



# **Khaitan** CHEMICALS AND FERTILIZERS LIMITED

CIN : L24219MP1982PLC004937

The B Zone, 7<sup>th</sup> Floor, Pipliya Kumar, Nipania Main Road, Indore - 453771 (M.P.)  
Phone : 0731-4753666, E-mail : secretarial@kcfl.in, Website : www.kcfl.co.in

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July 5, 2023

To,  
The Manager (DCS/Compliance)  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, MUMBAI- 400 001  
**BSE Scrip Code : 507794**

To,  
The Manager (Compliance/Listing)  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East), MUMBAI- 400 001  
**NSE Symbol : KHAICHEM**

**Sub: 41<sup>st</sup> Annual Report for the financial year 2022-23 under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

In terms of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for the financial year 2022-23 of the Company. This is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent/ Depositories.

The same shall also be available on the website of the Company at **www.kcfl.co.in**

Thanking you,

Yours faithfully,  
**for KHAITAN CHEMICALS AND FERTILIZERS LIMITED**

**(AJAY SALITRA)**  
**Company Secretary & Compliance Officer**

**41<sup>st</sup>**

**Annual Report**

**2022-2023**



# **Khaitan Chemicals and Fertilizers Limited**





QUALITY CERTIFIED  
मुद्रणा पर खर्च का परेरा  
(कानून नमबरेक (कृषक अन्वेषण-संकेत))

**ZINCATED - BORONATED**

**FERTILISER**



**ZINCATED - BORONATED  
SINGLE SUPER PHOSPHATE  
GRANULES**

**K9**

P(Available) 16% (Min), P(W) 14.5% (Min), S 11% (Min), Zn 0.5% (Min), B 0.25% (Min)  
Net Weight 50 Kg, Gross Weight 56.12 Kg (White Packing)  
Govt. Subsidy Rs. 176.70 Per Bag



REGISTERED OFFICE :  
KHAITAN CHEMICALS & FERTILIZERS LIMITED  
Nimrani, District - Khargone (M.P.)

MANUFACTURING UNIT :  
KHAITAN CHEMICALS & FERTILIZERS LIMITED  
1. Nimrani, District - Khargone (M.P.)  
2. Dhinwa, Nimbaheda, District - Chittod (Raj.)  
3. Goramachhiya, District - Jhansi (UP)  
4. Malwan, District - Fatehpur (UP)  
5. Farhad Somni, District - Rajnandgaon (CG)  
6. Vagra, District - Bharauch (GUJ)



**स्वेतान, KHAITAN, খেতান, फ़ैतान, फ़ैतान**

**ANNUAL GENERAL MEETING:**

Date : **28<sup>th</sup> day of July, 2023**  
 Day : **Friday**  
 Time : **1:00 P.M.**  
 Place : **To be convened through VC/OAVM**

**REGISTERED OFFICE:**

A. B. Road, Village Nimrani,  
 Tehsil Kasrawad,  
**Dist. Khargone - 451569 (M.P.)**

**INDORE OFFICE:**

The B Zone, 7th Floor, Pipliya Kumar,  
 Nipania Main Road  
**Indore - 453 771 (M.P.)**

**NEW DELHI OFFICE:**

4-B/3, Palm Drive, DLF, Chattarpur,  
**New Delhi - 110 074**

**SECRETARIAL AUDITORS:**

Ritesh Gupta & Co.(Company Secretaries)  
 56-A, Anil Nagar, M.R.-9 Road,  
**Indore - 452 001(M.P.)**

**WORKS:****Fertilizers and Chemicals & Speciality Chemicals Division :**

1. A.B. Road, Village Nimrani,  
Tehsil Kasrawad, Dist. Khargone -  
451569 (M.P.)
2. Village Goramachia, Kanpur Road,  
Jhansi - 248001 (U.P.)
3. Village Dhinva, Tehsil Nimbahera  
Dist. Chittorgarh - 312601 (Rajasthan)
4. A-1, UPSIDC Industrial Area,  
Malwan, Dist. Fatehpur - 212664 (U.P.)
5. Village Farhad (Somni),  
Dist. Rajnandgaon - 491443 (Chattisgarh)
6. 42/7, GIDC Industrial Estate, Dahej, Vagra  
Dist. Bharuch-392130 (Gujarat)

**LISTING OF SHARES:**

BSE Limited : Scrip Code - **507794**  
 National Stock Exchange of India Limited :  
 (NSE) Symbol - **KHAICHEM**  
 ISIN No.: **INE745B01028** (NSDL & CDSL)

**BOARD OF DIRECTORS:**

**Shri Shailesh Khaitan** : Chairman & Managing Director  
**Shri Utsav Khaitan** : Joint Managing Director  
**Shri Jagdish Lal Jajoo** : Whole Time Director  
**Shri Vijay Gupta** : Independent Director  
**Shri Balmukund Dakhera** : Independent Director  
**Ms. Veena Chadha** : Independent Woman Director

**KEY MANAGERIAL PERSONNEL:**

**Shri Shailesh Khaitan** : Chairman & Managing Director  
**Shri Utsav Khaitan** : Joint Managing Director  
**Shri Harsh Vardhan Agnihotri** : President & Chief Financial Officer  
**Shri Kamlesh Joshi** : Company Secretary & Senior General Manager  
 (Resigned w.e.f. January 23, 2023)  
**Shri Ajay Salitra** : Company Secretary & Compliance Officer  
 (Appointed w.e.f. January 23, 2023)

**STATUTORY AUDITORS:**

M/s. NSBP & Co., Chartered Accountant  
 325, Third Floor, U.S. Complex, Opp. Apollo Hospital,  
 120, Mathura Road, Sarita Vihar, **New Delhi - 110 076**

**KOLKATA OFFICE:**

Unit 9A, 9<sup>th</sup> Floor, "Tirumala, 22" 22, East Topsia Road,  
**Kolkata - 700 046 (W.B.)**

**SOLICITORS:**

M/s. Khaitan & Partners,  
 Himalaya House, 23, Kasturba Gandhi Marg,  
**New Delhi - 110 001**

**BANKERS:**

- State Bank of India
- IDBI Bank Ltd.
- Union bank of India
- HDFC Bank Ltd.
- Axis Bank Ltd.

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## KHAITAN CHEMICALS AND FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

Regd. Office: A. B. Road, Village Nimrani, Dist. Khargone- 451569 (M.P.)

E-mail: [secretarial@kcfli.in](mailto:secretarial@kcfli.in), Website: [www.kcfli.co.in](http://www.kcfli.co.in)

Phone: 0731- 4753666

### NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Forty-First Annual General Meeting** of 'KHAITAN CHEMICALS AND FERTILIZERS LIMITED' will be held on **Friday, 28<sup>th</sup> day of July, 2023 at 01:00 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, including the Audited Balance Sheet as at March 31, 2023, and the statement of profit and loss for the financial year ended on that date, the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
- To declare Dividend of Re. 0.30/- per equity share i.e. 30% on face value of Re. 1/- each for the Financial Year ended March 31, 2023.
- To appoint a director in place of Shri Jagdish Lal Jajoo (DIN: 02758763), who retires by rotation and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS:

- To Ratify the Remuneration of Cost Auditors for the Financial Year ended March 31, 2024.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and approval of the Board of Directors, the remuneration of Rs. 1,45,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2024, to be paid to **M/s. M.P. Turakhia & Associates, Cost Accountants**, for the conduct of the cost audit of the Company's Fertilizer manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon & Dahej and Chemicals & Speciality Chemicals manufacturing units at Nimrani, Jhansi, Malwan & Rajnandgaon, be and is hereby ratified and confirmed."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or CS Ajay Salitra, Company Secretary & Compliance Officer, be and are hereby severally authorised to do all such acts, deeds and things

as may be considered necessary, proper or expedient to give effect to this resolution."

- To approve Re-appointment of Shri Utsav Khaitan (DIN: 03021454) as a Joint Managing Director (Key Managerial Personnel) of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 152, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Shri Utsav Khaitan (DIN: 03021454) as the Joint Managing Director (Key Managerial Personnel) of the Company, for a period of Three (3) years effective from May 1, 2023 to April 30, 2026 as recommend by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on April 29, 2023, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be agreed by Shri Utsav Khaitan, subject to the applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient to give effect to this resolution."

**By Order of the Board  
for KhaiTan Chemicals and Fertilizers Limited**

Place : Indore

Date : April 29, 2023

Ajay Salitra

Company Secretary & Compliance Officer

#### NOTES:

- The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and December 28, 2022 respectively ('MCA Circulars'), permitted the holding of AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

('SEBI LODR Regulations') and MCA Circulars, 41<sup>st</sup> AGM of the Company is being held through VC/OAVM facility.

- In Compliance with the directions issued by Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India (SEBI) the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM along with Annual Report 2022-23 will also be available on the Company's website [www.kcfli.co.in](http://www.kcfli.co.in), website of the stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of CDSL (agency for providing the Remote e-Voting facility) [www.evotingindia.com](http://www.evotingindia.com).

4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy (ies) by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board Resolution on Company's email Id at [secretarial@kcfli.in](mailto:secretarial@kcfli.in).
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by CDSL.
9. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from **Saturday, July 22, 2023 to Friday, July 28, 2023**, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
10. The dividend on Equity Shares, if declared at the AGM, will be payable on or after **Wednesday, August 2, 2023** to those members whose names appear as Members in the Register of Members of the Company on **Friday, July 21, 2023** in respect of the shares held in electronic form, the dividend will be paid on the basis of Beneficial Ownership as per details furnished by Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for this purpose.
11. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.
12. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4.
14. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members may register their nomination by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at [investor@ankitonline.com](mailto:investor@ankitonline.com) in case the shares are held in physical form, quoting their folio number.
15. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2014-2015 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
16. Members are advised to claim their unpaid dividend for the year 2015-16 to 2021-22 (Final & Interim Dividend) if any, the Company is having total unpaid dividend of Rs. 15.75 Lakhs. Attention of the members of the Company are drawn towards the provisions of Section 124(6) of Companies Act, 2013, which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) of Companies Act, 2013, shall also be transferred by the company in the name of IEPF. Therefore in the interest of the members it is advised to take appropriate action to encash the unpaid dividend and update their bank particulars through the respective DPs.  
Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. [www.kcfli.co.in](http://www.kcfli.co.in)
17. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
18. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to Notice as **Annexure-I**. The Directors have furnished the requisite declarations for their appointment/re-appointment.
19. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
20. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office and at Company's

Office at The B Zone, 7th Floor, Pipliya Kumar, Nipania Main Road- Indore- 453771 (M.P.) on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting (“AGM”) and also at the AGM.

