (Raj)  
Dated: 10/05/2019

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:**

a) 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.

b) 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.

c) 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 2019.



**2. SHARE CAPITAL**

(Rs. In Lakh)

Share Capital	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity Shares of Rs.10/- each	30000000	3000.00	25000000	2500.00
<b>Issued</b>				
Equity Shares of Rs. 10/- each	24900000	2490.00	24900000	2490.00
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	24900000	2490.00	24900000	2490.00
<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>24900000</b>	<b>2490.00</b>

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

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the period	24900000	2,490.00
Shares Issued during the period	0	-
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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ostwal Phoschem (India) Limited	11246500	45.17	10178500	40.88
Swastik Clothtex Pvt. Ltd.	1444000	5.80	1440000	5.78
Archid Products Pvt. Ltd.	1407750	5.65	1407750	5.65
Seasons Agro Chem India Private Limited	1260250.00	5.06	1260250.00	5.06

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

Particulars	Years				
	2018-19	2017-18	2016-17	2015-16	2014-15
<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 31st March 2019	As at 31 March 2018
<b>i) Revaluation Reserves</b>		
Opening Balance	2,658.15	2,862.95
(+) Addition during the year	-	-
(-) Deduction during the year	-	-
(-) Current year depreciation on revaluation transfer to General Reserve	204.80	204.80
(-) Yearlier year depreciation charged from revaluation reserve	-	-
<b>Closing Balance</b>	<b>2,453.35</b>	<b>2,658.15</b>
<b>ii) Surplus</b>		
Opening Balance	3,639.26	3,080.31
(+) Net Profit/(Net Loss) For the current year	1,441.38	354.15
(+) Transfer from Revaluation Reserves	204.80	204.80
(-) Depreciation related to yearlier year	-	-
(-) Proposed Dividends	124.50	-
(-) Interim Dividends	-	-
(-) Bonus issue	-	-
(-) Transfer to Reserves	-	-
<b>Closing Balance</b>	<b>5,160.93</b>	<b>3,639.26</b>
<b>iii) Security Premium</b>		
Opening Balance	826.50	826.50
(+) Addition During the year	-	-
(-) Deduction During the year	-	-
<b>Closing Balance</b>	<b>826.50</b>	<b>826.50</b>
<b>Total</b>	<b>8,440.79</b>	<b>7,123.91</b>

### 4. LONG TERM BORROWING

(Rs. In Lakh)

LONG TERM BORROWING	As at 31st March 2019	As at 31 March 2018
<b>Secured</b>		
(a) Term Loan		
From other Parties - MPFC		
From other Parties - HDFC	960.72	1,071.14
	<b>960.72</b>	<b>1,071.14</b>
<b>Unsecured</b>		
(a) Other Loans & Advances		
Loans taken from directors, members etc.	470.90	992.03
	<b>470.90</b>	<b>992.03</b>
<b>Total</b>	<b>1,431.62</b>	<b>2,063.17</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 fixed interest rate @ 9.05%.

Name of Banks	Date of Maturity	No. of Installments outstanding as on 31.03.2019	As at 31st March 2019			As at 31 March 2018		
			Total Outstanding	Current Maturities	Net Long Term Borrowings	Total Outstanding	Current Maturities	Net Long Term Borrowings
HDFC	7-Jan-18	0	-	-	-	-	-	-
HDFC	7-May-19	14	37.75	37.75	-	269.63	232.13	37.50
HDFC	7-Jul-21	40	541.57	264.29	277.28	747.58	207.39	540.19
HDFC	7-Oct-22	55	494.68	160.78	333.90	605.94	112.48	493.46
HDFC	7-Mar-23	48	500.00	150.45	349.55			
<b>Total</b>			<b>1,574.00</b>	<b>613.28</b>	<b>960.72</b>	<b>1,623.15</b>	<b>552.01</b>	<b>1,071.14</b>

iii) **Guarantors** – Secured loan is guaranteed by personal guarantee of Managing Director Sh. Praveen Ostwal & Sh.

