



## **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, 2022, 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, 2022, and profit for the year ended on that date, changes in equity and statement of 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 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 thereunder, 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 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, 2022 and has concluded that there is no material impact which is required to be recognized 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 Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the 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.







Key audit matters	How our audit addressed the key audit matter
<b>Revenue from contracts with customers</b> (described in Note 2 (K) of the standalone Ind AS financial statements)	
Revenue from contracts with customers is recognized when control of the goods is 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 Chemicals and fertilizers through its plant. 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.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.







## **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 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 implementation and maintenance of 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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A" 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;
- 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 B";
- 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, 2022.
- 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, 2022.
- iv. (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (C) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (A) and (B) above contain any material misstatement.







v.No dividend has been declared or paid during the year by the company.

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

*Agarwal*

**Rakesh Agarwal**  
**Partner**

**Membership Number: 170685**



Place: Mumbai

Date: 24<sup>th</sup> May, 2022

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## Annexure 'A' to Auditors Report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Kisan Phosphates Private Limited** ("the Company") on the financial statements for the year ended 31<sup>st</sup> March 2022, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
  - (b) The Company has a phased programme of physical verification of property, plant & equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable 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 disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.
  - (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and its intangible assets.
  - (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate, and no discrepancies of 10% or more in the aggregate for each class of inventory.
- (b) The Company has sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account of the Company.
- (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 3 (iii) (a), (iii) (b), (iii) (c), (iii) (d), (iii) (e), (iii) (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and Section 186 of the Companies Act, 2013.





- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under clause 3 (v) of the Order is 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.
- (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 31<sup>st</sup> March, 2022 for a period of more than six months from the date they become payable except for the following:

Particulars	F. Y to which it relates	Amount (Rs.)
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 does not have any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) 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.
- a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



The Company has not taken term loan during the current year and accordingly reporting under clause 3 (ix) (c) of the Order is not applicable to the company.



- c) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
  - d) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause 3 (ix) (e) of the order is not applicable to the Company.
  - e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause 3 (ix) (f) of the order is not applicable to the Company.
- (x)
- a) 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.
  - b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- (xi)
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c) According to the information and explanations given to us, the Company has not received any whistle blower complaint during the year.
- (xii) The company is not a Nidhi Company, hence clause 3 (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.





- (xiv) According to the records of the Company examined by us and the information and explanation given to us, the company does not meet the criteria for the applicability of internal audit. Accordingly, the provisions of Clause 3 (xiv) (a) and (b) of said Order are not applicable to the company.
- (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 3 (xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.
- (xvii) Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.





- (xx) The provisions of sub-section (5) of Section 135 of the Companies Act 2013 are not applicable to the company and hence, reporting under clause 3 (xx) (a) of the Order is not applicable.
- (xxi) In our opinion and according to the information and explanations given to us the clause in regard to the Companies (Auditor's Report) Order (CARO) reports of the companies included in consolidated financial statements is not applicable to the company, hence clause 3 (xxi) of the order is not applicable.

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

*Agarwal*

**Rakesh Agarwal**  
**Partner**  
**M. No.: 170685**



Place: Mumbai  
Date: 24<sup>th</sup> May, 2022

Unique Document Identification Number (UDIN) for this document is  
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## **Annexure 'B' to Auditors Report**

**Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members 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, 2022, 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.





## 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, adequate internal financial controls with reference to financial statements and as such internal financial controls were operating effectively as at March 31, 2022 based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

**For K C P L And Associates LLP**

**Chartered Accountants**

**Firm Regn. No.: 119223W/W100021**

*Agarwal*

**Rakesh Agarwal**

**Partner**

**M. No.: 170685**



Place: Mumbai

Date: 24<sup>th</sup> May, 2022

Unique Document Identification Number (UDIN) for this document is  
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## KISAN PHOSPHATES PRIVATE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2022

(INR in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3	2,730.67	2,456.63
(b) Capital Work-In-Progress	3	272.00	475.12
(c) Financial Assets	4	-	644.09
(i) Investments	5	20.81	20.81
(ii) Others	6	0.18	28.80
(d) Other Non Current Assets		<u>3,023.66</u>	<u>3,625.45</u>
<b>2. Current Assets</b>	7	2,082.87	1,465.50
(a) Inventories			
(b) Financial Assets	8	534.74	975.21
(i) Trade Receivables	9	218.84	251.86
(ii) Cash and Cash Equivalents	10	2,742.01	-
(iii) Investments	11	0.69	0.90
(iv) Loans & Advances	12	895.71	560.37
(c) Other Current Assets		<u>6,474.87</u>	<u>3,253.84</u>
<b>Total Assets</b>		<u><b>9,498.53</b></u>	<u><b>6,879.29</b></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	271.00	271.00
(b) Other Equity	14	3,964.56	2,992.01
		<u><b>4,235.56</b></u>	<u><b>3,263.01</b></u>
<b>LIABILITIES</b>			
<b>1. Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	13.20	1.75
(b) Provisions	16	8.78	5.50
(c) Deferred Tax Liabilities (Net)	17	90.63	87.93
(d) Other Non-Current Liabilities	18	34.21	28.96
		<u><b>146.82</b></u>	<u><b>124.14</b></u>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	3,084.77	1,563.54
(ii) Trade Payable	20	0.85	8.86
(a) total Outstanding dues of micro enterprises and small enterprises		875.22	988.19
(b) total Outstanding dues of creditors other than micro enterprises and small enterprises			
(iii) Other Financial Liabilities	21	10.40	152.55
(b) Other Current Liabilities	22	1,062.90	778.97
(c) Provisions	23	1.36	0.03
(d) Current Tax Liabilities (Net)	24	80.65	-
		<u><b>5,116.15</b></u>	<u><b>3,492.14</b></u>
<b>Total Equity and Liabilities</b>		<u><b>9,498.53</b></u>	<u><b>6,879.29</b></u>
Summary of Significant Accounting Policies	2		
The notes referred to above are an integral part of the financial statements	1-45		