21. The Board of Directors has appointed CS Ritesh Gupta, Company Secretary in Whole Time Practice (ICSI Membership No. FCS-5200 CP No. 3764) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
22. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website at [www.kcfl.co.in](http://www.kcfl.co.in) within Two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
23. The details of the process and manner for remote e-voting are explained herein below.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Tuesday, July 25, 2023 (09:00 AM) and ends on Thursday, July 27, 2023 (05:00 PM)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, July 21, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/ CMD/CIR/ P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
<b>Individual Share holders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting .Additionally, there is also links provided to access the system of</li> </ol>

Type of shareholders	Login Method
	<p>all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <ol style="list-style-type: none"> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful

Type of shareholders	Login Method
	authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or Contact Company/RTA.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>



- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company **KHAITAN CHEMICALS AND FERTILIZERS LIMITED** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/

Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@kcfi.in](mailto:secretarial@kcfi.in) & [csriteshguptakcfi@gmail.com](mailto:csriteshguptakcfi@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their question in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@kcfi.in](mailto:secretarial@kcfi.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@kcfi.in](mailto:secretarial@kcfi.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [Company/RTA](mailto:Company/RTA) email id.

2. For Demat shareholders- Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatla Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESS:**

### **Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a cost accountant in practice on the recommendation of the Audit Committee, on such remuneration which shall be ratified by the members of the Company.

The Board on the recommendation of the Audit Committee, at their meeting held on April 29, 2023, considered and approved the appointment of **M/s. M.P. Turakhia & Associates, Cost Accountants** (Firm Registration No. 000417) for the conduct of the cost audit of the Company's Fertilizer manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon & Dahej and Chemicals & Speciality Chemicals manufacturing units at Nimrani, Jhansi, Malwan & Rajnandgaon at a remuneration of Rs. 1,45,000/- (Rupees One Lakh Forty Five Thousand only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2024.

The Resolution at Item No. 4 of the Notice is set out as an **Ordinary Resolution** for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

### **Item No. 5**

Shri Utsav Khaitan was appointed as a Joint Managing Director in 39<sup>th</sup> Annual General Meeting of the Company w.e.f. 01.02.2021 for a period of 3 years.

The present term of appointment of Shri Utsav Khaitan is expiring on 31.01.2024 and it would be appropriate to re-appoint him for a further period of Three (3) years commencing from May 1, 2023 to April 30, 2026.

The Board of Directors of the Company at its meeting held on 29.04.2023 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 29.04.2023, re-appointment of Shri Utsav Khaitan as Joint Managing Director (KMP) of the Company subject to the approval of members of the Company in Annual General Meeting to be held on Friday, 28<sup>th</sup> day of July, 2023 as a Special Resolution for a period of three years from May 1, 2023 to April 30, 2026 at the remuneration, in accordance with norms laid down in Schedule V and other applicable provisions of Companies Act, 2013 and rules made thereunder.

The information in respect of terms of remuneration & perquisites is given below:

### **Remuneration, benefits and perquisites:**

- I. **Salary:** Rs. 14,00,000/- (Rupees Fourteen Lakhs) per month, with an annual increment of Rs. 1,00,000/- (Rupees One Lac) per

month. Salary will be subject to the deduction of Income tax at the applicable rates, under the Income Tax Act, 1961.

- II. **Commission:** 1% on the net profit of the Company, computed in manner laid down under the Companies Act, 2013 subject to the maximum 100% of the salary.

### III. **Allowances & Perquisites:**

#### a) **Medical Allowances:**

Medical Allowance- equivalent to one month's salary in a year.

#### b) **Leave and Leave Travel Allowances:**

Leave Travel Allowance- equivalent to one month's salary in a year.

Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

#### c) **Club Fees:**

He shall be entitled to the reimbursement of fees of any two clubs in India. This will not include admission and life membership fee.

#### d) **Superannuation:**

Superannuation- equivalent to one month's salary in a year.

### IV. **Limits on Remuneration:**

The remuneration as specified in clauses above shall be subject to the overall limits as specified under Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

### V. **Minimum Remuneration:**

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Shri Utsav Khaitan shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

### VI. **Sitting Fees:**

He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company.

Shri Utsav Khaitan is liable to retire by rotation during his tenure as the Joint Managing Director.

There shall be relations with Shri Utsav Khaitan and the Company as an employee and employer for all the purposes.

Shri Utsav Khaitan is son of Shri Shailesh Khaitan, Chairman & Managing Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made there under except Shri Utsav Khaitan, being an appointee and Shri Shailesh Khaitan, Chairman & Managing Director, being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Utsav Khaitan is holding 13,439 Equity shares consisting 0.1% of the paid up share capital of the Company. This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the Appointment of Shri Utsav Khaitan, as the Joint Managing Director.

The resolution for seeks approval of members as an **Special Resolution** for the Re-appointment of Shri Utsav Khaitan as a Joint Managing Director of the Company with effect from May 1, 2023 to April 30, 2026, pursuant to the provisions of Section 117, 152, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

## Annexure-I

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of Director	Shri Utsav Khaitan
Age	31 Years
Qualification	B.Sc (Economics)
Date of Appointment	20th May, 2014
Expertise	Marketing
Other Directorships (excluding Pvt. Companies) as on 31 <sup>st</sup> March, 2023	Nil
Chairman / Member of the Committees as on 31 <sup>st</sup> March, 2023	<b>Chairman:</b> Risk Management Committee <b>Member:</b> Corporate Social Responsibility Committee
Shareholding (No. of Shares)	13,439



## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to present the 41<sup>st</sup> Annual Report of your Company alongwith Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2023 is summarized below:

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Sales	88,781.61	82,377.79
Total Income	88,929.29	82,503.66
Surplus before interest, depreciation, exceptional items and Tax	7,940.65	12,284.81
Less: Financial Cost	1,931.42	1,262.42
Cash Profit before tax	6,009.23	11,022.39
Less: Depreciation	906.19	733.76
Exceptional Items	-	-
Profit/(Loss) before taxation	5,103.04	10,288.63
Provision for current tax	1,465.69	2,630.03
Income Tax of earlier year	56.64	(19.39)
Deferred tax	(154.77)	(338.87)
Profit/(Loss) after taxation	3,735.78	8,016.86
Transfer to General Reserve	-	-
Earning Per Share (face value of Re. 1/- each)	3.85	8.27

### REVIEW OF OPERATIONS

#### FERTILIZER, CHEMICALS & SPECIALITY CHEMICALS DIVISION:

The year 2022-23 continued to be a challenging period with weak economic environment due to steep hike in commodity prices leading to unprecedented increase in Rock Phosphate and Sulphur prices which are the major raw materials for production of SSP Fertilizer. Also the capping of subsidy rates within Nutrient Based Subsidy Policy by the GOI for the current year saw the prices of SSP fertilizer being pushed up making it incompetitive vis a vis other phosphatic fertilizers enjoying full subsidy rates.

The Company has produced 4,92,613 MT (previous year 5,34,645 MT) of Single Super Phosphate (SSP) Fertilizer and 2,06,377 MT (previous year 2,13,969 MT) of Chemicals & Speciality Chemicals and sold 4,73,194 MT of SSP (previous year 5,33,654 MT) & 1,13,681 MT of Chemicals (previous year 1,17,910 MT) respectively.

During the current year the turnover of your Company has increased from Rs. 82,503.66 Lakhs for the year 2021-22 to Rs. 88,929.29 Lakhs for the year 2022-23, the operating income has decreased from Rs. 12,284.81 Lakhs in 2021-22 to Rs. 7,940.65 Lakhs in 2022-23, and the cash profit has decreased from Rs. 11,022.39 Lakhs to Rs. 6,009.23 Lakhs in the respective periods, while the net profit after tax has decreased from Rs. 8,016.86 Lakhs to Rs. 3,735.78 Lakhs.

The Company is continuously putting in efforts to increase the share of 'value added' fortified fertilizers in its product range. The fortified fertilizers launched by the Company have been well accepted by the farmers.

The trend of all raw materials including Rock Phosphate and Sulphur remained continuously rising throughout the year, excepting the last few months, mainly due to global sentiment following the invasion of Ukraine by Russia. While assessing the increase in prices the GOI increased the Nutrient Based Subsidy for all phosphatic and potassic fertilizers while capping the SSP subsidy at old rates of Rs. 7513/- per MT for the year 2022-23.

In the coming year 2023-24, the long range forecast of monsoons is below normal. This coupled with the upward reversal in Rock Phosphate prices while at the same time falling international prices of competitive products is likely to see challenges in the SSP fertilizer Industry.

### SOYA/AGRI DIVISION

While looking at the volatility in oil prices and uncertain thin margins the Company has sold its plant and machinery of the Agro division thus exiting this business. The plant and machinery was lying idle since last several years.

### DIVIDEND

The Board of Directors is pleased to recommend final dividend of Re. 0.30/- per equity share (face value of Re. 1/- per share) for the financial year 2022-2023, previous year Re. 0.30/- per equity share.

### Dividend Distribution Policy:

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board has approved and adopted the Dividend Distribution Policy and the detail of the Dividend Distribution Policy has been uploaded on the Company's website, Web-link: <http://kcfcl.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy-pdf>

### SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2023 was Rs. 969.89 Lakhs divided into 9,69,89,200 shares of Re. 1/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserves for the financial year 2022-23.

### INVESTORS EDUCATION & PROTECTION FUND

Dividend which was declared by the Company for the financial year ended March 31, 2016 at the Annual General Meeting held on August 11, 2016 and remained unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on October 9, 2023 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 31, 2016 from the shareholders.

### PROJECTS & FINANCE

The Company has availed Term Loan of Rs. 22.50 Crores from Axis Bank Ltd. for modernization of SSP and Acid Plants.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review, pursuant to the provisions of Section 73 of the Companies Act, 2013 & the Deposit Rules made there under.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed in Form-A of **Annexure-A** and forms part of the report.