## 5. DEFERRED TAX LIABILITIES/ ASSETS

- i) The company has recognized a provision for deferred tax liability of Rs. 83.0868760291187 Lac (P.Y. deferred tax liability Rs. 109.05 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)		
Deferred Tax Liabilities/Assets	As at 31st March 2019	As at 31 March 2018
<b>Deferred Tax Liabilities/Assets</b>		
Deferred tax liabilities (depreciation on fixed assets)	833.92	954.57
Deferred tax Assets (Losses to be c/f)	191.62	237.28
<b>Deferred Tax Liabilities/(Assets)</b>	<b>642.30</b>	<b>717.29</b>
Less:MAT Credit	394.35	552.43
<b>Net Deferred Tax Liabilities/(Assets)</b>	<b>247.95</b>	<b>164.86</b>

- ii) Deferred tax assets and deferred 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 31st March 2019	As at 31 March 2018
<b>Secured</b>		
<b>a) Other loans and advances</b>		
Buyers Credit from HDFC Bank	-	-
Working Capital Loan from HDFC Bank repayable on demand	1,136.31	1,575.63
<b>Total</b>	<b>1,136.31</b>	<b>1,575.63</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 9.05% as on 31/03/2019
- 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 31st March 2019	As at 31 March 2018
<b>a) Trade payables</b>		
Total Outstanding dues of Micro enterprise and small enterprises	66.99	-
Total Outstanding dues of creditors other than Micro enterprise and small enterprises	1,712.76	594.89
<b>Total</b>	<b>1,779.75</b>	<b>594.89</b>

There are no Micro, small enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2019 . 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 31st March 2019	As at 31 March 2018
<b>a) Current Maturities of Long Term Debt ( Refer note no.4)</b>	613.28	552.01
<b>b) Others Payables</b>		
i) Statutory dues including Provident Fund and Tax deducted at source etc.	48.13	52.02
ii) Liability Towards Staff & Workers	42.90	30.46
iii) Other Liabilities	9.81	8.56
iv) Advances from Customer	657.17	87.40
<b>Total</b>	<b>1,371.29</b>	<b>730.45</b>

## **9. SHORT TERM PROVISION**

(Rs. In Lakh)

<b>SHORT TERM PROVISION</b>		<b>As at 31st March 2019</b>	<b>As at 31 March 2018</b>
<b>Other (Specify nature)</b>			
a)	Provision for income tax	476.86	173.05
b)	Provision for expenses	9.45	12.05
c)	Proposed Dividend	124.50	-
	<b>Total</b>	<b>610.80</b>	<b>185.10</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. During the year company has also provided depreciation on Sulphuric acid & Oleum plant on the basis of continuous process plant.
- ii) Gross block and Net Block of fixed assets includes Rs. 3967.27 Lac (P.Y. Rs. 3967.27 lac) and Rs. 2453.3514 Lac (P.Y. Rs. 2658.15071 Lac) respectively on account of revaluation of fixed assets carried out in the year 2010-11 by the company. Depreciation of Rs.204.8 Lac (P.Y. Rs. 204.8 Lac) has been charged to profit & loss A/c.
- iii) The company has further revalued the book value of land by Rs. 1162.15 and plant & machinery by Rs. 1049.04 as on 31.03.2014 on the basis of External Valuers Report received by the Company. This has resulted into the increase in gross block of assets of Rs. 2211.19 Lakh and corresponding increase in revaluation reserve of the company. The basis of valuation as mentioned into the report of external valuer is market rate in the case of land and net recoverable amount in the case of plant & machinery
- 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**

<b>NON CURRENT INVESTMENT</b>		<b>As at 31st March 2019</b>	<b>As at 31 March 2018</b>
		-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

## **12. LONG TERM LOANS AND ADVANCES**

<b>LONG TERM LOANS AND ADVANCES</b>		<b>As at 31st March 2019</b>	<b>As at 31 March 2018</b>
	(Unsecured considered good unless otherwise stated)		
a.	Capital Advances	-	-
b.	Security Deposit	54.18	58.25
	<b>Total</b>	<b>54.18</b>	<b>58.25</b>

