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INDEPENDENT AUDITORS' REPORT

To the Members of Kisan Phosphates Private Limited,
Report on the Audit of Ind-AS Financial Statements

Opinion

We have audited the Ind-AS financial statements of Kisan Phosphates Private Limited ('the Company'), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note no. 39 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the end of year ended March 31, 2020 and has concluded that there is no material impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matters	How our audit addressed the key audit matter
Revenue from contracts with customers (described in Note 2 (J) of the standalone Ind AS financial statements)	
Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.	We assessed the Company's process to identify the impact of adoption of new revenue accounting standard.
The Company is engaged in manufacturing of dye and dye intermediaries through its various plants. It has developed procedures to record the revenue on the basis of the movement of the goods and revenue accrues as per Indian accounting standard 115.	We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
Due to different terms with different customers and transaction price, there is a risk that the revenue or discounts or rebates; and export incentives thereon might not be recorded correctly	We performed sample tests of individual sales transaction and traced to related documents, considering the terms of dispatch.
Revenue is a key parameter to ascertain the Company's performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.	We tested cut-off procedures with respect to year-end sales transactions made. We also performed monthly analytical procedures of revenue by streams to identify any unusual trends.
Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been considered to be a key audit matter in our audit of these financial statements.	Based on our combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls, we have concluded that the revenue has been recognized in accordance with the relevant accounting standards.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the

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accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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 Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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d) In our opinion, the aforesaid Standalone Ind AS 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Agarwal

Rakesh Agarwal
Partner
Membership Number: 170685

K C P L And Associates LLP
F.R.N. 119223W/W100021
MUMBAI
Chartered Accountants

Place: Mumbai
Date: June 25, 2020

Unique Document Identification Number (UDIN) for this document is **20170685AAAABE6710**.

Annexure 'A' to Auditors Report

Annexure referred to in Independent Auditors' Report to the members of **Kisan Phosphates Private Limited** ("the Company") on the financial statements for the year ended 31st March, 2020, we report that:

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The Company has a phased programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme the fixed assets in the Company were physically verified by the Management during the year and no material discrepancies were noticed on such verification.

c) As per information and explanation provided to us and on the basis of our examination of records produced us for verification by the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified by the management at reasonable interval and discrepancies noticed on verification between physical stock & book stock were not material and have been properly dealt with in the books of accounts.

(iii) As informed and explanation provided to us, the Company has not granted any loans, secured or unsecured, to the companies, firms, limited liabilities partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause (iii) (a), (iii) (b) and (iii) (c) of the Order are not applicable to the Company.

(iv) Based on the information and explanations provided to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act 2013 in respect of loans, investments, guarantee and securities.

(v) As per the information and explanation given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provision of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under are not applicable.

(vi) In our opinion, as per the explanation and information provided to us, requirement regarding maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 does not apply to the company.

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(vii) a) According to the information and explanation given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues were in arrear as at 31st March, 2020 except for the following :

Particulars	F. Y to which it relates	Amount (Rs.)
ESIC	2019-20	Rs. 1,007
Labour welfare	2019-20	Rs. 4,109

b) According to the information and explanation given to us and on the basis of our examination of books of accounts, there are no dues of income tax, sales tax, service tax, duty of custom and duty of excise and value added tax as at the end of financial year, which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, bank, government and dues to debentures holders, wherever availed.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer during the year and money raised by way of Term loan were applied for the purposes for which those are raised.

(x) According to information and explanation given to us, no fraud by the Company or on the Company by its officers or employee has been noticed or reported during the year course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has not provided or paid managerial remuneration in terms of provisions of section 197 read with Schedule V of the Companies Act, 2013 hence clause (xi) of the Order is no applicable.

(xii) The company is not a Nidhi Company, hence clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations provided to us, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details has been disclosed in the financial statements etc., as required by the applicable accounting standards.

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(xiv) In our opinion and according to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013, hence clause (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him, thus provision under section 192 of the Companies Act, 2013 are not applicable at Company, hence clause (xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For K C P L And Associates LLP
Chartered Accountants
Firm Regn. No.: 119223W/W100021

Agarwal

Rakesh Agarwal
Partner
M. No.: 170685

K C P L And Associates LLP
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MUMBAI
Chartered Accountants

Place: Mumbai
Date: 25^{th} June, 2020

Unique Document Identification Number (UDIN) for this document is **20170685AAAABE6710**.

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Annexure 'B' to Auditors Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KISAN PHOSPHATES PRIVATE LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kisan Phosphates Private Limited** ('the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were commensurate with the nature of the business of the Company and operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For K C P L And Associates LLP
Chartered Accountants
Firm Regn. No.: 119223W/W100021

Agarwal

Rakesh Agarwal
Partner
M. No.: 170685

K C P L And Associates LLP
FRN 119223W/W100021
MUMBAI
Chartered Accountants

Place: Mumbai.
Date: 25th June, 2020

Unique Document Identification Number (UDIN) for this document is **20170685AAAABE6710**.