Your directors are of the opinion that the Company has already opted for latest technology for producing Single Super Phosphate and Sulphuric Acid. Hence, information specified to be given in Form-B of **Annexure-A** is not applicable.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Report (**Annexure-B**).

### FOREIGN EXCHANGE EARNING AND OUTGO

The Company has earned Rs. NIL on export of goods (Previous year Rs. NIL) and incurred Rs. 34,740.89 Lakhs (Previous year Rs. 28,951.94 Lakhs) on import of Raw Materials, Fees & Subscription and Interest on Foreign Currency Loan.

## DIRECTORS

The Board has re-appointed Shri Utsav Khaitan (DIN: 03021454), as a Joint Managing Director of the Company for a period of three years with effect from May 1, 2023 to April 30, 2026, subject to the approval of the members in ensuing general meeting.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received disclosures from all the directors and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

During the year, the Board of Directors met Six (6) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report (**Annexure - C**).

## KEY MANAGERIAL PERSONNEL:

The following employees were designated as whole-time key managerial personnel as required under section 203 of the Companies Act, 2013 by the Board of Directors during the year under review:

- Shri Shailesh Khaitan, Chairman & Managing Director;
  - Shri Utsav Khaitan, Joint Managing Director;
  - Shri Harsh Vardhan Agnihotri, President & Chief Financial Officer and
  - \*Shri Ajay Salitra, Company Secretary & Compliance Officer
- \*Shri Ajay Salitra, Appointed as the Company Secretary of the Company w.e.f January 23, 2023 due to the Resignation of CS Kamlesh Joshi from the post of Company Secretary & Senior General Manager.

## INDEPENDENT DIRECTORS DECLARATION

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 read with Regulation 16 (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

## CORPORATE GOVERNANCE

Your Company has always striven to maintain appropriate standards of good corporate governance. The report on corporate governance as stipulated under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance as stipulated under the said clause is attached to this report. (**Annexure – C**).

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no Subsidiary/Joint Venture/Associate Company.

## PARTICULARS OF LOAN, GUARANTEES, INVESTMENTS:

During the year under review, the Company has not made any investments or given loan or provided security or guarantees falling under the provisions of Section 186 of the "the Act".

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the requirement of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the details of the Whistle Blower Policy has been uploaded on the Company's website, Web-link: <http://kcfli.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf>

## COMPOSITION OF AUDIT COMMITTEE

As per the requirement of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section

177 of the Companies Act, 2013. The present strength of the Audit Committee comprises of Shri Balmukund Dakhera, Shri Vijay Gupta and Ms. Veena Chadha. Shri Balmukund Dakhera, Chartered Accountant, is the Chairman of the Audit Committee of the Company. All the members of the Audit Committee are independent and non-executive directors. The recommendations of audit committee were duly accepted by the Board of Directors.

## NOMINATION & REMUNERATION COMMITTEE AND POLICY

Pursuant to Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination & Remuneration Committee, comprises of Shri Balmukund Dakhera, Chairman, Shri Vijay Gupta and Ms. Veena Chadha as its members.

The Nomination & Remuneration Committee framed a policy for selection and appointment, re-appointment, removal, appraisals of Directors and Senior Management and the same is stated in the Corporate Governance Report (**Annexure – C**).

## AUDITORS & AUDIT REPORT

The Company has Re-appointed M/s. NSBP & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for carrying out the Statutory Audit of the Company for the Term of 5 years commencing from the conclusion of 40th Annual General Meeting to the conclusion of 45th Annual General Meeting of the Company (from Financial Year 2022-23 to 2026-27). The Company has received a certificate from them to the effect that their appointment as Statutory Auditors of the Company, would be within the limit prescribed u/s 139 & 141 of the Companies Act, 2013 & also received a peer review certificate issued by the ICAI 'Peer Review Board', as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed there under, either to the Company or to the Central Government.

The notes on accounts referred to and the Auditors' Report are self-explanatory and therefore do not call for any explanatory note.

## COST AUDITOR:

The Board of Directors, in pursuance of an order under Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, issued by the Central Government, has appointed on the recommendation of Audit Committee M/s. M.P. Turakhia & Associates, Cost Accountants, Indore as Cost Auditors to conduct audit of the cost accounts maintained by the Company in respect of Fertilizer, Sulphuric Acid and Soya products for the financial year 2023-24.

As required under Companies Act, 2013 a resolution seeking members approval for the remuneration payable to cost Auditor forms part of the notice conveying the Annual General Meeting for their ratification.

## INTERNAL AUDITOR:

M/s. O P Bagla & Co. LLP, Chartered Accountants, New Delhi is appointed as Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2023-24, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthens the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company.

## SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed on the recommendation of Audit Committee M/s. Ritesh Gupta & Co., Practicing Company Secretaries, Indore (C.P. No. 3764), to undertake the Secretarial Audit of the Company for the financial year 2023-2024.

The Secretarial Audit Report for the year 2022-23 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is self-explanatory and therefore do not call for any explanatory note and the same is annexed herewith as **(Annexure - D)**.

## SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to Section 135 of Companies Act, 2013 and the relevant rules, the Corporate Social Responsibility Committee comprises of Shri Jagdish Lal Jajoo as the Chairman and Shri Utsav Khaitan, Shri Balmukund Dakhera, Shri Vijay Gupta & Ms. Veena Chadha as its members. The detailed CSR Policy has been uploaded on Company's Website, Web-link: <http://kcfi.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf>

The details on CSR activities are annexed herewith as **(Annexure-E)**

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Business Responsibility and Sustainability Report, as required under the Listing Regulation, is annexed as **Annexure-H** to this report.

## BOARD EVALUATION

Pursuant to the provisions of section 134 (3) (p) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees with the Company.

## ANNUAL RETURN:

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended March 31, 2023 has been uploaded on the website of the Company and the web link of the same is <http://kcfi.co.in/annual-return/>

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit & loss of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

the Companies Act, 1956/2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. they have prepared the annual accounts on a going concern basis.
5. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

As per the requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Policy on Materiality of Related Party Transactions. All such transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and the same has been approved by the Board. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and the same is reviewed by the Audit Committee on quarterly basis. The company has framed Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and is placed on the Company's website and the web link for the same is <http://kcfi.co.in/wp-content/uploads/2022/05/Policy-on-Materiality-of-Related-Party-Transactions-and-on-Dealing-with-Related-Party-Transactions.pdf>

The Company has also formed Related Party Transactions Policy and the web link for same is <http://kcfi.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf>

Pursuant to the provisions of Section 134 (3) (h) of the Companies Act, 2013, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, are appended as **Annexure-F** to this report. Related Party Transactions during the year have been disclosed as a part of Financial Statements as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

## LISTING OF SHARES

Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), which provides a wider access to the investors nationwide.

The Company has made all the compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of Annual Listing fees up to March 31, 2024 to the Stock Exchanges.

## DEMATERIALIZATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2023, **98.77 %** of the share capital stands dematerialized.

## RISK MANAGEMENT

### 1. Risk Management Committee:

Pursuant to Regulation 21 (5) of the SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015, the Board has constituted the Risk Management Committee comprising Shri Utsav Khaitan, Chairman and, Shri Balmukund Dakhera and Shri Vijay Gupta as its members, to frame, implement and monitor risk management plan of the Company.

### 2. Risk Management Policy:

The Company has in place Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013, which requires the Company to lay down procedure for risk assessment and risk minimization. The Board of Directors, Audit committee and the Senior Management of the Company should periodically review the policy and monitor its implementation to ensure the optimization of business performance, to promote confidence amongst stake holders in the business processes, plan and meet strategic objectives and evaluate, tackle and resolve various risks associated with the Company. The business of the Company is exposed to various risks, arising out of internal and external factors i.e. Industry, Competition, Input, Geography, Financial, Regulatory, Other Operational, Information Technology related other risks.

The details of Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013 has been uploaded on Company's Website in policies section at <http://kcfli.co.in/wp-content/uploads/2022/05/Risk-Management-Policy.pdf>

#### Implementation of the Scheme:

The functional managers at all locations will be responsible for identifying and assessing the risks within their areas of responsibilities and actions agreed beforehand to resolve such risks. They will report for any new risk or changes in the existing risk to the President/Managing Director. The Board and the senior executives of the Company will oversee the implementation of the policy and review the same periodically; the Board will be updated on key risks faced by the Company and the mitigating actions taken to resolve them.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23.

No of complaints received: NIL

No of complaints disposed off: Not Applicable

#### MATERIAL CHANGES AFFECTING FINANCIAL POSITIONS OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the Company, between the end of the financial year of the Company and the date of this report. There is no order passed by any regulator or court or tribunal against the company, impacting the going concern concept or future operations of the Company.

## PARTICULARS OF EMPLOYEES

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules there under as amended from time to time, forms part of this report (**Annexure-G**).

There are no instances of employees who was in receipt of remuneration in excess of the limit prescribed in provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules made there under.

In accordance with the provisions of Section 136 of the Act, the Annual Report and Accounts are being sent to all the Members of the Company excluding the aforesaid information and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary of the Company.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or alongwith his spouse and dependent children) more than two percent of the equity shares of the Company.

#### APPRECIATION:

The Board of Directors, wish to place on record its sincere appreciation for the support and co-operation received from all its stakeholders including customers, promoters, shareholders, bankers, suppliers, auditors, various departments/ agencies of Central/State Government and other business associates of the Company.