## **13. OTHER NON CURRENT ASSETS**

<b>OTHER NON CURRENT ASSETS</b>		<b>As at 31st March 2019</b>	<b>As at 31 March 2018</b>
	<b>Total</b>	<b>-</b>	<b>-</b>

#### **14. INVENTORIES**

(Rs. In Lakh)

INVENTORIES	As at 31 March 2019	As at 31 March 2018
a. Raw materials	1,496.15	506.44
b. Finished Goods	1,526.15	1,015.51
c. Stores & spares	279.30	233.32
<b>Total</b>	<b>3,301.61</b>	<b>1,755.27</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, Sulphur etc. and in case of finished goods its includes Beneficiated Rock Phosphate(BRP), Single Super Phosphate(SSP), Granular Single Super Phosphate(GSSP), Chemical Product (H-Acid) & Sulphuric Acid & Oluem.

#### **15. TRADE RECEIVABLES**

(Rs. In Lakh)

TRADE RECEIVABLES	As at 31 March 2019	As at 31 March 2018
<b>Unsecured, considered good</b>		
a. Trade receivables outstanding for a period less than six months from the date they are due for payment	2,063.76	1,363.89
b. Trade receivables outstanding for a period exceeding six months from the date they are due for payment	64.78	-
<b>Total</b>	<b>2,128.54</b>	<b>1,363.89</b>

#### **16. CASH AND CASH EQUIVALENT**

(Rs. In Lakh)

CASH AND CASH EQUIVALENT	As at 31 March 2019	As at 31 March 2018
a) Balance with Bank	3.27	2.89
b) Cash in hand	1.20	1.54
<b>Total</b>	<b>4.47</b>	<b>4.43</b>

#### **17. SHORT TERM LOANS AND ADVANCES**

(Rs. In Lakh)

SHORT TERM LOANS AND ADVANCES	As at 31 March 2019	As at 31 March 2018
<b>Other loans &amp; Advances</b>		
(Unsecured considered good unless otherwise stated)		
i) Advance Taxes	400.75	123.71
ii) Prepaid expenses	24.11	12.97
iii) Loans to employees	1.61	0.14
iv) Advances to suppliers	398.23	251.77
v) Output VAT/GST Advance	383.48	167.55
vi) Security Deposit	101.30	-
<b>Total</b>	<b>1,309.48</b>	<b>556.14</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)

SHORT TERM LOANS AND ADVANCES	As at 31 March 2019	As at 31 March 2018
<b>Total</b>	<b>-</b>	<b>-</b>

**19. REVENUE**

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31st March 2018
Sale of products	15,271.02	9,549.73
Other Operating Income	-	51.19
Less : Excise Duty	-	25.05
<b>Net Total</b>	<b>15,271.02</b>	<b>9,575.87</b>

**20. OTHER INCOME**

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31st March 2018
a. Interest income	2.53	2.70
b. Other non-operating income	2.32	76.40
c. Forex Gain/(Loss)	25.02	8.19
<b>Total</b>	<b>29.86</b>	<b>87.30</b>

**21. COST OF RAW MATERIAL CONSUMED**

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31st March 2018
Opening Stock	506.44	847.16
Add: Purchases	9,157.93	4,156.88
Less: Closing Stock	1,496.15	506.44
<b>Total</b>	<b>8,168.22</b>	<b>4,497.59</b>