As per our report of even date attached

For K C P L And Associates LLP

Chartered Accountants

Firm Registration Number: 119223W / W100021

Rakesh Agarwal  
Partner

Membership Number: 170685

Place - Mumbai  
Date - May 24, 2022

For and on behalf of the Board of Directors

Gautam Makharia  
Director  
DIN : 01354843Sanjeev Srivastava  
Director  
DIN : 09523460Place - Mumbai  
Date - May 24, 2022

UDIN : 22170685AMK5NG9280



## KISAN PHOSPHATES PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(INR in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>I Income</b>			
Revenue from Operations	25	12,519.88	7,009.16
Other Income	26	99.18	7.78
<b>Total Income</b>		<b>12,619.06</b>	<b>7,016.94</b>
<b>II Expenses</b>			
Cost of Material Consumed	27	8,342.38	4,022.31
Changes in Inventories of Finished Goods and Work-in-Progress	28	82.46	285.22
Employee Benefit Expenses	29	529.25	452.24
Depreciation and Amortization Expenses	30	271.06	246.12
Finance Costs	31	17.30	30.10
Other Expenses	32	2,077.51	1,456.37
<b>Total Expenses</b>		<b>11,319.96</b>	<b>6,492.37</b>
<b>III Profit before tax (I- II)</b>		<b>1,299.10</b>	<b>524.57</b>
<b>IV Less: Tax Expense:</b>			
Current Tax		321.69	50.52
Deferred Tax		3.30	96.10
<b>Total Tax Expense</b>		<b>324.99</b>	<b>146.62</b>
<b>V Profit for the Year (III-IV)</b>		<b>974.12</b>	<b>377.94</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligations		(2.16)	0.79
Tax Effect on above		0.60	(0.22)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(1.56)</b>	<b>0.57</b>
<b>VII Total Comprehensive Income for the year (V+VI) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>972.56</b>	<b>378.51</b>
<b>VIII Earnings Per Equity Share (Face Value INR 10 Per Share):</b>	33		
Basic (INR)		35.95	13.95
Diluted (INR)		22.19	8.61
Summary of Significant Accounting Policies	2		
The notes referred to above are an integral part of the financial statements	1-45		

As per our report of even date attached

For K C P L And Associates LLP  
Chartered Accountants

Firm Registration Number: 119223W / W100021

Rakesh Agarwal  
Partner

Membership Number: 170685

Place - Mumbai

Date - May 24, 2022

UDIN : 22170685AMKSN69280



For and on behalf of the Board of Directors

Gautam Makharia  
Director  
DIN : 01354843Sanjeev Srivastava  
Director  
DIN : 09523460

Place - Mumbai

Date - May 24, 2022





## KISAN PHOSPHATES PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(INR In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>A. Cash flow from Operating Activities</b>		
Profit before tax as per Profit & Loss Account	1,299.10	524.57
Loss on sale of Car	5.61	1.26
Interest Income	(79.97)	(4.17)
Finance costs	17.30	-
(Profit)/loss on sale Investment	(18.25)	(3.02)
Depreciation & Amortization	271.06	246.12
<b>Operating profit before working capital changes Adjustment for</b>	<b>1,494.85</b>	<b>764.76</b>
(Increase) / decrease in Stock / W.I.P.	(617.38)	248.56
(Increase) / decrease in Sundry Debtors	440.47	448.04
(Increase) / decrease in Loans & Advances	0.21	0.53
(Increase) / decrease in Other Current Assets	(306.72)	(30.17)
Increase / (decrease) in Sundry Creditors	(120.98)	(174.68)
Increase / (decrease) in Other Current Liabilities	149.48	561.36
<b>Cash generated from operations</b>	<b>1,039.93</b>	<b>1,818.40</b>
Direct taxes expenses	(241.04)	(117.89)
<b>Net Cash flow from Operating Activities</b>	<b>798.89</b>	<b>1,700.50</b>
<b>B. Cash flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets	(347.60)	(223.79)
(Purchase) / Sale of Investments	(2,097.93)	(644.09)
Proceeds from sale of Investment	18.25	3.02
Interest Income received	79.97	4.17
<b>Net Cash flow from investing Activities</b>	<b>(2,347.30)</b>	<b>(860.69)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares / Share Application money	-	-
Proceeds / (Repayment) of Secured Loans (net)	1,521.23	(252.02)
Proceeds / (Repayment) of Unsecured Loans (net)	11.45	(355.23)
Finance costs	(17.30)	-
<b>Net Cash flow from Financing Activities</b>	<b>1,515.38</b>	<b>(607.25)</b>
<b>Net Increase / (decrease) in cash and cash equivalent</b>	<b>(33.02)</b>	<b>232.56</b>
Cash and cash equivalent as at the beginning of the year	251.86	19.30
<b>Cash and cash equivalent as at the closing of the year</b>	<b>218.84</b>	<b>251.86</b>