Your Board recognizes and appreciates the contributions made by all employees at all level that ensure sustained performance in a challenging environment.

for and on behalf of the Board

(UTSAV KHAITAN)

JOINT MANAGING DIRECTOR

DIN: 03021454

Place: New Delhi

Date: April 29, 2023

**I - Form 'A'** for disclosure of particulars with respect to conservation of energy and forming part of Directors Report:

**A) Power & Fuel Consumption:**

	Current Year	Previous Year
<b>1. Electricity:</b>		
a) Purchased Units (KWH)	<b>16438276</b>	<b>17023062</b>
Total amount (Rs. in Lakhs)	1489.56	1496.16
Rate/Unit (Rs.)	9.06	8.79
b) Own generation:		
i. Through diesel generator Units(KWH)	79684	71990
Total amount (Rs. in Lakhs)	33.29	24.21
Rate/Unit (Rs.)	41.77	33.62
ii. Through steam turbine Units *(KWH)	16785304	15576052
Total amount	-	-
(*Net of Self Consumption in TG)		
<b>2. Coal:</b>		
Quantity (In MT)	5224.90	5578.96
Total Cost (Rs. in Lakhs)	600.71	419.13
Rate/Unit (MT) (Rs.)	11497.06	7518.07
<b>3. Furnace oil:</b>		
Quantity (K. Lts.)	175	151
Total Amount (Rs. in Lakhs)	80.98	63.65
Average Rate /Lt.	46.24	42.20

**B) Consumption per Unit of Production:**

Item	Product	Current Year	Previous Year
<b>Electricity (KWH/MT)</b>	S.S.P./G.S.S.P	<b>37.97</b>	35.03
	S.A./Oleum/Liquid So3	<b>69.95</b>	64.91
	Labsa	-	-
<b>Coal (KG/MT)</b>	Soya Oil/Doc	<b>N.A.</b>	N.A.
	Soya Oil/Doc/Power	<b>N.A.</b>	N.A.
	G.S.S.P.	<b>23.12</b>	26.94



## Management Discussion & Analysis Report

### CAUTIONARY STATEMENT

Some of the statements in the report may be forward looking and are stated as required by applicable laws & regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook

The Company's Performance is dependent on several external factors such as performance of monsoons, government policy, fluctuation of prices of raw material and finished products and also their availability.

### BUSINESS OVERVIEW:

The Company is mainly engaged in the manufacture of Single Super Phosphate (Fertilizer), Sulphuric Acid and other chemicals; the main business segment is related to agriculture and greatly affected by monsoons.

### Segment-wise Business Review and Operational and Financial Performance:

The summarized performance of the Company in terms of production and sales for last 5 years is as under:

(Quantity in MT)

Particular	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Production:</b>					
Fertilizer (SSP)	4,92,613	5,34,645	4,53,218	4,36,181	3,18,554
Chemicals & Speciality Chemicals	2,06,377	2,13,969	1,84,234	2,13,493	1,81,450
<b>Sales:</b>					
Fertilizer (SSP)	4,73,194	5,33,654	4,66,237	4,00,796	3,03,679
Chemicals & Speciality Chemicals	1,13,681	1,17,910	1,11,071	1,32,674	1,40,329

The summarized financial performance of the Company for last 2 years is as under:

(Rs. In lacs)

Particular	2022-23	2021-22
<b>Sales</b>		
Fertilizer (SSP)	79,517.34	72,493.65
Chemicals & Speciality Chemicals	9,411.94	9,983.58
<b>Segment Operating Profit/(Loss) (PBIT):</b>		
Fertilizer (SSP)	3,913.75	8,206.91
Chemicals & Speciality Chemicals	3,120.71	3,477.00
<b>EPS(Rs) :</b>	4.29	8.23
<b>Dividend:</b>	30%	30%
<b>Face Value (Per share)</b>	1/-	1/-

The year 2022-23 saw the operations begin in a global uncertainty following the Russia Ukraine War. This war led to an unprecedented rise in prices of all commodities including Rock Phosphate and Sulphur the two major raw materials for the Company. This war also led to closure of several businesses in Europe due to high energy costs and subsequently there was a crash in prices of Sulphuric acid and related chemicals.

The GOI could successfully implement the partial Direct Benefit Transfer system for the Fertilizer Industry. The GOI has recently initiated the pilot project for the final stage of Direct Benefit Transfer to the farmers. Hopefully in a few years this may also be fully implemented.

During the current year the turnover of your Company has increased from Rs. 82,503.66 Lakhs for the year 2021-22 to Rs. 88,929.29 Lakhs for the year 2022-23, the operating income has decreased from Rs. 12,284.81 Lakhs in 2021-22 to Rs. 7,940.65 Lakhs in 2022-23, and the cash profit has decreased from Rs. 11,022.39 Lakhs to Rs. 6,009.23 Lakhs in the respective periods, while the net profit after tax has decreased from Rs. 8,016.86 Lakhs to Rs. 3,735.78 Lakhs.

### FERTILIZER, CHEMICALS & SPECIALITY CHEMICALS DIVISION:

The Company has one of India's largest Single Super Phosphate (SSP) Fertilizer production capacity of 11,13,500 MT in the states of Madhya Pradesh, Rajasthan, Uttar Pradesh, Chhattisgarh & Gujarat alongwith Chemicals production capacity of 2,70,600 MT in the States of Madhya

Pradesh, Uttar Pradesh & Chhattisgarh. Sulphuric Acid is also a raw material for production of SSP.

The Company has produced 4,92,613 MT (previous year 5,34,645 MT) of Single Super Phosphate (SSP) Fertilizer and 2,06,377 MT (previous year 2,13,969 MT) of Chemicals & Speciality Chemicals and sold 4,73,194 MT of SSP (previous year 5,33,654 MT) & 1,13,681 MT of Chemicals (previous year 1,17,910 MT) respectively.

The Company is continuously trying to improve its share in the fortified high value added fertilizers segment. The products are picking up well in the market.

The Company is continuing its efforts for optimizing its current assets to leverage sales on the one hand and diversifying into new geographical markets on the other. Focus is being laid on producing more value added fortified fertilizers, to improve the product portfolio.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Agriculture is the third largest sector of Indian Economy, which contributes around 17% of total GDP of the Country. Fertilizer Industry, with the emerging scenario, plays vital role in the growth of Agriculture Sector. The balanced use of chemical fertilizer is important not only for increasing agricultural productivity but also for sustaining soil fertility.

Single Super Phosphate is a multi nutrient fertilizer containing phosphate (16%) and sulphur (11%) as primary nutrients. SSP is applied as a basal fertilizer being rich in secondary nutrients like calcium and magnesium oxide and several micro nutrients. It is an essential Fertilizer for crops likes Oil seeds, Pulses, Sugarcane, Fruits and Vegetables, Tea etc. and for sulphur deficient soils. Main features of SSP Fertilizer Industry are-

- Basic need for agriculture and its development.
- SSP is a multi-nutrient fertilizer containing P<sub>2</sub>O<sub>5</sub> as primary nutrient and Sulphur, Calcium & magnesium as secondary nutrients.
- SSP fertilizer is the lowest priced fertilizer per kg, and preferred by small & marginal farmers.
- Highly dependent on Imported Raw Material.
- Subsidised by Government of India to control the prices of the input to the farmers.
- Substantial Import of Finished Products other than SSP.

### Agronomic Importance of SSP:

- SSP helps in improving root growth and development which is most important for uptake of plant nutrient and water.
- For Leguminous crops like groundnut, use of SSP, ensures a large number of nodules on the roots, which fix atmospheric Nitrogen directly into the soil and also increase Nitrogen uptake.
- SSP improves soil aeration and increase water holding capacity of the soil and increase root growth which increase crop yield.
- Oil content of Groundnut and other oil seeds increases. The quantity and quality of oil seeds crops increases.
- In Sugarcane, the sugar content increases which provide more production and monetary benefit to the farmers
- SSP increases resistance power of the plants against attack of pest and disease.
- SSP increases protein content in pulses crop
- SSP helps in leaching excess water from the root zone and prevent yellowing of the crop
- SSP improves storage capacity of product
- SSP also acts as a soil reclaiming agent.

SSP, which is a poor farmer's fertilizer (price wise), is an option to optimize the use of phosphate fertilizers. It also helps to treat sulphur deficiency in soil (about 36% of Indian soil is sulphur deficient) as well as for further enhancement of yields at the least cost. SSP being an indigenously manufactured fertilizer saves on foreign exchange outgo via a vis imported phosphatic fertilizers.

The Industry, however has been suffering from poor quality supply from some unethical players in the market, mainly from the MSME sector. The Ministry of Fertilizers and the Fertilizer Association of India have now laid special focus on improving the quality in the SSP sector.

Government's continuous thrust to encourage SSP to substitute imports of DAP and NPK is an indicator of upward trend in the Industry's future.

#### **Future Outlook:**

The Country's stress on higher agricultural productivity is expected to lead to a considerably better realization to farmers and increase the demand of fertilizers. The Single Super Phosphate fertilizer is a generic customized fertilizer containing sulphur, calcium & other micro nutrients besides phosphate. The Nutrient Based Subsidy is a long term positive for the Fertilizer Industry, particularly SSP Industry, with free market mechanism encouraging more interaction between producers and farmers for efficient use of fertilizer for better agriculture output. The Company expects healthy growth in the demand for fertilizers, especially SSP due to the Government's focus on promotion of a more balanced nutrient consumption

It is expected that the Country will have a sub normal monsoon in 2023, giving stress to Indian agriculture sector and related industries like Fertilizer in the short term.

The Government has floated the idea of replacing the input subsidy with direct income support to farmers and there is a need for "replacing untargeted subsidies (power and fertilizer) by direct income support to address agricultural stress and to achieve doubling farmers' income. The government has been spending nearly 30% of its total subsidy on food, fuel and fertilizer to ensure that farmers get the key agriculture inputs at cheaper rates.

The year 2018 saw the beginning of DBT (Direct Benefit Transfer), which would transfer money directly to the retailer's account. Presently, the companies are being paid only after the actual sale to the farmer. Currently, there are 2.3 lakh retailers across the country, attached to a Point of Sale (PoS) machine, which is in turn linked to Ministry of Fertilizer's 'E-Urvarak' DBT channel.

The Government also seems keen to implement the last phase of the subsidy reforms by way of direct benefit transfer to the farmers. The GOI has initiated a pilot project for the final phase of DBT and hopefully on conclusion of the pilot project the Subsidy maybe directly transferred to the farmers. It shall be very beneficial for the SSP Industry.

On the agricultural front, the government has continued its focus on augmenting farmer income through various steps. Increased allocation across the schemes to drive irrigation facilities, improve agricultural markets, augment the allied sectors supporting income, setting-up of FPOs, crop insurance scheme and income supplementation scheme is a major positive. With these steps, Industries expects a positive rub-off effect on fertiliser offtake. However, subsidy reduction remains a major negative takeaway for the fertiliser sector.