**Details of Raw material consumed**

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019		For the year ended 31st March 2018	
	Qty (MT)	Amount	Qty (MT)	Amount
a. Rock phosphate consumed (BRP)	35877	647.26	18184	287.04
b. Rock phosphate consumed (SSP)	33227	1,802.70	25059	1,208.50
c. Beneficiated Rock phosphate captive consumed (SSP)	18421	-	10209	-
d. Sulphuric acid consumed	36750	387.27	23573	397.33
e. HDPE bags consumed (Nos.)	2040039	283.11	1182840	125.65
f. Boron (Row Decobar) consumed	20	9.99	14	5.82
g. Zinc Sulphate consumed	797	308.94	377	101.98
h. Re-regents		163.34		35.62
I. Napthelene, Castic Soda & other Product	17988	2091.69	15917	1,287.70
J. Sulphur & Other Product	36933	2,203.80	17703	1,047.96
K. Filler	2785	67.19		
L. Others		202.94		
<b>Total</b>		<b>8,168.23</b>		<b>4,497.59</b>

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

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31st March 2018
Stock at the beginning of the year (A)	1,015.51	1,544.40
Stock at the end of the year (B)	1,526.16	1,015.51
<b>(Increase)/Decrease in stocks (B-A)</b>	<b>(510.65)</b>	<b>528.89</b>

**23. EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31st March 2018
a. Salaries & Incentives	164.96	124.49
b. Contribution to Provident Fund & ESI	13.28	9.77
c. Gratuity Fund contribution	6.28	4.98
d. Staff welfare expenses	7.94	4.39
<b>Total</b>	<b>192.46</b>	<b>143.63</b>

## **24. FINANCE COSTS**

(Rs. In Lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expenses	330.87	566.07
Other Bank Charges	10.07	8.87
<b>Total</b>	<b>340.94</b>	<b>574.94</b>

## **25. DEPRECIATION AND OTHER AMORTIZATION EXPENSES**

(Rs. In Lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Current year depreciation	827.05	590.62
Add(less) : Revaluation	204.80	204.80
<b>Total</b>	<b>1,031.85</b>	<b>795.42</b>

## **26. OTHER EXPENSES**

(Rs. In Lakh)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. Manufacturing Expenses</b>		
Consumption of Stores & Spares parts	937.87	469.08
Power & Fuel	324.46	298.60
Repairs & Maintenance to Plant & Machinery	48.81	15.67
Other manufacturing expenses	734.70	522.19
<b>Total (A)</b>	<b>2,045.84</b>	<b>1,305.53</b>
<b>B. Administration Expenses</b>		
Rent	2.90	2.00
Rates & taxes	0.18	0.85
Insurance	17.91	27.08
Directors' Remuneration	56.91	32.21
Auditors' Remuneration	1.45	0.90
CSR Expenses	6.51	5.65
Donation	-	-
Forex (Gain)/Loss	-	-
Miscellaneous Expenditure	107.53	71.16
<b>Total (B)</b>	<b>193.39</b>	<b>139.85</b>
<b>C. Selling &amp; Distribution Expenses</b>		
Freight & Transport	1,103.99	575.43
Advertisement & Business promotion	3.25	3.20
Godown Rent	8.78	16.67
Others	721.49	445.78
<b>Total (C)</b>	<b>1,837.51</b>	<b>1,041.08</b>
<b>Grand Total</b>	<b>4,076.74</b>	<b>2,486.46</b>

## **27. RELATED PARTY TRANSACTIONS**

### **a) Key Managerial personnel**

(i) Mr. Praveen Ostwal

Managing Director

(ii) Mr. Sunil Kothari

Whole Time Director & Chief Financial Officer

(iii) Miss. Priyanka Bansal

Company Secretary

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

- (i) Madhya Bharat Agro Products Ltd.
- (ii) Ostwal Phoschem (India) Ltd.
- (iii) Seasons Agrochem India Pvt Ltd.

c) Transactions with the related parties

(Rs. In Lakh)

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018	
	Key Management Personnel	Enterprises over which significant influence of KMP	Key Management Personnel	Enterprises over which significant influence of KMP
Remuneration	56.90	-	32.50	-
Remunerations to directors' relative	-	-	-	-
Remunerations to Company Secretary	1.56	-	1.24	-
Purchases of goods/Service	-	621.49	-	501.05
Sales of goods	-	2,919.10	-	579.19
Rent Paid	-	0.11	-	0.06
Loan taken	-	416.41	-	1,105.10
Loan Paid	-	738.04	-	1,567.75
Interest Paid	-	12.03	-	95.72