Summary of Significant Accounting Policies

2

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

1-45

As per our report of even date attached

For K C P L And Associates LLP

Chartered Accountants

Firm Registration Number: 119223W / W100021

Rakesh Agarwal  
Partner

Membership Number: 170685

Place - Mumbai

Date - May 24, 2022



For and on behalf of the Board of Directors

Gautam Makharia  
Director  
DIN : 01354843

Place - Mumbai

Date - May 24, 2022

Sanjeev Srivastava  
Director  
DIN : 09523460

UDIN : 22170685AMKSN69280



## KISAN PHOSPHATES PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

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

Particulars	Note No.	Number of shares	Amount (INR in Lakhs)
Balance as at the April 1, 2020		2,710,000	271.00
Changes in equity share capital during the year 2020-21		-	-
Balance as at March 31, 2021	13	2,710,000	271.00
Changes in equity share capital during the year 2021-22		-	-
Balance at the March 31, 2022	13	2,710,000	271.00

## B : Other Equity

Particulars	Note No.	Share Application money pending allotment	Reserve and Surplus			(INR in Lakhs) Total Other Equity
			Securities Premium Reserve	Debenture Redemption Reserve	Retained Earnings	
Balance as at the April 1, 2020			329.00	246.00	808.51	1,383.50
Profit for the year		-	-	-	377.94	377.94
Other Comprehensive Income		-	-	-	0.57	0.57
Reserve Created during the year		-	-	246.00	(246.00)	-
Balance as at March 31, 2021	14	-	329.00	492.00	941.02	1,762.02
Profit for the year		-	-	-	974.12	974.12
Other Comprehensive Income		-	-	-	(1.56)	(1.56)
Reserve Created during the year		-	-	246.00	(246.00)	-
Balance as at March 31, 2022	14	-	329.00	738.00	1,667.58	2,734.57

As per our report of even date attached

For K C P L And Associates LLP  
Chartered Accountants

Firm Registration Number: 119223W/W100021

Rakesh Agarwal

Partner

Membership Number: 170685

Place - Mumbai

Date - May 24, 2022

UDIN: 22170685AMKSN69280



For and on behalf of the Board of Directors

Gautam Makharia

Director

DIN : 01354843

Place - Mumbai

Date - May 24, 2022

Sanjeev Srivastava

Director

DIN : 09523460



## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

#### Note 1 : Company Overview

Kisan Phosphates Private Limited (the "Company") is a subsidiary of the Public Limited Company "Shree Pushkar Chemicals & Fertilisers Limited", domiciled in India and incorporated on August 13, 2012 under the provisions of Companies Act, 1956. The registered office of the Company is located at 301-302, 3<sup>rd</sup> Floor, Atlanta Center, Sonawala Road, Goregaon (East), Mumbai – 400063.

The Company is engaged in the business of manufacturing and trading of Chemicals, Cattle Feeds and Fertilisers.

The financial statements are authorized for issue in accordance with a resolution of the Board of Directors on May 24, 2022.

#### Note 2 : Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been applied to all the years presented by the Company unless otherwise stated.

##### 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). 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.

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 preparation

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and

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.

###### (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



## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- Expected to be realised within twelve months after the reporting period, or
- 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 or,
- 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.

#### 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

#### (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.

Further details about gratuity obligations are given in Note 40

#### (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. See Note 34-36 for further disclosures.

#### (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.





# KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 is recognised so as to write off the cost of assets (other than freehold land and land developments) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives
Buildings	30 years
Leasehold lands	30 years
Computers and Printers, including Computer Peripherals (including server and networking)	3-6 years
Office Equipment's	5 years
Furniture and Fixtures	10 years
Motor Vehicles (including busses and trucks)	8-20 years
Plant and Machinery	15-20 years

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

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. Investment properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

#### F. 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.

#### G. 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.

#### H. 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.





# KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 116





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.



## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

### I. 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.

### J. 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

#### K. 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.

#### L. 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.





# KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### M. 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.

### N. 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

#### O. 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.

#### P. 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





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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).

#### Q. 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.

#### R. Leases

##### As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

##### As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset will be separately presented in the balance sheet and lease payments will be classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in standalone statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

#### S. 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.





## KISAN PHOSPHATES PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

#### 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.

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.

#### T. 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.

#### U. 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.





**V. 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.

**W. 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.

**X. Recent pronouncements**

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2022. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.



**KISAN PHOSPHATES PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statement







# KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Note 3 : Property, Plant and Equipment

Particulars	Freehold Land	Factory Building	Plant and Machinery	Furniture and Fixtures	Computers Equipments	Motor Vehicles	Office Equipments	Total	(INR in Lakhs)	Capital Work-in Progress
Gross Carrying Amount as at April 1, 2020	141.57	905.74	2,633.40	7.05	7.58	14.36	3.39	3,713.09	254.11	221.01
Additions / Transfer	-	-	7.60	-	0.19	-	-	7.79	-	-
Disposals	-	-	(6.90)	-	-	-	-	(6.90)	-	-
As at March 31, 2021	141.57	905.74	2,634.10	7.05	7.76	14.36	3.39	3,713.98	475.12	314.30
Additions / Transfer	-	-	522.17	-	0.32	29.23	-	551.71	-	-
Disposals	-	-	(7.60)	-	-	-	-	(7.60)	-	-
As at March 31, 2022	141.57	905.74	3,148.67	7.05	8.09	43.59	3.39	4,258.09	(517.42)	272.00
Accumulated depreciation as at April 1, 2020	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	153.56	837.52	5.70	7.58	4.44	3.06	1,011.87	-	-
Accumulated depreciation on deletions	-	28.71	214.06	1.28	0.04	1.71	0.33	246.12	-	-
As at March 31, 2021	-	-	(0.64)	-	-	-	-	(0.64)	-	-
Depreciation charge during the year	-	182.26	1,050.93	6.97	7.62	6.14	3.39	1,257.35	-	-
Accumulated depreciation on deletions	-	28.71	238.10	0.08	0.14	4.03	-	271.06	-	-
As at March 31, 2022	-	-	(0.99)	-	-	-	-	(0.99)	-	-
Net carrying amount as at March 31, 2022	141.57	210.96	1,288.03	7.05	7.76	10.17	3.39	1,527.42	-	-
Net carrying amount as at March 31, 2021	141.57	694.78	1,860.64	-	0.32	33.41	0.00	2,730.67	272.00	272.00
Net carrying amount as at April 1, 2020	141.57	723.48	1,583.18	0.08	0.14	8.21	0.00	2,456.63	475.12	475.12
Net carrying amount as at March 31, 2022	141.57	752.18	1,795.88	1.35	0.00	9.92	0.33	2,701.22	254.11	254.11