KISAN PHOSPHATES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(INR in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment	3	2,701.22	2,943.43
(b) Capital Work-In-Progress	3	254.11	-
(c) Financial Assets			
(i) Others	4	19.31	19.31
(d) Other Non Current Assets	5	12.58	10.84
		2,987.22	**2,973.58**
2. Current Assets			
(a) Inventories	6	1,714.06	1,630.63
(b) Financial Assets			
(i) Trade Receivables	7	1,423.25	1,890.64
(ii) Cash and Cash Equivalents	8	19.30	13.99
(iii) Loans & Advances	9	1.43	0.78
(c) Other Current Assets	10	631.64	569.99
		3,789.68	**4,106.03**
Total Assets		**6,776.90**	**7,079.61**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	271.00	271.00
(b) Other Equity	12	2,613.50	2,152.25
		2,884.50	**2,423.25**
LIABILITIES			
1. Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	356.98	705.22
(b) Provisions	14	4.14	1.89
(c) Deferred Tax Liabilities (Net)	15	97.89	58.63
		459.01	**765.74**
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,815.56	2,832.51
(ii) Trade Payable	17		
(a) total Outstanding dues of micro enterprises and small enterprises		3.39	-
(b) total Outstanding dues of creditors other than micro enterprises and small enterprises		1,168.34	853.60
(iii) Other Financial Liabilities	18	202.32	-
(b) Other Current Liabilities	19	198.96	100.23
(c) Provisions	20	0.02	0.01
(d) Current Tax Liabilities (Net)	21	44.80	104.27
		3,433.39	**3,890.62**
Total Equity and Liabilities		**6,776.90**	**7,079.61**
Summary of Significant Accounting Policies	1-2		
The notes referred to above are an integral part of the financial statements	3-39		

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Rakesh Agarwal
Partner
Membership Number: 170685

Place - Mumbai
Date - June 25, 2020

UDIN : 20170685AAAABE6710

K C P L And Associates LLP Chartered Accountants F.R.N 119223W/W100021 MUMBAI

For and on behalf of the Board of Directors

Gautam Makharia
Director
DIN : 01354843

Bharat Jain
Director
DIN : 08062667

Place - Mumbai
Date - June 25, 2020

Kisan Phosphates Pvt. Ltd. Mumbai

KISAN PHOSPHATES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(INR in Lakhs)

	Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I	**Revenue**			
	Gross Revenue from Operations	22	6,196.38	5,172.25
	Net Revenue from Operations		**6,196.38**	**5,172.25**
	Other Income	23	1.08	-
	Total Income		**6,197.46**	**5,172.25**
II	**Expenses**			
	Cost of Material Consumed	24	3,217.70	2,989.51
	Changes in Inventories of Finished Goods and Work-in-Progress	25	234.43	(108.56)
	Employee Benefit Expenses	26	415.27	339.33
	Depreciation and Amortization	27	246.72	174.73
	Finance Costs	28	105.02	170.44
	Other Expenses	29	1,393.76	1,091.66
	Total Expenses		**5,612.90**	**4,657.11**
III	**Profit before tax (I- II)**		584.56	515.14
IV	**Less: Tax Expense:**			
	Current Tax		56.65	106.05
	Previous Year Tax Adjustment on assessment			-
	Mat Credit Used/ (Entitlement)		26.17	(106.05)
	Deferred Tax		39.60	75.78
	Total Tax Expense		**122.42**	**75.78**
V	**Profit for the Year (III-IV)**		**462.14**	**439.36**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit obligations		(1.23)	-
	Tax Effect on above		0.34	-
	Other Comprehensive Income for the year, net of tax		(0.89)	-
VII	**Total Comprehensive Income for the year (V+VI) (Comprising Profit and Other Comprehensive Income for the year)**		**461.25**	**439.36**
VIII	**Earnings Per Equity Share (Face Value INR 10 Per Share):**	30		
	Basic (INR)		17.02	16.21
	Diluted (INR)		10.51	10.01
	Summary of Significant Accounting Policies	1-2		
	The notes referred to above are an integral part of the financial statements	3-39		

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Rakesh Agarwal
Partner
Membership Number: 170685