The raw material Prices of Rock Phosphate and Sulphur remained high throughout the year mainly due to global sentiment following the Russia Ukraine war, constraints in domestic and global situations has led to short availability of material from suppliers leading to prices rise. The Government of India (DoF) increased the Nutrient Based Subsidy rates for all phosphatic and potassic fertilizers following the prices rise excepting SSP for the year 2022-23. For SSP the subsidy has been capped at Rs. 7513/- per MT as prevailing in the previous year 2021-22 thus giving an unfair deal to the SSP Industry.

Monsoons have a major impact on the agricultural sector, besides the commodity prices of major raw material inputs. In the current year the predictions till date estimate a sub normal monsoon. Coupled with rise in prices of raw material for SSP fertilizer this is going to be a challenge for the SSP Industry in the coming year 2023-24.

However, in the long term the performance of the Company is expected to be better in coming years considering its basic strengths like high integrated capacity which is already operational, multi-geographical locations and established brands. The well maintained plant and equipments ensure uninterrupted production and distribution of goods.

#### **Opportunity, Threats, Risk & Concerns:**

The Company welcomes the Government's plan to introduce DBT subsidy directly to farmers which shall give the farmers unrestricted choice as well as make them understand the real worth of fertilizer used by them.

The Company is in an advantageous position for tapping its already established production capacity with multi- geographical locations; wide spread marketing network and high brand value for its product.

NBS policy as envisaged has attracted new entrants in the market, which in fact shall be better for the wider reach of this long neglected product and establishing the SSP Industry in its right place. However, entry of new entrants in overall bad market conditions has created excess supply in the market resulting into changing consumption and stocking patterns necessitating higher inventories.

SSP fertilisers are based on imported raw-materials which can face severe volatility in prices and foreign currency exchange rates, affecting the profitability of the Company. Agro-Climatic conditions also have a large effect on the performance of the Company.

Uncertainty of monsoon, volatile international market of raw material, seasonal consumption of fertilizer mainly in two months each in Kharif and Rabi, lack of awareness of benefits of SSP consumption amongst farmer fraternity, clubbed with logistics availability/cost and higher requirement of working capital shall remain concerns for the Industry & of the Company.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company conducts its business with integrity and high standards of ethics, and in compliance with the laws and regulations that govern its business. The Company has a well established system of internal controls in operations, supported by suitable monitoring procedures and self-assessment exercises. The financial and commercial functions at various locations are structured and reviewed timely to provide adequate support and controls for the business of the Company.

In addition to external audit, The Company has appointed M/s O P Bagla & Co., Chartered Accountants, as an Internal Auditor, who report significant findings to the Audit Committee of the Board. Consequently required steps are taken to improve the operations.

#### **HUMAN RESOURCE AND INDUSTRIAL RELATIONS:**

The ability to attract, onboard, develop and engage the right kind of talent is crucial to an organization's long term success. Company strongly believes in continuously taking steps towards talent management, leadership development, and employee engagement. Employees are the back - bone of good organization and to motivate them to achieve greater heights, the Company undertook various HR initiatives towards their development, enhancement and retention. The Company considers its highly motivated and well-maintained team as its most valuable asset. As on 31.03.2023, the Company has employed 697 peoples at various locations in India.

Amidst all the pressures and demands of the growing business, Industrial Relations continued to be reasonably cordial with our Union(s).

#### **ENVIRONMENT AND SAFETY:**

The Company has always considered safety and environment one of its key focus area and has always striven to make continuous improvement in these two aspects.

At Company, environment concerns have always taken precedence; to address the concerns on Environment Protection, the Company has set up an Online Monitoring System at all the plants and concrete efforts were made towards natural resource conservation by way of Water Harvesting, Sewage Treatment Plant, etc.

#### **CONCLUSION:**

The Company dwells on chalking out the best possible future plans and policies so as to avoid the pitfalls and following the best course in the long run. In both the business segments, a focus on assets utilization, earning maximization, continuous growth and relentless strengthening of the internal efficiencies will enable the Company to deliver superior value for its shareholders on a sustained basis in future.

In accordance Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at KhaiTan Chemicals and Fertilizers Limited is as under:

#### 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including the inter-action with employees, shareholders, creditors, consumer, institutional and other term lenders and place due emphasis on regulatory compliance.

The Company has an active, experienced and a well-informed Board. The Board along with its committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

#### 2. BOARD OF DIRECTORS:

##### COMPOSITION, MEETINGS AND ATTENDANCE:

The present strength of the Board of Directors is Six (6). Out of the six directors, three directors are Non-Executive and Independent. Shri Shailesh Khaitan (father of Shri Utsav Khaitan), an Executive Promoter Director is the Chairman & Managing Director and Shri Utsav Khaitan (son of Shri Shailesh Khaitan) Executive Director is the Joint Managing Director of the Company. Shri Jagdish Lal Jajoo, Executive Directors is the Whole Time Director of the Company. Shri Balmukund Dakhera, Shri Vijay Gupta and Ms. Veena Chadha, non-executive Directors are the Independent Directors of the Company. The composition of the Board of Directors meets the stipulated requirement.

The Board's composition and categories as on March 31, 2023, and the attendance of each director at Board meetings and the last Annual General Meeting (AGM) are as under:

DIN	Name of Directors	Category	No. of Directorship in other Cos. (excluding Pvt. Cos.)	No. of Board Committee Memberships in other Cos.	No. of Board Committee for which Chairperson	No. of Board meetings Attended	Whether Attended AGM
00041247	Shri Shailesh Khaitan	Promoter, Executive	Three	Nil	Nil	Six	No
03021454	Shri Utsav Khaitan	Promoter, Executive	Nil	Nil	One	Six	Yes
02758763	Shri Jagdish Lal Jajoo	Executive	Nil	Nil	One	Six	Yes
03511193	Shri Vijay Gupta	Independent, Non-Executive	Nil	Nil	One	Six	Yes
05105269	Shri Balmukund Dakhera	Independent, Non-Executive	Nil	Nil	Two	Six	Yes
06886533	Ms. Veena Chadha	Independent, Non-Executive	Nil	Nil	Nil	Six	Yes

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Directors of KhaiTan Chemicals and Fertilizers Limited do not have Directorship in more than twenty Companies or membership of more than ten Board level Committees or Chairman of more than five such Committees. Further none of the Independent Director act as an independent director in more than seven listed companies.

#### BOARD INDEPENDENCE:

The Non-executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and rules made thereunder and meet with the requirement of Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on business strategies/policies etc. and review the financial performance of the Company.

During the financial year ended March 31, 2023, Six (6) Board Meetings were held on April 22, 2022; May 6, 2022; June 3, 2022; August 2, 2022; November 5, 2022 and January 23, 2023.

The intervals between two meetings were well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's last Annual General Meeting (AGM) was held on Thursday, June 23, 2022.

#### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman & Managing Director and Whole Time Directors on the Company's manufacturing, marketing, finance and other important aspects. The web link for the familiarisation programmes for Independent Directors is:

<http://kcfi.co.in/wp-content/uploads/2022/05/Familiarization-program-for-IDs.pdf>

#### 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day to day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following Committees:

## I. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The present strength of the Audit Committee is three as on 31.03.2023. Shri Balmukund Dakhera, Chartered Accountant, is the Chairman of the Audit Committee of the Company. All the members of the Audit Committee are independent and non-executive directors. The recommendations of audit committee were duly accepted by the Board of Directors. The Chairman of the Committee was present at the Annual General Meeting of the Company.

### (a) Composition, Name of members, Chairperson, Meetings and Attendance during the year:

The Audit committee consisted of the following members as on March 31, 2023:

S. No.	Name of Members	Status	No. of Meetings Attended
1.	Shri Balmukund Dakhera	Chairman	4
2.	Shri Vijay Gupta	Member	4
3.	Ms. Veena Chadha	Member	4

During the financial year ended March 31, 2023, Four (4) Audit Committee Meetings were held on; April 22, 2022; August 2, 2022; November 5, 2022 and January 23, 2023.

The gap between two meetings did not exceed one hundred and twenty days.

- (a) **Terms of reference:** The terms of reference, and the role of Audit Committee is to overview the accounting system, financial reporting, disclosures of financial reporting, internal control system and risk management system of the Company. The powers and role of the Audit Committee are set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.
- (b) **Quorum:** Two independent members.
- (c) **Secretary to the Committee:** Company Secretary of the Company, acts as the Secretary of the Committee as required by Regulation 18 (1) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The present strength of the Nomination & Remuneration Committee is three as on 31.03.2023. All three are non-executive independent directors viz., Shri Balmukund Dakhera, Shri Vijay Gupta & Ms. Veena Chadha. Shri Balmukund Dakhera is the Chairman of the Nomination & Remuneration Committee. The Chairman of the Committee was present at the Annual General Meeting of the Company.

### a) Composition, Name of members, Chairperson, Meetings and Attendance during the year:

The Nomination & Remuneration Committee consisted of the following members as on March 31, 2023:

S. No.	Name of Members	Status	No. of Meetings Attended
1.	Shri Balmukund Dakhera	Chairman	2
2.	Shri Vijay Gupta	Member	2
3.	Ms. Veena Chadha	Member	2

During the financial year ended March 31, 2023, Two (2) Nomination & Remuneration Committee Meetings were held on April 22, 2022 and January 23, 2023.

- (b) **Terms of reference:** The terms of the reference of Nomination and Remuneration Committee includes deciding the Company's policies on specific remuneration packages for all the directors and designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the board of Directors and the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 178 of the Companies Act, 2013.
- (c) **Quorum:** Two independent members.
- (d) **Secretary to the Committee:** Company Secretary of the Company acts as the Secretary of the Committee.
- (e) **Performance Evaluation Criteria for Independent Directors:** The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

### AREAS OF EVALUATION

- Frequency of meetings attended.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Interpersonal relations with other directors and management.
- Familiarity with the objects, operations and other functions of the company
- Exercise of fiscal oversight and monitoring financial performance and monitoring of Corporate Governance Regulations and compliance
- Adherence to Code of Conduct and Business ethics by directors individually and collectively
- Performance of the Chairperson, Whole time Directors of the company and overall performance of the Board / Committees.

### (f) NOMINATION & REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

## Definitions:

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

“**Key Managerial Personnel**” means:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- such other officer as may be prescribed.