### Notes:

#### (a) Asset under Construction

Capital Work in Progress as at March 31, 2022 comprises of expenditure for additional GSSP Plant at 3.5 km chaudhary to Gawar Road, Village-Gawar, Tehsil - Balsamand, Zilla Hisar Haryana-125001.

#### (b) CWIP Ageing as at March 31, 2022 is as follows:-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	272.00	-	-	-	272.00
Projects temporarily suspended	-	-	-	-	-

#### CWIP Ageing as at March 31, 2021 is as follows:-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	475.12	-	-	-	475.12
Projects temporarily suspended	-	-	-	-	-





## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 4 : Non-Current Financial Assets - Investments

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Investment in Bonds		
10.50% Royal Sundaram General Insurance Company Limited 2027, Nil (March 31, 2021 : 63 Units)	-	644.09
<b>Total</b>	<b>-</b>	<b>644.09</b>

## Note 5 : Non-Current Financial Assets - Others

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost		
Security Deposits	20.81	20.81
<b>Total</b>	<b>20.81</b>	<b>20.81</b>

## Note 6 : Other Non-Current Assets

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital Advances	0.18	28.80
<b>Total</b>	<b>0.18</b>	<b>28.80</b>

## Note 7 : Inventories

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Raw Material	1,733.28	1,029.49
Work-in-Process	96.45	179.02
Finished Goods	141.72	141.61
Packing Material	62.62	50.08
Stores and Spares	43.52	58.80
Power and Fuel	5.28	6.50
<b>Total</b>	<b>2,082.87</b>	<b>1,465.50</b>
<b>Details of Work-in-Progress:</b>		
Chemicals	-	80.32
Fertilizers & Allied Products	96.45	98.70
Cattle Feeds	-	-
<b>TOTAL</b>	<b>96.45</b>	<b>179.02</b>
<b>Details of Finished Goods:</b>		
Chemicals	107.55	67.61
Fertilizers & Allied Products	29.38	42.33
Cattle Feeds	4.80	31.67
<b>TOTAL</b>	<b>141.72</b>	<b>141.61</b>

## Note 8 : Current Financial Assets - Trade Receivables

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	534.74	975.21
Trade Receivables which have significant increase in Credit Risk	3.82	8.33
Less: Allowance for credit losses	(3.82)	(8.33)
Trade Receivables - credit impaired	-	-
<b>Total</b>	<b>534.74</b>	<b>975.21</b>

## Ageing for Trade Receivables outstanding as at March 31, 2022 is as follows :-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1)Undisputed Trade receivables – considered good	505.12	-	29.62	-	-	534.74
2)Undisputed Trade Receivables – which have significant increase on credit	3.82	-	-	-	-	3.82
3)Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4) Disputed Trade Receivables-considered good	-	-	-	-	-	-
5)Disputed Trade Receivables -which have significant increase on credit	-	-	-	-	-	-
6)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-







## KISAN PHOSPHATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(INR in Lakhs)

Ageing for Trade Receivables outstanding as at March 31, 2021 is as follows :-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1)Undisputed Trade receivables – considered good	931.38	0.31	43.52	-	-	975.21
2)Undisputed Trade Receivables – which have significant increase on credit	8.33	-	-	-	-	8.33
3)Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4) Disputed Trade Receivables- considered good	-	-	-	-	-	-
5)Disputed Trade Receivables -which have significant increase on credit	-	-	-	-	-	-
6)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note 9 : Current Financial Assets - Cash and Cash Equivalents

(INR in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Balances		
- In current accounts	2.48	7.02
- In Cash Credit Accounts (Refer Note No. 19)	212.16	244.13
Cash on Hand	4.22	0.71
<b>Total</b>	<b>218.84</b>	<b>251.86</b>

Note 10 : Current Financial Assets - Investments

(INR in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Bonds		
7.75% Aragen Life Sciences Private Limited 2025, 183 Units ( March 31, 2021 : Nil)	1,827.99	-
8.50 % Adani Enterprises Limited 2024, 92 Units (March 31, 2021 : Nil)	914.02	-
<b>Total</b>	<b>2,742.01</b>	<b>-</b>

Note 11 : Current Financial Assets - Loans &amp; Advances

(INR in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to Employees	0.69	0.90
<b>Total</b>	<b>0.69</b>	<b>0.90</b>