K C P L And Associates LLP F.R.N 119223W/W100021 MUMBAI Chartered Accountants

Place - Mumbai
Date - June 25, 2020

UDIN: 20170685AAAABE6710

For and on behalf of the Board of Directors

Gautam Makharia
Director
DIN : 01354843

Bharat Jain
Director
DIN : 08062667

Place - Mumbai
Date - June 25, 2020

Kisan Phosphates Pvt. Ltd. Mumbai

KISAN PHOSPHATES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A. **Cash flow from Operating Activities**		
Profit before tax as per Profit & Loss Account	584.56	515.14
Loss on sale of Car	6.06	-
Depreciation & Amortization	246.72	174.73
Operating profit before working capital changes Adjustment for	**837.34**	**689.86**
(Increase) / decrease in Stock / W.I.P.	(83.43)	(109.82)
(Increase) / decrease in Sundry Debtors	467.39	(538.45)
(Increase) / decrease in Loans & Advances	(0.65)	5.60
(Increase) / decrease in Other Current Assets	(89.56)	(181.17)
Increase / (decrease) in Sundry Creditors	318.13	(278.99)
Increase / (decrease) in Other Current Liabilities	302.08	87.18
Cash generated from operations	**1,751.30**	**(325.79)**
Direct taxes expenses	(116.12)	(9.57)
Net Cash flow from Operating Activities	**1,635.18**	**(335.36)**
B. **Cash flow from Investing Activities**		
(Purchase) / Sale of Fixed Assets	(264.68)	(843.73)
(Purchase) / Sale of Investments	-	-
(Purchase) / Sale of Other Misc. Assets	-	-
Net Cash flow from investing Activities	**(264.68)**	**(843.73)**
C. **Cash flow from Financing Activities**		
Proceeds from Issue of Equity Shares / Share Application money	-	-
Proceeds / (Repayment) of Secured Loans (net)	(1,016.95)	717.23
Proceeds / (Repayment) of Unsecured Loans (net)	(348.24)	466.46
Net Cash flow from Financing Activities	**(1,365.19)**	**1,183.69**
Net Increase / (decrease) in cash and cash equivalent	**5.31**	**4.61**
Cash and cash equivalent as at the beginning of the year	13.99	9.38
Cash and cash equivalent as at the closing of the year	**19.30**	**13.99**

The notes referred to above are an integral part of the financial statements 3-39

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Agarwal

Rakesh Agarwal
Partner
Membership Number: 170685

K C P L And Associates LLP
FRN 119223W/W100021
MUMBAI
Chartered Accountants

Place - Mumbai
Date -June 25, 2020

For and on behalf of the Board of Directors

Gautam Makharia
Director
DIN : 01354843

Bharat Jain
Director
DIN : 08062667

Place - Mumbai
Date -June 25, 2020

Jain Phosphates Pvt. Ltd.
Mumbai

UDIN: 20170685AAAABE6710

KISAN PHOSPHATES PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A : Equity Share Capital (Equity shares of INR 10 each issued, subscribed and fully paid)

Particulars	Note No.	Numbers in Lakhs	Amount in Lakhs
Balance as at the April 1, 2018		**27.10**	**271.00**
Changes in equity share capital during the year 2018-19		-	-
Balance as at March 31, 2019	11	**27.10**	**271.00**
Changes in equity share capital during the year 2019-20		-	-
Balance at the March 31, 2020	11	**27.10**	**271.00**

B : Other Equity

(INR in Lakhs)

Particulars	Note No.	Share Application money pending allotment	Reserve and Surplus				Total Other Equity
			Securities Premium Reserve	Debenture Redemption Reserve	Retained Earnings	Other comprehensive income	
Balance at the April 1, 2018			**329.00**	**-**	**153.89**	**-**	**482.89**
Profit for the year		-	-	-	439.36	-	439.36
Other Comprehensive Income		-			-		-
Reserve Created during the year		-	-	-			-
Balance as at March 31, 2019	12	**-**	**329.00**	**-**	**593.25**	**-**	**922.25**
Profit for the year		-	-	-	462.14	-	462.14
Other Comprehensive Income		-	-	-	(0.89)	-	(0.89)
Reserve Created during the year				246.00	(246.00)		-
Share Application money pending allotment		-	-	-	-	-	-
Balance as at March 31, 2020	12	**-**	**329.00**	**246.00**	**808.51**	**-**	**1,383.50**

The notes referred to above are an integral part of the financial statements. 3-39

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Rakesh Agarwal
Partner
Membership Number: 170685

Place - Mumbai
Date - June 25, 2020

K C P L And Associates LLP F.R.N 119223W/W100021 MUMBAI Chartered Accountants

UDIN: 20170685AAAABE6710

For and on behalf of the Board of Directors

Gautam Makharia
Director
DIN : 01354843

Bharat Jain
Director
DIN : 08062667

Place - Mumbai
Date -June 25, 2020

Phosphates Pvt. Ltd. Mumbai

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1 : Company Overview

Kisan Phosphates Pvt. Ltd. (the "Company") is a Private Limited Company domiciled in India and incorporated on August 13, 2012 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing and trading of Cattle Feeds, Fertilisers and Soil Conditioner.

Note 2 : Summary of Significant Accounting Policies

A. Basis of preparation of financial statements

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind-AS") under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (`Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended March 31, 2020 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The financial statements have been prepared on historical cost basis except the following:

- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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Mumbai

(iv) The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when otherwise stated.

B. Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note C below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C. Critical accounting estimates

(i) Income taxes

The Company's major tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

(ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Revenue from contracts with customers

The Company's contracts with customers include promises to provide the goods & services to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of the each period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customer's actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

D. Property, Plant and Equipment

Land (including Land Developments) is carried at historical cost. All other items of property, plant and equipment are stated in the balance sheet at cost historical less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company`s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

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Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

E. Intangible Assets

Intangible asset including intangible assets under development are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets in case of computer software are amortised on straight-line basis over a period of 3 years, based on management estimate. The amortization period and the amortisation method are reviewed at the end of each financial year.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with infinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

F. Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the profit or loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in profit or loss.

G. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

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Kisan Phosphates Pvt. Ltd. Mumbai

Part I - Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Financial Assets at amortised cost:

A Financial Assets is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Assets is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets at FVTPL (Fair Value through Profit or Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

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Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Investment in subsidiaries is carried at cost in the financial statements.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17

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Phosphates Pvt. Ltd. Mumbai

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company uses the remaining contractual term of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is grouped under the head 'other expenses'. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Part II - Financial Liabilities

a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the profit or loss as finance cost.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

H. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

I. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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Kisan Phosphates Pvt. Ltd.

J. Revenue from contracts with customers

The Company derives revenues primarily from manufacturing and trading of Chemicals, Dyes and Dyes Intermediate and other allied products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control- based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligations

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Goods and Service Tax and is net of discounts.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (h) Financial Instruments.

Contract liabilities

A contract liability is the obligation to perform the services as agreed with the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

K. Other Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

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L. Provisions and Contingent Liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

M. Accounting for Taxation of Income

(i) Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

(ii) Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by

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the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

N. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

O. Foreign Currency-Transactions and Balances

The Company's functional currency is INR and accordingly, the financial statements are presented in INR.

Transactions in foreign currencies are initially recorded by the company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

P. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Q. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred

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R. Employee Benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post- employment obligations

The Company operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity

(ii) Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation
The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

S. Earnings Per Share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

T. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

U. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

V. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

W. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3 : Property, Plant and Equipment

(INR in Lakhs)

Particulars	Freehold Land	Factory Building	Plant and Machinery	Furniture and Fixtures	Computers Equipments	Motor Vehicles	Office Equipments	Total	Capital Work-in Progress
Gross Carrying Amount as at April 1, 2018	**130.21**	**899.28**	**1,504.43**	**7.05**	**7.58**	**7.34**	**3.39**	**2,559.27**	**314.07**
Additions / Transfer	11.36	6.46	1,139.98	-	-	-	-	1,157.80	832.37
Disposals	-	-	-	-	-	-	-	-	(1,146.44)
As at March 31, 2019	**141.57**	**905.74**	**2,644.40**	**7.05**	**7.58**	**7.34**	**3.39**	**3,717.07**	**-**
Additions / Transfer	-	-	6.90	-	-	7.02	-	13.92	254.11
Disposals	-	-	(17.90)	-	-	-	-	(17.90)	-
As at March 31, 2020	**141.57**	**905.74**	**2,633.40**	**7.05**	**7.58**	**14.36**	**3.39**	**3,713.09**	**254.11**
Accumulated depreciation as at April 1, 2018	-	**96.35**	**488.39**	**3.15**	**7.21**	**1.99**	**1.83**	**598.92**	**-**
Depreciation charge during the year	-	28.51	143.12	1.28	0.37	0.87	0.59	174.73	-
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	**124.85**	**631.51**	**4.42**	**7.58**	**2.86**	**2.42**	**773.64**	-
Depreciation charge during the year	-	28.71	214.51	1.28	-	1.58	0.64	246.72	-
Accumulated depreciation on deletions	-	-	(8.49)	-	-	-	-	(8.49)	-
As at March 31, 2020	**-**	**153.56**	**837.52**	**5.70**	**7.58**	**4.44**	**3.06**	**1,011.87**	**-**
Net carrying amount as at March 31, 2020	141.57	752.18	1,795.88	1.35	0.00	9.92	0.33	2,701.22	254.11
Net carrying amount as at March 31, 2019	141.57	780.89	2,012.90	2.63	0.00	4.48	0.97	2,943.43	-
Net carrying amount as at April 1, 2018	130.21	802.93	1,016.04	3.90	0.37	5.35	1.56	1,960.35	314.07

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Note 4 : Non-Current Financial Assets - Others

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Carried at amortised cost		
Security Deposits	19.31	19.31
Total	**19.31**	**19.31**

Note 5 : Other Non-Current Assets

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	12.58	10.84
Total	**12.58**	**10.84**