**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 31st March 2019	For the year ended 31st March 2018
<b>i)</b>	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	a) At the beginning of the year	18.44	13.75
	b) Current Service Cost	3.61	2.42
	c) Interest Cost	1.48	1.1
	d) Actuarial (Gain) Loss	0.91	1.17
	e) Benefits paid	0	0.00
	f) Defined Benefits Obligation at year end	24.44	18.44
<b>ii)</b>	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
	a) At beginning of the year	22.62	16.58
	b) Expected Return on plan assets	1.87	1.39
	c) Actuarial Gain / (Loss)	0.00	0.00
	d) Employer Contributions	5.83	4.64
	e) Benefits paid	0.00	0.00
	f) Fair Value of the plan assets at the year end	30.33	22.62
<b>iii)</b>	<b>Reconciliation of fair value of obligation and Assets</b>		
	a) Present value of obligation as at year end	24.44	18.44
	b) Fair value of plan assets as at year end	30.33	22.62
	c) Amount recognized in Balance Sheet (a-b)	-5.89	-4.18
<b>iv)</b>	<b>Expense recognized during the year:</b>		
	a) Current Service Cost	3.61	2.42
	b) Interest Cost	1.48	1.1
	c) Expected return on plan assets	-1.87	-1.39
	d) Actuarial (gain) / loss	0.91	1.17
	e) Net Cost (a+b+c+d)	4.13	3.3
<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 2019	31 March 2018	
i)	Discount Rate	7.5% per annum	8% per annum	
ii)	Expected Rate of return on plan assets	7.5% per annum	8% per annum	
iii)	Future Salary Increase	7% per annum	7% 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 2019	31 March 2018	
Defined Benefits Obligation		24.44	23.13	
Plan assets		30.33	28.66	
Surplus/(deficit)		5.89	5.53	
Experience adjustment on plan Liabilities (loss)/ gain		-0.91	-1.17	
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 2019	31 March 2018	
i)	Employers Contribution to Provident Fund	9.75	9.75	

## 29. FOREIGN CURRENCY EXPOSURE

During the period from 01.04.2018 to 31.03.2019 company import Rock Phosphate 25800 MT in USD 1591200

## 30. EARNING PER SHARE

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Net profit available to equity shareholders (Rs. in Lakh)	1,441.38	354.15
Weighted average number of equity shares outstanding during the year (Nos.)	24,900,000	24,900,000
Basic and Diluted Earnings (Rs. per Share)	5.79	1.42

## 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 25800 MT.

## 32. STATEMENT OF ADDITIONAL INFORMATION:

### a) Particulars of installed capacity:

(As certified by management being technical matter)

(MT)

	Products	As at 31st March 2019		As at 31st March 2018	
		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 (H.Acid)	1324	1324	1324	1324
v)	Sulphuric Acid , Oleum & other products	99000	99000	99000	99000

### b) Details of Production & Sales

(Rs. In Lakh)

	Products	2018-19		2017-18	
		Qty(MT)	Value	Qty(MT)	Value
<b>i) Production</b>					
	Beneficiated Rock Phosphate	25468		12278	
	Phosphate Rich Organic Manure (PROM)	707		0	
	Single Super Phosphate-(Powder)	92754		61958	
	Single Super Phosphate (Granular)	32157		14497	
	Chemical Product (H.Acid)	977		644	
	Sulphuric Acid , Oleum & other products	66838		33053	
<b>ii) Sales</b>					
	Beneficiated Rock Phosphate	7548	368.35	1628	0.00
	Phosphate Rich Organic Manure (PROM)	289	32.27	0	0.00
	Single Super Phosphate (Powder)	55362	4418.85	47157	3408.39
	Single Super Phosphate(Granular)	29445	2443.81	19093	1475.27
	Chemical Product (H.Acid)	982	4247.92	699	2277.84
	Sulphuric Acid , Oleum & other products	66506	3750.29	32316	1989.98
	Sales Other	0.00	9.52	0.00	0.00