Note 12 : Other Current Assets

(INR in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances:		
Advance payment to vendors	156.69	47.66
Deposit	30.45	20.45
Balance with GST Department	703.82	464.81
Income Taxes Net off Advance Tax and TDS	-	22.58
Prepaid Expenses	4.75	4.88
<b>Total</b>	<b>895.71</b>	<b>560.37</b>

Note 13 : Share Capital

(INR in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Capital		
30,00,000 (March 31, 2021: 30,00,000) Equity shares of Rs. 10 each	300.00	300.00
	<b>300.00</b>	<b>300.00</b>
Issued, Subscribed and Paid up Capital		
27,10,000 (March 31, 2021: 27,10,000) Equity shares of Rs. 10/- each fully paid up	271.00	271.00
<b>Total</b>	<b>271.00</b>	<b>271.00</b>

(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, 2022		As at March 31, 2021	
	Number of shares	Amount (INR in Lakhs)	Number of shares	Amount (INR in Lakhs)
Balance as at the Beginning of the year	2,710,000	271.00	2,710,000	271.00
Add: Allotment of equity shares	-	-	-	-
Balance as at the end of the year	2,710,000	271.00	2,710,000	271.00



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Shree Pushkar Chemicals and Fertilisers Ltd	2,710,000	100.00%	2,710,000	100.00%

(d) Disclosure of shareholding of Promoters

## Disclosure of shareholding of Promoters as at March 31, 2022 is as follows:

Promoters' Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Shree Pushkar Chemicals and Fertilisers Limited	2,710,000	100.00%	2,710,000	100.00%	-

## Disclosure of shareholding of Promoters as at March 31, 2021 is as follows:

Promoters' Name	As at March 31, 2021		As at March 31, 2020		% Change during the year
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Shree Pushkar Chemicals and Fertilisers Limited	2,710,000	100.00%	2,710,000	100.00%	-

## Note 14 - Other Equity

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Securities Premium Reserve	329.00	329.00
Retained Earnings	1,667.58	941.02
Debtenture	1,229.99	1,229.99
Debtenture Redemption Reserve	738.00	492.00
Total	3,964.56	2,992.01

(i) Securities Premium Reserve:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
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:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	941.02	808.51
Add: Profit for the year	974.12	377.94
Less: Debtenture Redemption Reserve	(248.00)	(248.00)
Add: Items of Other Comprehensive Income recognised directly in Retained Earnings	(1.56)	0.57
Re-measurement gains/ (losses) on defined benefit obligations (net of tax)		
Balance as at the end of the year	1,667.58	941.02

(iii) Debtenture:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
1,22,999 Optionally Convertible Debtenture of Rs. 1000 Per Debtenture	1,229.99	1,229.99
Balance as at the end of the year	1,229.99	1,229.99

1,22,999 Optionally Convertible Debtenture 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) Debtenture Redemption Reserve:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	492.00	246.00
Add: During the year	246.00	246.00
Balance as at the end of the year	738.00	492.00

During the current year, the company has set-aside amount towards Debtenture Redemption Reserve amounting to Rs. 246.00 Lacs towards ascertained liability as per the provisions of Companies Act 2013. The balance in this reserve will be utilized for repayment of debtenture in the subsequent financial years.







## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 15 : Non-Current Financial Liabilities - Borrowings

(INR in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Term Loans</b>		
Rupee Term Loans from Banks	-	151.30
Vehicle Loans from Banks	23.60	3.00
Less: Current Maturities of Long term debt (Refer note No. 21)	10.40	152.55
<b>Total Non-Current Borrowings</b>	<b>13.20</b>	<b>1.75</b>

## Notes:

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

Nature of Security	Terms of Repayment
Rupee Term Loan from Axis Bank Limited amounting to Rs. Nil (March 31, 2021 : Rs. 151.30 lakhs) secured by the Hypothecation of assets created by said term Loan.	Repayable in 12 quarterly instalments, Effective Rate of interest 8.25% p.a.
Rupee Vehicle Loan from Axis Bank Ltd. amounting to Rs. 0.44 lakhs (March 31, 2021 : Rs. 3.00 lakhs) secured by the Hypothecation of assets created by said Loan.	Repayable in 36 monthly instalments, Effective Rate of interest 9.65% p.a.
Rupee Vehicle Loan from Axis Bank Ltd. amounting to Rs. 7.49 lakhs (March 31, 2021 : Rs. Nil) secured by the Hypothecation of assets created by said Loan.	Repayable in 36 monthly instalments, Effective Rate of interest 7.75% p.a.
Rupee Vehicle Loan from Axis Bank Ltd. amounting to Rs. 15.66 lakhs (March 31, 2021 : Rs. Nil) secured by the Hypothecation of assets created by said Loan.	Repayable in 35 monthly instalments, Effective Rate of interest 7.79% p.a.

## Note 16 : Non-Current Provisions

(INR in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits: Provision for Gratuity	8.78	5.50
<b>Total</b>	<b>8.78</b>	<b>5.50</b>

## Note 17 : 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, 2022	As at March 31, 2021
Deferred Tax Liabilities/ (Assets) arising on account of timing differences in: Property, Plant and Equipment including Intangible Assets - Depreciation	90.65	90.97
Gratuity	(1.16)	(0.38)
Defined benefit Obligation remeasurement Gains/Losses	-	(0.34)
Allowances for credit losses	1.14	(2.32)
<b>Deferred Tax Liabilities (net)</b>	<b>90.63</b>	<b>87.93</b>

## Note 18 : Other Non-Current Liabilities

(INR in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit From Customers	34.21	28.96
<b>Total</b>	<b>34.21</b>	<b>28.96</b>