Note 6 : Inventories

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(As taken, verified, valued and certified by the Management)		
Raw Material	1,035.49	738.63
Work-in-Process	484.56	704.10
Finished Goods	121.29	136.18
Packing Material	37.86	22.43
Stores and Spares	34.86	25.95
Power and Fuel	-	3.33
Total	**1,714.06**	**1,630.63**
Included above, goods in transit :		
Raw Material	634.67	-
Stores and Spares	-	-
	634.67	**-**
Details of Work-in-Progress:		
Chemicals & Dyes Intermediates	80.32	314.50
Fertilizer & Allied Products	404.24	389.60
Cattle Feeds	-	-
TOTAL	**484.56**	**704.10**
Details of Finished Goods:		
Chemicals & Dyes Intermediates	30.40	115.48
Fertilizer & Allied Products	74.78	20.70
Cattle Feeds	16.11	-
TOTAL	**121.29**	**136.18**

Note 7 : Current Financial Assets - Trade Receivables

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered Good	1,423.25	1,890.64
Considered doubtful	-	-
	1,423.25	1,890.64
Less: Allowances for credit losses	-	-
Total	**1,423.25**	**1,890.64**

Note 8 : Current Financial Assets - Cash and Cash Equivalents

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Balances		
- In current accounts	7.69	6.62
- In fixed deposits with maturity of less than 3 months	-	-
Cash on Hand	11.61	7.37
Total	**19.30**	**13.99**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the applicable short-term deposit bank rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 9 : Current Financial Assets - Loans & Advances

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances to Employees	1.43	0.78
Total	**1.43**	**0.78**

Note 10 : Other Current Assets

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances:		
Advance payment to vendors	40.48	2.08
Deposit	28.45	20.07
Balance with Custom, Excise and GST Department	451.22	414.31
MAT Credit Entitlement	106.28	132.46
Prepaid Expenses	5.21	1.07
Total	**631.64**	**569.99**

Note 11 : Share Capital

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Capital		
30,00,000 (March 31, 2019: 30,00,000) Equity shares of Rs. 10 each	300.00	300.00
	300.00	**300.00**
Issued, Subscribed and Paid up Capital		
27,10,000 (March 31, 2019: 27,10,000) Equity shares of Rs. 10/- each fully paid up	271.00	271.00
Total	**271.00**	**271.00**

(a) Terms / rights attached to:

Equity Shares

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. The dividend proposed by the Board of Directors(if any) is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares (in Lakhs)	Amount (INR in Lakhs)	Number of shares (in Lakhs)	Amount (INR in Lakhs)
Balance as at the Beginning of the year	27.10	271.00	27.10	271.00
Add: Shares allotted as bonus shares	-	-	-	-
Add: Shares issued in Initial Public Offer (IPO)	-	-	-	-
Balance as at the end of the year	**27.10**	**271.00**	**27.10**	**271.00**

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Equity Shares

Shares held by	As at March 31, 2020		As at March 31, 2019	
	Number of Shares (in Lakhs)	%	Number of Shares (in Lakhs)	%
Shree Pushkar Chemicals and fertilisers Ltd.	27.10	**100.00%**	27.10	**100.00%**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 12 - Other Equity

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium Reserve	329.00	329.00
Retained Earnings	808.51	593.26
Debenture	1,229.99	1,229.99
Debenture Redemption Reserve	246.00	-
Total	**2,613.50**	**2,152.25**

(i) Securities Premium Reserve:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	329.00	329.00
Balance as at the end of the year	**329.00**	**329.00**

The amount standing in the Securities Premium account pertains to the premium received on issue of shares during the previous years.

(ii) Retained Earnings:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	593.26	153.90
Add: Profit for the year	462.14	439.36
Less: Debenture Redemption Reserve	(246.00)	-
Add: Items of Other Comprehensive Income recognised directly in Retained Earnings	(0.89)	-
Re-measurement gains/ (losses) on defined benefit obligations (net of tax)		
Balance as at the end of the year	**808.51**	**593.26**

(iii) Debenture:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1,22,999 Optionally Convertible Debenture of Rs. 1000 Per Debenture	1,229.99	1,229.99
Balance as at the end of the year	**1,229.99**	**1,229.99**

1,22,999 Compulsorily Convertible Debenture will be converted into 36,95,883 equity shares of the company after a period of 5 years from its issue. After conversion into equity shares it shall rank pari passu with the existing equity shares of the company.

(iv) Debenture Redemption Reserve:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	-	-
Add: During the year	246.00	-
Balance as at the end of the year	**246.00**	**-**

During the current year ,the company has set-aside amount towards Debenture Redemption Reserve amounting to Rs. 246 Lacs towards ascertained liability as per the provisions of Companies Act 2013. The balance in this reserve will be utilized for repayment of debenture in the subsequent financial year. The Company has made provision for Tax (MAT) on the basis of technical advise obtained with respect to treatment of debenture redemption reserve made in the books of accounts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 13 : Non-Current Financial Liabilities - Borrowings

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Term Loans		
Rupee Term Loans from Banks	553.98	705.22
Vehicle Loans from Bank	5.31	-
Less: Current Maturities of Long term debt (Refer note No. 18)	202.32	-
Total Non-Current Borrowings	**356.98**	**705.22**

Notes:

(a) Nature of security and terms of repayment for Secured Borrowings :

Nature of Security
1.Rupee Term Loan from Axis Bank Ltd. amounting to Rs. 553.98 Lacs(March 31, 2019 : Rs. 705.22 lakhs) secured by the Hypothecation of assets created by said term Loan.
2. Vehicle Loan from Axis Bank Ltd. amounting to Rs.5.31 Lacs(March 31, 2019 : Nil)] secured by the Hypothecation of assets created by said Loan. Repayable in 36 montly installment starting from 1st June, 2019 and last installment due in May, 2022. Rate of interest 9.65% p.a. as at year end.