### c) Closing Stocks of finished goods

	Products	31.03.2019		31.03.2018	
		Qty(MT)	Value	Qty(MT)	Value
i)	Beneficiated Rock Phosphate	122	5.44	623	33.22
ii)	Phosphate Rich Organic Manure (PROM)	50	1.31	0	0.00
iii)	Single Super Phosphate-Green (Powder)	18945	1292.85	13235	790.61
iv)	Single Super Phosphate (Granular)	2712	0.00	0	0.00
v)	Chemical Product (H.Acid)	52	187.34	57	166.34
vi)	Sulphuric Acid , Oleum & other products	1073	39.22	736	25.33

- i) Production of SSP (Powder & Granular) includes consumption of Boron Qty 20.167 MT & Zinc Sulphate Qty 797.362 MT.  
ii) Sales of Single Super Phosphate (Powder) included sales of Bronated(PSSP) with Qty 551 MT & Zincated (PSSP) with Qty 30982.3 MT.  
iii) Sales of Single Super Phosphate (Granular) included sales of Bronated(GSSP) with Qty 47 MT & Zincated (GSSP) with Qty 19884.5 MT.  
iv) Sales of Single Super Phosphate (Granular) included sales of ZIBO (GSSP) with Qty 801MT

### 33 SEGMENT WISE REPORT

	Particular	2018-19	2017-18
<b>1</b>	<b>Segment Revenue</b>		
a	Manufacturing of Fertilisers	7272.80	5427.50
b	Manufacturing of Chemicals	9084.44	4185.83
C	Trading	0.00	0.00
	<b>Total</b>	<b>16357.24</b>	<b>9613.33</b>
	Less: Inter segment revenue	1086.23	37.45
	<b>Net sales/Income from Operations</b>	<b>15271.02</b>	<b>9575.87</b>
<b>2</b>	<b>Segment Results (Profit/Loss before tax and interest from each segment)</b>		
a	Manufacturing of Fertilisers	170.56	640.78
b	Manufacturing of Chemicals	2281.17	570.40
C	Trading	0.00	0.00
	<b>Total</b>	<b>2451.74</b>	<b>1211.18</b>
	Less: (i) Interest	340.94	574.93
	(ii) other Unallocated expenditure net off	109.48	0.00
	(iii) Unallotable income	0.00	0.00
	<b>Total Profit before Tax</b>	<b>2001.32</b>	<b>636.25</b>

- 34** 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 Rajneesh Kanther & Associates**  
**Chartered Accountants**  
FRN 021262C

For and on Behalf of the Board of Directors

Sd/-  
(Rajneesh Kanther)

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

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

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

Place: Bhilwara (Raj)  
Dated: 10/05/2019

**10. FIXED ASSETS**

10. FIXED ASSETS												
	Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
		As at 1 April 2018	Revaluation / (Impairments)	Additions	(Disposals)	As at 31st March 2019	As at 1 April 2018	for the period	On disposals	As at 31st March 2019	Balance as at 31st March 2019	Balance as at 31st March 2018
a	Tangible Assets											
	Land & Site Development	1,553.57	-	29.51		1,583.08	-			-	1,583.08	1,553.57
	Buildings-Factory	3,636.69	-	82.01		3,718.70	472.62	114.61		587.23	3,131.47	2,306.41
	Plant and Equipment	9,645.64	-	362.81		10,008.45	3,405.60	884.99		4,290.59	5,717.86	3,830.96
	Office Equipments	35.09	-	1.45		36.54	27.12	2.68		29.80	6.74	8.72
	Computers	23.22	-	5.91	0.01	29.12	15.31	3.33		18.64	10.48	5.71
	Furniture & Fixtures	17.41	-	2.72		20.13	11.74	1.45		13.19	6.93	6.15
	Vehicles	32.24	-	8.86	2.51	38.58	16.27	3.60		19.87	18.71	26.40
	Energy Saving Equipment	29.35	-			29.35	19.01	1.36		20.37	8.98	11.70
	Pollution Control Equipment	200.97	-			200.97	97.81	10.97		108.78	92.19	114.13
	Electric Installations	93.22	-			93.22	11.90	8.85		20.75	72.47	90.18
	Total	15,267.40	-	493.26	2.53	15,758.14	4,077.38	1,031.85	-	5,109.23	10,648.91	7,953.93
b	Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
c	Capital Work In Progress											61.31
	Total this year	15,267.40	-	493.26	2.53	15,758.14	4,077.38	1,031.85	-	5,109.23	10,648.91	8,015.24
	Total previous year	11,240.25	-	4,037.52	10.37	15,267.40	3,286.15	795.42	4.36	4,077.37	11,190.02	10,413.09