## Note 19 : Current Financial Liabilities - Borrowings

(INR in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans (Repayable on demand)</b>		
Working Capital Loans from Banks	-	-
Loans From Banks	2,890.52	1,276.54
Acceptances from Banks	-	-
<b>Unsecured Loans (Repayable on demand)</b>		
Loan from others and Inter corporate Deposit	194.25	287.00
<b>Total</b>	<b>3,084.77</b>	<b>1,563.54</b>

## Notes:

1) Working capital loans from Axis Bank Ltd. Rs. Nil (March 31, 2021: Rs. Nil) carries interest rate @ 7.45% p.a. (Previous Year 7.50 % p.a.) and are secured as under:

## Primary Security:

- First pari passu Charges by way of hypothecation on current assets.
- First pari passu Charges by way of hypothecation on All movable assets.
- First pari passu Charges by way of equitable/registered Mortgage of factory land and building of Gawar Road, Village Gawar, Dist Hissar, Haryana.
- Personal Guarantee :  
i) Mr. Punit Makharia.  
ii) Mr. Gautam Makharia.
- Corporate Guarantee of Shree Pushkar Chemicals and fertilisers Ltd.

2) Working capital loans from Yes Bank Ltd. Rs. Nil (March 31, 2021: Rs. Nil) carries interest rate @ 6.60% p.a. (Previous Year : Nil) and are secured as under:

## Primary Security:

- First pari passu Charges by way of hypothecation on current assets.
- First pari passu Charges by way of hypothecation on All movable assets.
- First pari passu Charges by way of equitable/registered Mortgage of factory land and building of Gawar Road, Village Gawar, Dist Hissar, Haryana.
- Personal Guarantee :  
i) Mr. Punit Makharia.  
ii) Mr. Gautam Makharia.
- Corporate Guarantee of Shree Pushkar Chemicals and fertilisers Ltd.



## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 20 : Current Financial Liabilities - Trade Payables

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Trade Payable</b>		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	0.85	8.86
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	875.22	988.19
<b>Total</b>	<b>876.07</b>	<b>997.05</b>

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.

## Ageing for Trade Payables outstanding as at March 31, 2022 is as follows :-

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.85	-	-	-	0.85
(ii) Others	875.22	-	-	-	875.22
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>876.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>876.07</b>

## Ageing for Trade Payables outstanding as at March 31, 2021 is as follows :-

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	8.86	-	-	-	8.86
(ii) Others	988.19	-	-	-	988.19
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>997.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>997.05</b>

## Note 21 : Current Financial Liabilities - Others

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current Maturities of Long-Term Debt (Refer Note no. 15)		
Rupee Term Loans from Banks	-	150.00
Vehicle Loan from Banks	10.40	2.55
<b>Total</b>	<b>10.40</b>	<b>152.55</b>

## Note 22 : Other Current Liabilities

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory Tax Payable (Including Provident Fund, Tax Deducted at Source and other indirect taxes)	15.43	10.55
Advance from Customers	1,025.75	747.26
Employee Related Liabilities	21.73	21.16
<b>Total</b>	<b>1,062.90</b>	<b>778.97</b>

## Note 23 : Current Provisions:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2019
Provision for Employee benefits:		
Provision for Gratuity	1.36	0.03
<b>Total</b>	<b>1.36</b>	<b>0.03</b>

## Note 24 : Current Tax Liabilities (Net):

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	544.65	-
Less: Income Tax Assets	464.00	-
<b>Total</b>	<b>80.65</b>	<b>-</b>







## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 25 : Revenue from Operations

(INR in lakhs)		
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Sale of Products:</b>		
Finished Goods	12,519.88	7,009.16
<b>Total</b>	<b>12,519.88</b>	<b>7,009.16</b>
<b>Products wise Sales</b>		
Chemicals	751.83	279.94
Fertilizers & Allied Products	10,068.37	5,986.15
Cattle Feeds	1,699.68	743.07
<b>Total</b>	<b>12,519.88</b>	<b>7,009.16</b>

Note:- The amount of revenues are exclusive of goods and services tax.

## Note 26 : Other Income

(INR in lakhs)		
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Income on		
- Others	79.97	4.17
Profit/ (Loss) from sale of investment	18.25	3.02
Miscellaneous Income	0.96	0.58
<b>Total</b>	<b>99.18</b>	<b>7.78</b>

## Note 27 : Materials Consumed

(INR in lakhs)		
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Raw Materials Consumed:</b>		
Inventories at the beginning of the year	1,029.49	1,035.49
Add: Purchases during the year	9,046.17	4,016.31
	<b>10,075.66</b>	<b>5,051.80</b>
Less: Inventories at the end of the year	1,733.28	1,029.49
<b>Total</b>	<b>8,342.38</b>	<b>4,022.31</b>
<b>Details of Raw Materials Consumed:</b>		
Rock Phosphate	4,336.51	2,380.87
Sulphur	1,771.36	785.66
Others	2,234.50	855.78
	<b>8,342.38</b>	<b>4,022.31</b>

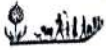
## Note 28 : Change in inventories of finished goods and work-in-progress

(INR in lakhs)		
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Changes in Inventories of Finished Goods and Work-in-Progress:</b>		
Inventories at the end of the year		
Work in Process	96.45	179.02
Finished Goods	141.72	141.61
	<b>238.17</b>	<b>320.63</b>
Inventories at the beginning of the year		
Work in Process	179.02	484.56
Finished Goods	141.61	121.29
	<b>320.63</b>	<b>605.85</b>
<b>Total</b>	<b>82.46</b>	<b>285.22</b>