Note 14 : Non-Current Provisions

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Provision for Gratuity	4.14	1.89
Total	**4.14**	**1.89**

Note 15 : Deferred Tax Liabilities (Net)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities/ (Assets) arising on account of timing differences in:		
Property, Plant and Equipment including Intangible Assets - Depreciation	98.23	58.63
Defined benefit Obligation remeasurement Gains/Losses	(0.34)	-
Deferred Tax Liabilities (net)	**97.89**	**58.63**

Note 16 : Current Financial Liabilities - Borrowings

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans (Repayable on demand)		
Working Capital Loans from Banks		
Loans From Banks	949.60	1,406.73
Acceptances from Banks	578.96	717.23
Unsecured Loans (Repayable on demand)		
Loan from others and Inter corporate Deposit	287.00	708.55
Total	**1,815.56**	**2,832.51**

Notes:

1) Working capital loans from Axis Bank Ltd. Rs. 949.60 Lakh (March 31, 2019: Rs. 1406.73 Lakh) carries interest rate @ 8.20% p.a. (Previous Year 8.65 % p.a.) and are secured as under:

Primary Security:

i) Second Charges on plant and machinary and other movable Fixed Assets acquired out of Term Loan.
ii) Second Charges by way of equitable Mortgage of plot admeasuring 8425 acres at gavad Road, Village Gavad, Dist Hissar, Haryana
iii) Personal Guarantee : i) Mr. Punit Makharia. ii) Mr. Gautam Makharia.
iv) Corporate Guarantee of Shree Pushkar Chemicals and fertilisers Ltd.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 17 : Current Financial Liabilities - Trade Payables

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payable		
Dues to Micro and Small Enterprises	3.39	-
Others	1,168.34	853.60
Total	**1,171.73**	**853.60**

Note: The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 18 : Current Financial Liabilities - Others

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-Term Debt (Refer Note no. 13)		
Rupee Term Loans from Banks	200.00	-
Vehicle Loan from Banks	2.32	-
Total	**202.32**	**-**

Note 19 : Other Current Liabilities

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Tax Payable (Including Provident Fund, Tax Deducted at Source and other indirect taxes)	2.27	9.51
Advance from Customers	163.00	77.82
Deposit From Customers	23.25	-
Employee Related Liabilities	10.44	12.90
Total	**198.96**	**100.23**

Note 20 : Current Provisions:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits:		
Provision for Gratuity	0.02	0.01
Total	**0.02**	**0.01**

Note 21 : Current Tax Liabilities (Net):

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	172.43	115.78
Less: Income Tax Assets	(127.63)	(11.50)
Total	**44.80**	**104.27**

Note 22 : Revenue from Operations

(INR in lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Sale of Products:		
Finished Goods	6,196.38	5,172.25
Total	**6,196.38**	**5,172.25**
	6,196.38	**5,172.25**
Products wise Sales		
Chemicals, Dyes & Dyes Intermediates	446.97	142.13
Fertilizer & Allied Products	5,173.05	4,307.73
Cattle Feeds	576.36	722.39
Total	**6,196.38**	**5,172.25**

Note 23 : Other Income

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest Income on		
- Fixed Deposits with Banks	-	-
- Other Income	1.08	-
Total	**1.08**	-

Note 24 : Materials Consumed

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Raw Materials Consumed:		
Inventories at the beginning of the year	738.63	756.92
Add: Purchases during the year	3,514.56	2,971.23
	4,253.19	**3,728.15**
Less: Inventories at the end of the year	1,035.49	738.63
Total	**3,217.70**	**2,989.51**
Details of Raw Materials Consumed:		
Rock Phosphate	1,318.62	2,001.30
Sulpher	584.46	-
Caustic Soda	-	-
Soda Ash	-	-
Others	1,314.63	988.22
	3,217.70	**2,989.52**

Note 25 : Change in inventories of finished goods and work-in-progress

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Changes in Inventories of Finished Goods and Work-in-Progress:		
Inventories at the end of the year		
Work in Process	484.56	704.10
Finished Goods	121.29	136.18
	605.85	**840.29**
Inventories at the beginning of the year		
Work in Process	704.10	711.94
Finished Goods	136.18	19.79
	840.28	**731.73**
Total	**234.43**	**(108.56)**

Note 26 : Employee benefit expenses

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, Wages and Bonus	405.26	332.36
Contributions to Provident and Other Funds	5.04	3.32
Staff Welfare Expenses	4.97	3.65
Total	**415.27**	**339.33**