**Proxy Form**

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

**Krishana Phoschem Limited****CIN: L24124RJ2004PLC019288****Registered Office: 5-O-20, Basement,****R.C. Vyas Colony, Bhilwara 311001 Rajasthan****[www.krishnaphoschem.com](http://www.krishnaphoschem.com), [secretarial@krishnaphoschem.com](mailto:secretarial@krishnaphoschem.com)****15<sup>th</sup> Annual General Meeting - 26<sup>th</sup> September 2019**

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **15<sup>th</sup> Annual General Meeting** of the Company, to be held on the **Thursday, 26<sup>th</sup> day of September, 2019 at 03.30 P.M.** at Hotel Kanchi Resorts, Pur Road, Bhilwara, Rajasthan 311001 and any adjournment thereof in respect of such as are indicated below:

Resolution No.	Particulars of Resolution	Vote Option*		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1	To consider and adopt (a) the audited Financial Statement of the Company for the financial year ended on 31 <sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon.			
2	To Approval of dividend for the financial year 2018-19.			

3	Re-Appointment of director in place of Sh. Sunil Kothari, who retires by rotation and being eligible, seeks re-appointment.			
	<b>Special Business</b>			
4	To Approve and ratify the remuneration of the Cost Auditor(s) for the Financial Year ending 31 <sup>st</sup> March 2020.			
5	To appoint Mr. Mahendra Kumar Ostwal as a Non-Executive Director of the Company.			
6	To appoint Mr. Pankaj Ostwal as a Non-Executive Director of the Company.			
7.	To appoint Mr. Bheru Lal Ostwal as a Independent Director of the Company.			
8.	To re-appoint Mr. Pradeep Agarwal as an Independent Director of the Company for the five (5) consecutive years.			
9.	To Increase in Borrowing Powers of the Company.			
10.	To Creation of Charge on Movable and Immovable properties of the Company.			

Signed this ----- day of ----- 2019

Signature of the member -----

Signature of Proxy holder(s) -----

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

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

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



# ***KRISHANA PHOSCHEM LIMITED***

## **Attendance Slip**

**Krishana Phoschem Limited**

**CIN: L24124RJ2004PLC019288**

**Registered Office: 5-O-20, Basement,**

**R.C. Vyas Colony, Bhilwara 311001 Rajasthan**

**[www.krishnaphoschem.com](http://www.krishnaphoschem.com), secretarial @krishnaphoschem.com**

**15<sup>th</sup> Annual General Meeting - 26<sup>th</sup> September 2019**

**Registered Folio No. -----**

**Number of Shares Held -----**

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

**I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company at Hotel Kanchi Resorts, Pur Road, Bhilwara, Rajasthan 311001 on Thursday, 26<sup>th</sup> day of September, 2019 at 03.30 P.M.**