## Note 29 : Employee benefit expenses

(INR in lakhs)		
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, Wages and Bonus	514.21	441.45
Contributions to Provident and Other Funds	8.33	6.23
Gratuity Expenses	2.45	2.20
Staff Welfare Expenses	4.26	2.36
<b>Total</b>	<b>629.25</b>	<b>452.24</b>





## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 30 : Depreciation and Amortisation Expense

Particulars	(INR in lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on tangible assets	271.06	246.12
<b>Total</b>	<b>271.06</b>	<b>246.12</b>

## Note 31 : Finance Costs

Particulars	(INR in lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Expense		
- On Bank Loans	14.85	29.11
- On Others	1.69	0.41
Other Borrowing Costs	0.76	0.58
<b>Total</b>	<b>17.30</b>	<b>30.10</b>

## Note 32 : Other Expenses

Particulars	(INR in lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spares	186.39	96.22
Packing Material	273.58	120.39
Power and Fuel	592.33	358.30
Water Charges	25.96	19.69
Repair and Maintenance	41.33	50.61
Insurance Premium	11.62	10.32
<b>Other Administrative &amp; Selling Expenses</b>		
Selling and Distribution Expenses	746.89	627.66
Travelling and Conveyance Expenses	45.93	25.19
Communication Expenses	0.88	0.95
Legal and Professional Expenses	6.67	6.88
Rent, Rates and Taxes	103.88	109.54
Printing and Stationery	0.10	0.09
Payments to Auditors:		
- Audit Fees	0.85	0.85
- Tax Audit Fees	-	-
Miscellaneous Expenses	40.00	20.09
Allowance for credit losses	(4.51)	8.33
Loss on Sale of Fixed Assets	5.61	1.26
<b>Total</b>	<b>2,077.51</b>	<b>1,456.37</b>

## Note 33 : Earnings Per Equity Share

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net Profit attributable to Equity Shareholders (INR in Lakhs)	974.12	377.94
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)	35.95	13.95
Diluted Earnings Per Share (INR)(Not Annualised)	22.19	8.61
Face value per Share (INR)(Not Annualised)	10.00	10.00





## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## Note 34 : Financial Assets at Amortised Cost Method

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

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Financial Assets</b>		
Security Deposits	20.81	20.81
<b>Current Financial Assets</b>		
Trade receivables	534.74	975.21
Cash and Cash Equivalents	218.84	251.86
Loans	0.69	0.90
<b>Total</b>	<b>775.08</b>	<b>1,248.78</b>

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

## Note 35 : Financial Liabilities at Amortised Cost Method

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

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Financial Liabilities</b>		
Borrowings	13.20	1.75
<b>Current Financial Liabilities</b>		
Borrowings	3,084.77	1,563.54
Trade Payable	876.07	997.05
Other Financial Liabilities	10.40	152.55
<b>Total</b>	<b>3,984.44</b>	<b>2,714.89</b>

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

## Note 36 : Financial Assets at Fair Value Through Profit or Loss

The carrying value of the following financial assets recognised at fair value through profit or loss:

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Financial Assets</b>		
Investments	-	644.09
<b>Current Financial Assets</b>		
Investments	2,742.01	-
<b>Total</b>	<b>2,742.01</b>	<b>644.09</b>

Note: The above investments are quoted instruments in active markets and the same is recognised at fair value. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

## Note 37 : 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.

Particulars	(INR in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	3,108.37	1,717.84
Cash and cash equivalents	(218.84)	(251.86)
<b>Net Debt (A)</b>	<b>2,889.52</b>	<b>1,465.97</b>
<b>B) Equity</b>		
Equity share capital	271.00	271.00
Other Equity	3,964.56	2,992.01
<b>Total Equity (B)</b>	<b>4,235.56</b>	<b>3,263.01</b>
<b>Gearing Ratio (Net Debt / Equity) i.e. (A / B)</b>	<b>68.22%</b>	<b>44.93%</b>

## Note 38 : Contingent Liabilities not Provided for:

Bank guarantee given by the banks on behalf of the Company amounting to Rs. Nil (March 31, 2021 Rs. Nil) to suppliers of goods.



KISAN PHOSPHATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 39 : 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 40 : 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, 2022 (INR in lakhs)	Year ended March 31, 2021 (INR in lakhs)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	8.33	6.23
Total Expenses recognised in the Statement of Profit and Loss (Refer Note 29)	8.33	6.23

II. Defined Benefit Plan

Gratuity Fund

a. Major Assumptions

Discount Rate

(% p.a.)

(% p.a.)

Salary Escalation Rate @

7.47%

7.06%

@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

5.00%

5.00%

Expected Rate of Return

N.A

N.A

Employee Turnover

5.00%

5.00%

b. Change in Present Value of Obligation

Present Value of Obligation as at the beginning of the year

(INR in lakhs)

(INR in lakhs)

Current Service Cost

5.53

4.16

Interest Cost

1.99

1.86

Benefit paid

0.46

0.34

Remeasurements - Actuarial (Gain)/ Loss on Obligations

-

(0.04)

Present Value of Obligation as at the end of the year

2.16

(0.79)

10.14

5.53

c. Change in Fair value of Plan Assets

Fair value of Plan Assets, Beginning of Period

(INR in lakhs)

(INR in lakhs)

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

Present Value of Obligation

(INR in lakhs)

(INR in lakhs)