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Note 27 : Depreciation and Amortisation Expense

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation on tangible assets	246.72	174.73
Amortisation of intangible assets	-	-
Total	**246.72**	**174.73**

Note 28 : Finance Costs

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest Expense		
- On Bank Loans	100.82	92.08
- On Others	2.39	61.62
Other Borrowing Costs	1.81	16.74
Total	**105.02**	**170.44**

Note 29 : Other Expenses

(INR in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Manufacturing Expenses		
Consumption of Stores and Spares	150.43	139.07
Packing Material	191.46	52.70
Power and Fuel	394.51	384.49
Water Charges	11.18	5.27
Repair and Maintenance	29.39	8.22
Insurance Premium	5.77	2.55
Other Administrative & Selling Expenses		
Selling and Distribution Expenses	467.73	441.86
Travelling and Conveyance Expenses	26.25	20.77
Communication Expenses	0.95	1.34
Legal and Professional Expenses	4.69	6.28
Rent, Rates and Taxes	96.99	24.47
Printing and Stationery	0.08	0.79
Payments to Auditors:		
- Audit Fees	0.70	0.50
- Tax Audit Fees	-	0.15
Miscellaneous Expenses	7.57	3.20
Loss on Sale of Fixed Assets	6.06	-
Total	**1,393.76**	**1,091.66**

Note 30 : Earnings Per Equity Share

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net Profit attributable to Equity Shareholders (INR in Lakhs)	461.25	439.36
Weighted Average Number of Equity Shares (Nos. in Lakhs)	27.10	27.10
Diluted Number of Equity Shares (Nos. in Lakhs)	43.90	43.90
Basic Earnings Per Share (INR)(Not Annualised)	17.02	16.21
Diluted Earnings Per Share (INR)(Not Annualised)	10.51	10.01
Face value per Share (INR)(Not Annualised)	10.00	10.00

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Note 31 : Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Financial Assets		
Others	19.31	19.31
Current Financial Assets		
Trade receivables	1,423.25	1,890.64
Cash and Cash Equivalnets	19.30	13.99
Other bank balances	-	-
Loans	1.43	0.78
Others	-	-
Total	**1,463.29**	**1,924.72**

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

Note 32 : Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

(INR in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Financial Liabilities		
Borrowings	356.98	705.22
Current Financial Liabilities		
Borrowings	1,815.56	2,832.51
Trade Payable	1,171.73	853.60
Other Financial Liabilities	202.32	-
Total	**3,546.59**	**4,391.33**

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

Note 33 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(INR in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
A) Net Debt			
Borrowings (Current and Non-Current)		2,374.86	3,537.73
Cash and cash equivalents		(19.30)	(13.99)
	Net Debt (A)	**2,355.56**	**3,523.74**
B) Equity			
Equity share capital		271.00	271.00
Other Equity		2,613.50	2,152.25
	Total Equity (B)	**2,884.50**	**2,423.25**
Gearing Ratio (Net Debt / Capital) i.e. (A / B)		81.66%	145.41%

Note 34 : Contingent Liabilities not Provided for:

Bank guarantee given by the banks on behalf of the Company amounting to Rs.100 Lakhs (March 31, 2019: 200 Lakhs) to suppliers of goods.

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Note 35 : Segment Information:

Considering the nature of business and integrated manufacturing process of the Company, the Company considers its products under one segment only i.e. Chemicals & Fertilisers. Accordingly, Segment Reporting in accordance with Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India and adopted by Companies (Accounting Standard) Rules, 2006 is not applicable to the Company.

Note 36 : Employee Benefits:

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

a. Employers' Contribution to Provident Fund and Employee's Pension Scheme

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

	Year ended March 31, 2020 (INR in lakhs)	Year ended March 31, 2019 (INR in lakhs)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	5.04	6.29
Total Expenses recognised in the Statement of Profit and Loss (Refer Note 26)	**5.04**	**6.29**

II. Defined Benefit Plan

Gratuity Fund

a. Major Assumptions	**(% p.a.)**	**(% p.a.)**
Discount Rate	6.75%	7.76%
Salary Escalation Rate @	5.00%	5.00%
@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
Expected Rate of Return	N.A	N.A
Employee Turnover	5.00%	5.00%

b. Change in Present Value of Obligation	**(INR in lakhs)**	**(INR in lakhs)**
Present Value of Obligation as at the beginning of the year	1.90	0.80
Current Service Cost	0.85	0.73
Interest Cost	0.18	0.09
Benefit paid	-	-
Remeasurements - Actuarial (Gain)/ Loss on Obligations	1.23	0.27
Present Value of Obligation as at the end of the year	**4.16**	**1.90**

c. Change in Fair value of Plan Assets	**(INR in lakhs)**	**(INR in lakhs)**
Fair value of Plan Assets, Beginning of Period	-	-
Expected Return on Plan Assets	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Fair value of Plan Assets at the end of the year	-	-