“**Senior Managerial Personnel**” means the personnel of the Company who are the members of its core management team excluding Board of Directors i.e. President of the Company.

## Objective:

The objective of the policy is to guide the Board, in relation to appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management, to evaluate the performance of the Directors, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, so to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and to guide succession plan for the Board and to regularly review the plan.

## Role of the Committee:

Considering the size of the Company, the role of the NRC will be the following:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To evaluate / recommend to the Board the appointment/re-appointment and removal of Directors (based on diversity, composition etc.) and Senior Management including their remuneration while keeping in mind that any such process does not distort functional hierarchy.
- Overseeing succession planning for replacing Key Executives.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## Broad Policy:

1. All the recommendation should adhere to applicable statutory provisions.
2. The Committee should give uncompromising high weightage to moral /social/financial integrity of any existing/proposed directors/employees.
3. The Committee shall decide its own way of working to interface the Organization.
4. The Committee shall communicate all its decisions / recommendations by way of minutes of 'Nomination and Remuneration Committee' which shall be considered by the Board of Directors for implementation or otherwise as consider necessary.

## Remuneration of Directors:

- (a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2022-2023.
- (b) The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings attended by them, of such sum as may be approved by the Board of Directors / Members of the Company within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.
- (c) **Details of remuneration paid to the Executive Directors for the financial year 2022-23.** (Rs. in lakhs)

Name	Designation	Salary	Commission/Sitting Fees	Perks & Allowances	Total	Tenure
Shri Shailesh Khaitan	Chairman & Managing Director	300.00	50.00	117.42	467.42	3 years
Shri Utsav Khaitan	Joint Managing Director	146.00	-	36.74	182.74	3 years
Shri Jagdish Lal Jajoo	Whole Time Director	17.50	-	2.92	20.42	3 years

- (d) **Details of remuneration paid to non-executive Director for the financial year 2022-23:**

At present the Non-executive Directors are paid remuneration by way of sitting fees Rs. 25,000/- & Rs. 10,000/- for attending each meeting of the Board and the committees respectively. Details of sitting fees paid to Non-executive Directors and shares held by them in the financial year 2022-2023 are given below:

S. No.	Name of Directors	Sitting Fees (in Rs.)	No. of Shares Hold
1.	Shri Vijay Gupta	2,90,000	80
2.	Shri Balmukund Dakhera	2,90,000	Nil
3.	Ms. Veena Chadha	2,70,000	Nil

## III. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholder's Relationship Committee consisting of three members as on 31.03.2023, chaired by Shri Vijay Gupta, an Independent, Non-executive Director, Ms. Veena Chadha, an Independent Women Director and Shri Balmukund Dakhera, an Independent, Non-executive Director of the Company. The Committee meets at regular intervals to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificate, non receipt of declared dividend etc. and to review the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of share transfer/transmissions approved by the Committee are placed at the Board Meetings from time to time.

**(a) COMPOSITION**

The constitution of the Stakeholder's Relationship committee is as under:

S. No.	Name	Chairman/Member	No. of Meeting Attended
1.	Shri Vijay Gupta	Chairman, Independent, Non-executive	4
2.	Ms. Veena Chadha	Member, Independent, Non-executive	4
3.	Shri Balmukund Dakhera	Member, Independent, Non-executive	4

During the financial year ended March 31, 2023 Four (4) Stakeholder's Relationship Committee Meetings were held on; April 22, 2022; August 02, 2022; November 5, 2022 and January 23, 2023.

**(a) QUORUM:** Two Members.

**(b) STATUS OF SHAREHOLDERS' GRIEVANCE:** During the year 2022-23, the Company has received 131 grievances and has resolved the same according to the satisfaction of shareholders within prescribed time. There are no pending grievances as on 31.03.2023.

**Shareholder services, enquiries, complaints:** It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed Shareholders. We have taken special care in answering the queries of shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

S. No.	Nature of Query	No. of days for Disposal
1.	Share Transfers	15 days
2.	Demat of Shares	7 days
3.	Dividend Revalidation	7 days
4.	Issue of New Shares on surrender of old shares	2 days
5.	Change of Address / Bank Mandate	2 days
6.	General Queries	2 days

**IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Board has constituted a Corporate Social Responsibility Committee consisting of five members, chaired by Shri Jagdish Lal Jajoo, Whole Time Director of the Company. The composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The terms of reference of the CSR Committee broadly comprises to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress. The detailed CSR Policy has also been uploaded on Company's Website: Web-link: <http://kcfl.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf>

**COMPOSITION**

The constitution of the Corporate Social Responsibility Committee is as under:

S. No.	Name	Chairman/ Member	No. of Meeting Attended
1.	Shri Jagdish Lal Jajoo	Chairman, Whole Time Director	1
2.	Shri Utsav Khaitan	Member, Joint Managing Director	1
3.	Shri Vijay Gupta	Member, Independent, Non-executive	1
4.	Shri Balmukund Dakhera	Member, Independent, Non-executive	1
5.	Ms. Veena Chadha	Member, Independent, Non-executive	1

During the financial year ended March 31, 2023, One (1) meeting of Corporate Social Responsibility Committee was held on August 2, 2022.

**(a) Quorum:** Two Members.

**(b) Secretary to the Committee:** Company Secretary of the Company acts as the Secretary of the Committee.

**V. RISK MANAGEMENT COMMITTEE:**

The Board has constituted a Risk Management Committee consisting of three members, chaired by Shri Utsav Khaitan, Joint Managing Director of the Company. The composition of Risk Management Committee is in accordance with the provisions of Regulation 21 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed Risk Management Policy has also been uploaded on Company's Website Web-link: <http://kcfl.co.in/wp-content/uploads/2022/05/Risk-Management-Policy.pdf>

**COMPOSITION**

The constitution of the Risk Management Committee is as under:

S. No.	Name	Chairman/ Member	No. of Meeting Attended
1.	Shri Utsav Khaitan	Chairman, Joint Managing Director	2
2.	Shri Vijay Gupta	Member, Independent, Non-executive	2
3.	Shri Balmukund Dakhera	Member, Independent, Non-executive	2

During the financial year ended March 31, 2023 Two (2) Risk Management Committee Meetings were held on August 02, 2022 and January 23, 2023.

**4. INDEPENDENT DIRECTOR'S MEETING:**

During the year under review, the Independent Directors met on January 23, 2023, inter-alia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## 5. ANNUAL GENERAL MEETINGS:

Location, date and time of the Annual General Meetings of the Company held during preceding 3 years are given below:

AGM No.	Financial Year	Location of the Meeting	Date	Time	Whether passed any Special Resolutions
38 <sup>th</sup>	2019-2020	Convened through VC/OAVM	August 7, 2020	1:00 P.M.	Yes <sup>®</sup>
39 <sup>th</sup>	2020-2021	Convened through VC/OAVM	July 7, 2021	1:00 P.M.	Yes*
40 <sup>th</sup>	2021-2022	Convened through VC/OAVM	June 23, 2022	1:00 P.M.	Yes <sup>®</sup>

<sup>®</sup>Special Resolution passed in 40<sup>th</sup> AGM

- Re-appointment of Shri Shailesh Khaitan (DIN: 00041247) as the Chairman & Managing Director of the Company.
- Re-appointment of Shri Jagdish Lal Jajoo (DIN: 02758763) as a Whole Time Director of the Company.

\*Special Resolution passed in 39<sup>th</sup> AGM

- Appointment of Shri Utsav Khaitan (DIN: 03021454) as the Joint Managing Director of the Company.

<sup>®</sup>Special Resolution passed in 38<sup>th</sup> AGM

- Re-appointment of Shri Jagdish Lal Jajoo (DIN: 02758763) as a Whole Time Director of the Company.

## 6. MEANS OF COMMUNICATION:

1. The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, the Auditors' Report, Management Discussion and Analysis Report, Report on Corporate Governance, Audited Financial Statements and other important information.
2. The website of the Company [www.kcfl.co.in](http://www.kcfl.co.in) acts as the primary source of information regarding the operations of the Company, quarterly/ half-yearly/ annual financial results and other media releases are being displayed on the Company's website.
3. Quarterly/ half-yearly/ annual results approved by the Board of Directors are submitted to the Stock Exchange in terms of the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in the following news papers, namely, Free Press (English) and Chautha Sansar (Hindi) editions.

## 7. GENERAL SHAREHOLDER INFORMATION:

### (a) Annual General Meeting:

The 41st Annual General Meeting of the Company will be held on Friday, 28th day of July, 2023 at 01:00 p.m. The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, December 14, 2021 and December 28, 2022 as such there is no requirement to have a venue for the AGM.

### (b) Financial Calendar for the Financial Year 2023-24:

- Financial reporting for the quarter ending June 30, 2023 : On or before August 14, 2023
- Financial reporting for the half year ending September 30, 2023 : On or before November 14, 2023
- Financial reporting for the quarter ending December 31, 2023 : On or before February 14, 2024
- Financial reporting for the year ending March 31, 2024 : On or before May 30, 2024

### (c) Dividend Payment:

Dividend, if declared will be paid on or after **Wednesday August 2, 2023**.

### (d) Unclaimed Dividend/ Shares:

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. [www.kcfl.co.in](http://www.kcfl.co.in)

The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2014-15 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013

**Information to Physical Shareholders:** Securities and Exchange Board of India (SEBI) vide its circular dated November 03, 2021, circular dated December 14, 2021, and circular dated March 16, 2023 as made it mandatory to furnish PAN, email address, mobile number, bank account details and nomination by holders of Physical Securities. In this regard individual letters are sent to all the physical Shareholders. You are requested to furnish Valid PAN, KYC and nomination immediately to the RTA.

You are requested to kindly check the website for more details. <http://kcfl.co.in/notices-to-shareholders/>

### (e) Listing of Shares:

The Shares of the Company are listed on The BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 and on National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 001. The Company has paid Annual Listing and Custodial Fees to the Stock Exchanges and Depositories for the year 2023-2024.