Fair Value of Plan Assets

10.14

5.53

Funded Status

-

-

Present Value of Unfunded Obligation

(10.14)

(5.53)

Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions

10.14

5.53

e. Expenses Recognised in the Statement of Profit and Loss

Current Service Cost

(INR in lakhs)

(INR in lakhs)

Interest Cost

1.99

1.86

Expected Return on Plan Assets

0.46

0.34

Actuarial Losses Recognised in the year

-

-

Total expenses recognised in the Statement of Profit and Loss

2.16

(0.79)

4.61

1.41

f. Expense Recognised in the Statement of Other Comprehensive Income

Remeasurements of the net defined benefit liability

(INR in lakhs)

(INR in lakhs)

Actuarial (gains) / losses obligation

2.16

(0.79)

Actuarial (gains) / losses on Obligation

Due to Demographic Assumption\*

(0.29)

(0.09)

Due to Financial Assumption

2.45

(0.70)

Due to Experience

2.16

(0.79)

Total Actuarial (Gain)/Loss

2.16

(0.79)

\*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

f. Amounts recognised in the Balance Sheet

Present Value of Obligation as at year end

(INR in lakhs)

(INR in lakhs)

Fair Value of Plan Assets as at year end

(10.14)

(5.53)

Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions

10.14

5.53





## KISAN PHOSPHATES PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## III. Other Employee Benefit

The liability for leave entitlement as at March 31, 2022 is INR 1.99 Lakhs (March 31, 2021: INR 1.85 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, 2022 and March 31, 2021 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, 2022	+ 1% - 1%	(0.63) 0.73	+ 1% - 1%	0.72 (0.67)
March 31, 2021	+ 1% - 1%	(0.27) 0.29	+ 1% - 1%	0.31 (0.30)

## 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:

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Within the next 12 months (next annual reporting period)	1.41	0.03
Following year 2-5	4.80	1.81
Sum of years 6-10	4.59	2.90
<b>Total expected payments</b>	<b>10.80</b>	<b>4.74</b>

## 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 41 : 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:

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

## b. Details of Related Party transactions during the year ended March 31, 2022

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Compulsory Convertible Debenture M/s Shree Pushkar Chemicals and fertilisers Ltd.	-	-

## c. Closing Balances of the Related Parties

Particulars	Balances as at March 31, 2022	Balances as at March 31, 2021
M/s Shree Pushkar Chemicals and fertilisers Ltd.	-	-



**KISAN PHOSPHATES PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**Note 42 : CIF Value of Imports**

Particulars	(Amount in Lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
CIF value of Imports of Raw Material	4,867.92	2,545.58

**Note 43 : 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 44: Ratios**

The ratios for the year ended March 31, 2022 and March 31, 2021 are as follows:-

Ratio	Numerator	Denominator	As at	As at
			March 31, 2022	March 31, 2021
Current Ratio (in times)	Total current assets	Total current liabilities	1.27	0.93
<b>Note:</b> Increase in investments during the year has led to increase in current ratio.				
Debt equity ratio (in times)	Total Debt includes non current and current borrowings and lease liabilities	Total Equity	0.73	0.53
<b>Note:</b> Increase in borrowings during the year has led to increase in debt equity ratio.				
Debt service coverage ratio (in times)	Earnings of Debt service = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)	Debt Service = Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	9.58	1.83
<b>Note:</b> Due to increase in earnings of debt service by 99%, the debt service coverage ratio has increased in the current financial year.				
Return on Equity ratio (in %)	Profit for the year	Shareholder's equity	23.00%	11.58%
<b>Note:</b> During the year, the profit of the company has increased by 158%, due to which return on equity ratio has increased.				
Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory	4.75	2.71
<b>Note:</b> Decrease in the cost and considerable demand for the products has led to increase in the inventory turnover ratio.				
Trade Receivables Turnover ratio (in times)	Revenue from operations	Average Trade Receivables	16.58	5.84
<b>Note:</b> During the year, trade receivables has decrease by 46% but the revenue has increased by 79% which has contributed to the rise in Trade Receivables Turnover Ratio.				
Trade Payables Turnover ratio (in times)	Purchases of raw materials, stores & packing	Average Account Payables	10.15	3.94
<b>Note:</b> In the current financial year there is a significant increase in purchases which has increased the Trade Payables ratio.				
Net Capital Turnover ratio (in times)	Revenue from operations	Average working capital (i.e. total current asset- total current liabilities)	9.21	-29.41
<b>Note:</b> Due to increase in working capital, the ratio has decreased in the current financial year.				
Net Profit ratio (in %)	Profit for the year	Revenue from operations	7.78%	5.39%
<b>Note:</b> Increase in profit in the current year has increased the said ratio.				
Return on Capital Employed (in %)	EBITDA = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)	Average Capital employed (Total equity+Total Debt)	21.62%	16.08%
<b>Note:</b> During the year, the earnings of the company has increased by 99%, due to which the ratio has increased.				
Return on Investment (in %)	EBITDA = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)	Networth	37.48%	24.54%
<b>Note:</b> During the year, the earnings of the company has increased by 99%, due to which the ratio has increased.				





KISAN PHOSPHATES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 45 : 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 policies 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

*Agarwal*  
Rakesh Agarwal  
Partner  
Membership Number: 170685

Place - Mumbai  
Date - May 24, 2022



For and on behalf of the Board of Directors

*Chauhan*

Gautam Makharia  
Director  
DIN : 01354843

*Sanjeev*

Sanjeev Srivastava  
Director  
DIN : 09523460

UDIN: 22170685AMKSN69280