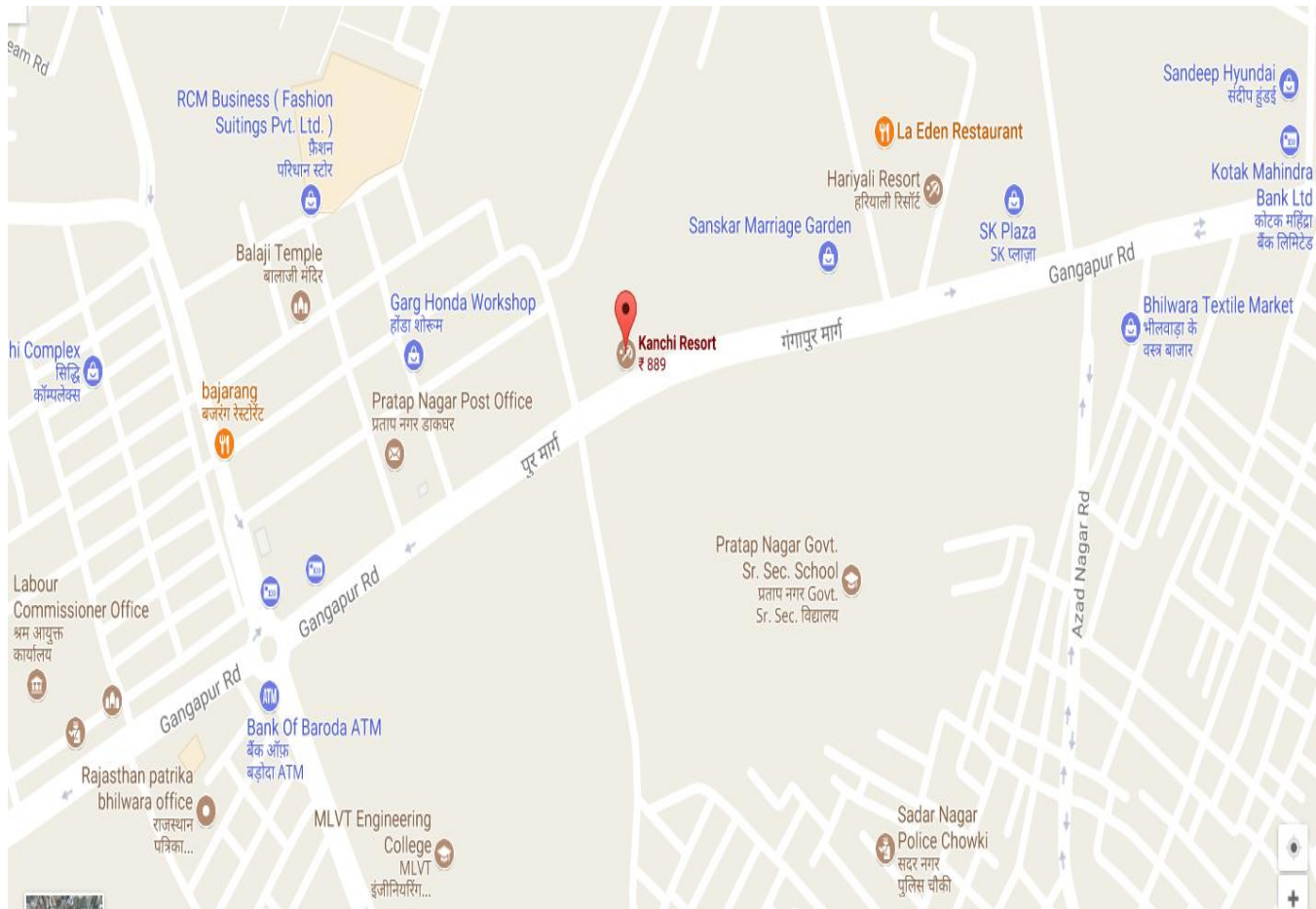
**Name of the Member/Proxy-----**

**Signature of the Member/Proxy -----**

**Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report along with E-mail Print out to the Annual General Meeting.**

## Map Showing Location of the venue of the Annual General Meeting of Krishana Phoschem Limited

### Venue: Kanchi Resort, Bhilwara



**Land Mark:** Opp. Govt. Sr. Sec. School, Pratap Nagar