- f) **BSE Stock Code** : 507794  
**NSE Symbol** : KHAICHEM

### (g) International Security Identification No. (ISIN): NSDL and CDSL: INE745B01028

**(h) Market Price Data and Comparison with SENSEX & NIFTY :**

Month wise High, Low and Trading Volumes of the Company's Equity Shares during the Financial Year 2022-2023 at BSE and NSE alongwith comparison with BSE Sensex and NSE Nifty are given below:

**BSE Limited**

Month	Monthly High (in Rs.)	Monthly Low (in Rs.)	No. of Shares Traded	SENSEX Monthly High	SENSEX Monthly Low
Apr-22	156.95	115.05	1802184	60845.10	56009.07
May-22	126.70	94.65	861824	57184.21	52632.48
Jun-22	117.60	80.15	908897	56432.65	50921.22
Jul-22	102.00	81.65	895116	57619.27	52094.25
Aug-22	91.85	77.50	1898859	60411.20	57367.47
Sep-22	88.00	70.85	1748458	60676.12	56147.23
Oct-22	82.60	70.15	576133	60786.70	56683.40
Nov-22	80.50	70.40	396669	63303.01	60425.47
Dec-22	85.35	66.75	1481678	63583.07	59754.10
Jan-23	81.00	64.40	1122676	61343.96	58699.20
Feb-23	73.00	55.00	358431	61682.25	58816.84
Mar-23	69.89	57.30	447730	60498.48	59136.48

**National Stock Exchange of India Limited**

Month	Monthly High (in Rs.)	Monthly Low (in Rs.)	No. of Shares Traded	NIFTY Monthly High	NIFTY Monthly Low
Apr-22	157.00	115.05	10859651	18114.65	16824.70
May-22	126.40	94.80	4662372	17132.85	15735.75
Jun-22	117.95	80.65	7381629	16793.85	15183.40
Jul-22	102.50	82.10	5680717	17172.80	15511.05
Aug-22	91.80	71.35	7904153	17992.20	17154.80
Sep-22	88.00	70.85	5351438	18096.15	16747.70
Oct-22	82.85	70.05	3551515	18022.80	16855.55
Nov-22	80.00	71.35	2889005	18816.05	17959.20
Dec-22	85.45	66.55	10337457	18887.60	17774.25
Jan-23	81.00	64.50	4287205	18251.95	17405.55
Feb-23	73.10	56.30	2317303	18133.95	17353.40
Mar-23	69.75	57.50	3117054	17360.10	17799.95

**(i) Registrar & Share Transfer Agent:**

M/s. Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010  
Tel.: 0731-2551745-46, 4949444, Fax: 0731-4065798  
E-mail: investor@ankitonline.com  
Web :www.ankitonline.com

**(j) Share Transfer System:** In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to the Company Secretary, who attend to share transfer formalities fortnightly. The Company has appointed M/s. Ankit Consultancy Pvt. Ltd. as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/rematerialization of securities.

**(k) Distribution of shareholding as on March 31, 2023:**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 1000	60789	95.41	9070163	9.35
1001 to 2000	1631	2.56	2489152	2.57
2001 to 3000	522	0.82	1335414	1.38
3001 to 4000	212	0.33	764655	0.79
4001 to 5000	168	0.26	798572	0.82
5001 to 10000	254	0.40	1858367	1.92
10001 and above	138	0.22	80672877	83.17
<b>Grand Total</b>	<b>63714</b>	<b>100.00</b>	<b>96989200</b>	<b>100.00</b>



## Categories of Shareholders as on March 31, 2023 :

Category	No. of Shares held	% of Shareholding
Promoters	72736169	74.99
Financial Institutions, Mutual Fund and Banks	6550	0.01
Investor Education and Protection Fund Authority	3139855	3.24
Private Corporate Bodies	997108	1.03
Non-residents /OCBs	696491	0.72
Indian Public	19413027	20.01
<b>Total</b>	<b>96989200</b>	<b>100.00</b>

(l) **Dematerialisation of Shares and liquidity:** Trading in KhaiTan Chemicals and Fertilizers Limited shares is permitted only in dematerialised form with effect from 26<sup>th</sup> March, 2001, as per notification issued by the Securities and Exchange Board of India (SEBI).

At present, the Company's shares are fully available for trading in the depository systems of both NSDL and CDSL. As on 31<sup>st</sup> March, 2023, **9,57,95,908** equity shares of the Company, which amount to **98.77%** of the equity capital exist under the electronic form. **Those shareholders, who have still not got their shares dematerialised, are advised to do so, as soon as possible, in view of many advantages that exists therein.**

(m) **Commodity Price Risk/ Foreign Exchange Risk and Hedging:** Foreign Exchange Risk has been fully covered by the Company.

(n) **Plant Locations:** The Company has the following manufacturing and operating divisions:

### Fertilizers and Chemicals & Speciality Chemicals Division:

1. A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone - 451 569 (M.P.)
2. Village Goramachia, Jhansi-Kanpur Road, Jhansi- 248 001 (U.P.)
3. Village Dhinva, Tehsil Nimbahera, Dist. Chhittorgarh - 312 601 (Rajasthan)
4. A-1, UPSIDC Industrial Area, Malwan, Dist. Fatehpur- 212 664 (U.P.)
5. Village Farhad (Somni), Dist. Rajnandgaon- 491443 (Chhattisgarh)
6. 42/7, GIDC Industrial Estate, Dahej, Vagra, Dist. Bharuch- 392 130 (Gujarat)

(o) **Investor Correspondence (Details of Compliance Officer):**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any query relating to the shares of the Company please write to:

### CSAJAY SALITRA

#### Company Secretary & Compliance Officer

KhaiTan Chemicals and Fertilizers Limited

L24219MP1982PLC004937

The B Zone, 7<sup>th</sup> Floor, Pipliya Kumar, Nipania Main Road,

Indore - 453771 (M.P.)

Tel. No. 0731-4753666

E-mail - cs@kcfil.in, secretarial@kcfil.in

(p) **Date of Book Closure:**

Saturday, July 22, 2023 to Friday, July 28, 2023 (both days inclusive) for Annual General Meeting/payment of Dividend.

## 8. OTHER DISCLOSURES:

- a. There are no materially significant transactions with its promoters, the directors or the senior management personnel, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm's length basis at fair market value.
- b. Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years.
- c. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has framed a

Whistleblower Policy. No personnel has been denied access to the Audit Committee. The detail Whistleblower policy has been uploaded on the Company's website: Web-link: <http://kcfil.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf>

- d. The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- e. The Company does not have any subsidiary Company.
- f. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.  
The Company has framed Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and is placed on the Company's website and the web link for the same is <http://kcfil.co.in/wp-content/uploads/2022/05/Policy-on-Materiality-of-Related-Party-Transactions-and-on-Dealing-with-Related-Party-Transactions.pdf>  
The Company has also formed Related Party Transactions Policy and the web link for same is: <http://kcfil.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf>
- g. The Company has in place mechanism to inform Board Members about the Risk Management and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management. A detailed note on risk management is given in the financial review section of the management discussion and analysis report elsewhere in this report. Further the company did not engage in commodity hedging activities.

## 9. INSTANCE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.

There has been no instance of non-compliance of any requirement of corporate governance report as mentioned in sub-paras 2 to 12 above.

## 10. ADOPTION OF NON-MANDATORY REQUIREMENTS:

The Company has adopted below mentioned discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Reporting of Internal Auditor

The Internal Auditor of the Company is a invitee to the Audit Committee Meeting for reporting their findings of the internal audit to the Audit Committee Members.

## 11. THE COMPANY HAS FULLY COMPLIED WITH THE APPLICABLE REQUIREMENT SPECIFIED IN REG. 17 TO 27 AND CLAUSE (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

**Declaration Regarding Compliance with the Company's Code of Conduct pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

As required by Regulation 26 (3), Regulation 34(3) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management of the Company have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: New Delhi  
Date: April 29, 2023

(UTASV KHAITAN)  
JOINT MANAGING DIRECTOR  
DIN : 03021454

**CEO and CFO Certification under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

The Board of Directors,  
Khaitan Chemicals and Fertilizers Limited

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

Place: New Delhi  
Date: April 29, 2023

(UTASV KHAITAN)  
JOINT MANAGING DIRECTOR  
DIN : 03021454

HARSH VARDHAN AGNIHOTRI  
(PRESIDENT & CHIEF FINANCIAL OFFICER)  
PAN No. : ACXPA9315K

**Disclosures with respect to demat suspense account/ unclaimed suspense account pursuant to Regulation 34(3) read with Schedule V (F) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

Particulars	No. of Shareholders	No. of Shares held by them
Detail of shareholders as on 01.04.2022	Nil	Nil
Shareholders who approached during the year for transfer of shares (including Those Shareholders whose shares transferred to IEPF Account)	Nil	Nil
Shareholders to whom shares are transferred during the year (including Those Shareholders whose shares transferred to IEPF Account)	Nil	Nil
Detail of shareholders as on 31.03.2023	Nil	Nil

Further the voting rights on above mentioned shares are frozen till the rightful owner claims the shares.

Place: New Delhi  
Date: April 29, 2023

(UTASV KHAITAN)  
JOINT MANAGING DIRECTOR  
DIN : 03021454

**COMPLIANCE CERTIFICATE**

(Regulation 34(3) and Schedule V Para E SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Khaitan Chemicals and Fertilizers Limited  
(CIN:L24219MP1982PLC004937)

We have examined the compliance of conditions of Corporate Governance by Khaitan Chemicals and Fertilizers Limited, for the year ended March 31, 2023, as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the company has complied with conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**for Ritesh Gupta & Co.  
Company Secretaries**

**Ritesh Gupta  
CP:3764, FCS:5200  
UDIN- F005200E000221911**

**Place: Indore  
Date : April 29, 2023**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

To,  
The Members,  
**Khaitan Chemicals and Fertilizers Limited**  
A.B. Road, Village- Nimrani,  
Khargone (MP) 451569

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Khaitan Chemicals And Fertilizers Limited having (CIN:L24219MP1982PLC004937) having registered office at A.B. Road, Village- Nimrani, Khargone (MP) 451569 (hereinafter referred to as 'the Company'), produced before me, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment
1.	Shailesh Khaitan	00041247	26/04/2007
2.	Jagdishlal Chunilal Jajoo	02758763	15/11/2014
3.	Utsav Khaitan	03021454	01/04/2014
4.	Vijay Gupta	03511193	01/04/2014
5.	Balmukund Dakhera	05105269	31/10/2011
6.	Veena Chadha	06886533	07/08/2014

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to issue certificate based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**for Ritesh Gupta & Co.  
Company Secretaries**

**Ritesh Gupta  
CP:3764, FCS:5200  
UDIN- F005200E000221955**

**Place: Indore  
Date : April 29, 2023**

## Secretarial Audit Report

Annexure - 'D'

### FORM MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

To,

The Members,

M/s. Khaitan Chemicals and Fertilizers Limited

A.B. Road, Village-Nimrani, Dist. Khargone (MP)-451569

I have conducted the secretarial audit of compliances of applicable statutory provisions and the adherence to good corporate practices by Khaitan Chemicals and Fertilizers Limited (CIN:L24219MP1982PLC004937) (hereinafter called 'The Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company on testing basis for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws applicable specifically to the Company (as given in Annexure-I to the Report).