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	**(INR in lakhs)**	**(INR in lakhs)**
Present Value of Obligation	4.16	1.90
Fair Value of Plan Assets	-	-
Funded Status	(4.16)	(1.90)
Present Value of Unfunded Obligation	4.16	1.90
Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions	4.16	1.90

e. Expenses Recognised in the Statement of Profit and Loss	**(INR in lakhs)**	**(INR in lakhs)**
Current Service Cost	0.85	0.73
Interest Cost	0.18	0.09
Expected Return on Plan Assets	-	-
Actuarial Losses Recognised in the year	1.23	0.27
Total expenses recognised in the Statement of Profit and Loss	**2.26**	**1.09**

f. Expense Recognised in the Statement of Other Comprehensive Income	**(INR in lakhs)**	**(INR in lakhs)**
Remeasurements of the net defined benefit liability		
Actuarial (gains) / losses obligation	1.23	0.27
	1.23	**0.27**
Actuarial (gains) / losses on Obligation		
Due to Demographic Assumption*		
Due to Financial Assumption	0.21	0.01
Due to Experience	1.02	0.26
Total Actuarial (Gain)/Loss	**1.23**	**0.27**

*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience

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f. Amounts recognised in the Balance Sheet

	(INR in lakhs)	(INR in lakhs)
Present Value of Obligation as at year end	(4.16)	(1.90)
Fair Value of Plan Assets as at year end	-	-
Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions	**4.16**	**1.90**

III. Other Employee Benefit

The liability for leave entitlement as at March 31, 2020 is INR 0.85 Lakhs(March 31, 2019: INR 0.73 lakhs).

IV. Sensitivity Analysis

The below sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

a. Gratuity

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 are as shown below:

Particulars	Change in Discount Rate	Increase/ (Decrease) in Present Value of Obligations (INR in lakhs)	Change in Salary Escalation Rate	Increase/ (Decrease) in Present Value of Obligations (INR in lakhs)
March 31, 2020	+ 1%	(0.21)	+ 1%	0.24
	- 1%	0.22	- 1%	(0.23)
March 31, 2019	+ 1%	(0.13)	+ 1%	0.12
	- 1%	0.13	- 1%	(0.12)

V. Expected Cash Flows for the next 10 years

The following payments are projected benefits payable in future years from the date of reporting from the fund:

(INR in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Within the next 12 months (next annual reporting period)	0.02	0.01
Following year 2-5	0.74	0.13
Sum of years 6-10	2.07	1.08
Total expected payments	**2.83**	**1.22**

VI. Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed:

Interest risk	A decrease in the market yields in the government bond will increase the plan liability.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTE 37 : RELATED PARTY DISCLOSURE

a. Details of Related Parties

Description of Relationship	Names of Related Parties
Holding Company	M/s Shree Pushkar Chemicals and fertilisers Ltd.

Notes:

1) The list of related parties above has been limited to entities with which transactions have taken place during the year.
2) Related party transactions have been disclosed till the time the relationship existed.

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Kisan Phosphates Pvt. Ltd. Mumbai

KISAN PHOSPHATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

b. Details of Related Party transactions during the year ended March 30, 2020

(INR in Lakhs)

Particulars	**For the Year Ended March 31, 2020**	**For the Year Ended March 31, 2019**
Compulsory Convertible Debenture M/s Shree Pushkar Chemicals and fertilisers Ltd.	1,229.99	1,229.99

c. Closing Balances of the Related Parties

(INR in Lakhs)

Particulars	**Balances as at March 31, 2020**	**Balances as at March 31, 2019**
M/s Shree Pushkar Chemicals and fertilisers Ltd.	28.25	-
	28.25	-

NOTE 38 : CIF VALUE OF IMPORTS

(INR in Lakhs)

Particulars	**For the Year ended March 31, 2020**	**For the Year ended March 31, 2019**
CIF value of Imports of Raw Material	1,498.58	871.79

Note 39 : Impact of COVID-19

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable. The Company's management has evaluated the prospects of the Company's products and its demand in this period and believes that these products will see demand as usual and is in a position to cater all the needs of the customers. So, the company may not have any material impact on the overall financial strength of the Company in the long term.

Note 40 : Previous Years' Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable. The previous period's figures have been regrouped or rearranged wherever necessary.

The accompanying notes are an integral part of these financial statements

For K C P L And Associates LLP
Chartered Accountants
Firm Registration Number: 119223W / W100021

Rakesh Agarwal
Partner
Membership Number: 170685

Place - Mumbai
Date - June 25, 2020

K C P L And Associates LLP F.R.N. 119223W/W100021 MUMBAI Chartered Accountants

For and on behalf of the Board of Directors

Gautam Makharia
Director
DIN : 01354843

Bharat Jain
Director
DIN : 08062667

Kisan Phosphates Pvt. Ltd. Mumbai