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

- i. Secretarial Standards-1 pertaining to Board Meetings, Secretarial Standards-2 pertaining to General Meetings, issued by the Institute of Company Secretaries of India were applicable during the year.
- ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered by the Company with Stock Exchange.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The provisions, regulations and guidelines prescribed under Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the financial year under report;
2. The following provisions, regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report :-
  - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.

I further report that based on the information, representation and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit and also review on quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws, Rules and

Regulations and happening of events etc. to the Company.

I further report that the compliances of applicable financial, cost and tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

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

Adequate notice, agenda and detailed notes on agenda of Board Meetings were sent to all directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company.

For Ritesh Gupta & Co.  
Company Secretaries

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200E000221735

Date: April 29, 2023

Place: Indore

"Annexure -I"

#### IMPORTANT LAWS APPLICABLE SPECIFICALLY TO THE COMPANY

The Company has complied with the following laws and legislations applicable specifically to the Company.

- 1) Factories Act, 1948;
- 2) The Environmental (Protection) Act, 1986;
- 3) The Water (Prevention & Control of Pollution) Act, 1974;
- 4) The Air (Prevention & Control of Pollution) Act, 1981;
- 5) The Explosive Act, 1884;
- 6) Fertilizer (Control) Order, 1985;

For Ritesh Gupta & Co.  
Company Secretaries

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200E000221735

Date: April 29, 2023

Place: Indore

Note: This report to be read with my letter of even date which is annexed as 'Annexure-A' and forms part of this report.

#### Annexure A to the Secretarial Audit Report

To,

The Members,

M/s. Khaitan Chemicals and Fertilizers Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of my audit assignment.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Ritesh Gupta & Co.  
Company Secretaries

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200E000221735

Date: April 29, 2023

Place: Indore

**1. A brief outline on CSR Policy of the Company**

The Khaitan Chemicals and Fertilizers Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service oriented philanthropic institutions in the field of education and healthcare as the core focus areas. Khaitan Chemicals and Fertilizers Limited uphold the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavors are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

**2. Composition of CSR Committee:**

S. No.	Name of Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1.	Shri Jagdish Lal Jajoo	Chairman / Whole Time Director	1	1
2.	Shri Utsav Khaitan	Member/ Joint Managing Director	1	1
3.	Shri Balmukund Dakhera	Member/ Independent Director	1	1
4.	Shri Vijay Gupta	Member/ Independent Director	1	1
5.	Ms. Veena Chadha	Member/ Independent Director	1	1

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<http://kcfi.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.:** NA

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Nil**

S. No.	Financial Year	Amount available for Set-off from preceding financial years (in Rs.)	Amount required to be Set-off from preceding financial years (in Rs.)
1.	-	-	-

**6. Average Net Profit of the Company as per section 135 (5):**

Net Profit/(loss) : Rs. 5485.55 Lakhs

**7. (a) Two percent of average net profit of the company as per section 135(5) :Rs. 109.71 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c):**Rs. 109.71 Lakhs**

**8. a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.) : Nil				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under schedule VII as per second proviso to section (135(5)).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
125.23 Lakhs	-	-	-	-	-

**b) Details of CSR amount spent against ongoing projects for the financial year: Nil**

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount Transferred to Unspent, CSR Account for the Project as per Section 135 (6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through implementing Agency	
				State	District						Name	CSR Reg. No.
1.	-	-	-	-	-	-	-	-	-	-	-	-
	Total											

**c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of The Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the Project (in Rs.)	(7) Mode of Implementation Direct	(8) Mode of Implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1.	<b>Rural Development Project</b>	Schedule- VII Item No.-(x) Rural Development	Yes	Madhya Pradesh	Khargone	Rs. 24.38 Lakhs	Yes	NA	NA
	1. Solar System & Lights			Uttar Pradesh	Jhansi	Rs. 13.70 Lakhs			
	2. Civil Works (Road Construction & Development)			Uttar Pradesh	Jhansi	Rs. 27.00 Lakhs			
2.	3. Civil Works (Crematorium Development)	Schedule- VII Item No.-(ii) Promoting Education	Yes	Rajasthan	Chittorgarh	Rs. 9.12 Lakhs	Yes	NA	NA
	<b>Promoting Education</b>			Madhya Pradesh	Khargone	Rs. 1.00 Lakhs			
	1. Har Ghar Tiranga Mahotsava			Chhatisgarh	Rajnandgaon	Rs. 3.54 Lakhs			
	2. Anganwadi Development			Delhi	Delhi	Rs. 10.00 Lakhs			
	3. Donation to KUSHII (Kinship for Humanitarian Social and Holistic Intervention in India)			Madhya Pradesh	Khargone	Rs. 15.18 Lakhs			
4. School Repairing & Maintenance	Uttar Pradesh	Jhansi	Rs. 21.31 Lakhs						
<b>Total</b>						<b>Rs. 125.23 Lakhs</b>			

**d) Amount spent in Administrative Overheads.: Nil**

**e) Amount spent on Impact Assessment, if applicable.: NA**

**f) Total amount spent for the Financial Year (8b+8c+8d+8e).: Rs. 125.23 Lakhs**

**g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 109.71 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 125.23 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 15.52 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 15.52 Lakhs

**9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL**

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount Transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1.	-	-	-	-	-	-	-
Total							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL**

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the Project was commenced	(5) Project Duration	(6) Total amount allocated for the Project (in Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs.)	(8) Cumulative amount spent at the end of reporting Financial Year (in Rs.)	(9) Status of the Project - Completed / Ongoing
1.	-	-	-	-	-	-	-	-
Total								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

a) Date of creation or acquisition of the capital asset(s).: **NA**

b) Amount of CSR spent for creation or acquisition of capital asset.: **NA**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: **NA**

**11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NA**

(As per "the Act" and rule made thereunder)

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

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

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:**

- (a) Name(s) of the related party and nature of relationship - NA
- (b) Nature of contracts/arrangements/transactions - NA
- (c) Duration of the contracts / arrangements/transactions- NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - NA
- (e) Date(s) of approval by the Board, if any: - NA
- (f) Amount paid as advances, if any: - NA

**2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions:

S. No.	Name of Related Parties	Nature of Relationship	Nature of Transaction
1	Shradha Projects Limited	A Public Company in which Shri Shailesh Khaitan is a Director.	Immovable property has been taken on rent by the Company 01.04.2020 to 31.03.2025 and Unsecured Loan has been also taken by the Company.
2	B O Construction Private Limited	A Private Company in which Shri Shailesh Khaitan is a Director.	Immovable property has been taken on rent by the Company 01.04.2021 to 31.03.2024.
3.	Ms. Swapna Khaitan	Promoter and Wife of Chairman & Managing Director	Immovable property has been taken on rent by the Company 01.06.2021 to 31.05.2030.
4.	Ms. Uditia Khaitan	Wife of Joint Managing Director	Immovable property has been taken on rent by the Company 01.04.2022 to 31.03.2025.

**Note:** The detailed information forms part of Notes to Financial Statements in Note No. 25 (AS-18).

**(c) Salient terms of the contracts or arrangements or transactions including the value, if any**

Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices as compared to the prevailing rates in the market better quality products and timely supplies.

**(d) Justification for entering into such contracts or arrangements or transactions**

It is ensured that the contract with the Contracting party is advantageous to the Company and its shareholders. The Company intends to ensure following aspects by dealing with contracting parties:

**(e) date(s) of approval by the Board: all the quarterly meetings held during the Financial Year 2022-23**

**(f) Amount paid as advances, if any: Nil**

**(g) Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188: N.A.**

**3. The details of all related party transactions as per Accounting Standard 18 have been disclosed in Notes to Accounts of Financial Statement.**

Place: New Delhi  
Date : April 29, 2023

(UTSAV KHAITAN)  
JOINT MANAGING DIRECTOR  
DIN : 03021454

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**Annexure - 'G'**

**i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of Director	Designation	Ratio to Median Remuneration of the Employees
Shri Shailesh Khaitan	Chairman & Managing Director	200.61
Shri Utsav Khaitan	Joint Managing Director	80.10
Shri Jagdish Lal Jajoo	Whole Time Director	9.63

**ii. The % increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name of Managerial Personnel	Designation	% increase in remuneration
Shri Shailesh Khaitan	Chairman & Managing Director	58.75%
Shri Utsav Khaitan	Joint Managing Director	9.00%
Shri Jagdish Lal Jajoo	Whole Time Director	47.07%
Shri Harsh Vardhan Agnihotri	President & Chief Financial Officer	4.13%
Shri Kamlesh Joshi	Former Company Secretary & Senior General Manager	-
Shri Ajay Salitra	*Company Secretary & Compliance Officer	-

*\*Shri Kamlesh Joshi ceased to be the Company Secretary and Senior General Manager w.e.f. January 23, 2023 therefore the remuneration figure is not comparable.*

*\*Shri Ajay Salitra was appointed as Company Secretary & Compliance Officer w.e.f. January 23, 2023 therefore the remuneration figure is not comparable.*

**iii. The % increase in the median remuneration of employees in the financial year : 11.59%**

**iv. The number of permanent employees on the rolls of the Company : 697**

**v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

S. No.	Other Employee	Managerial Personnel
1.	6.87%	34.46%

These increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary bench marking survey the Company undertakes annually. The increase during the year reflects the Company's reward philosophy as well as the results of the bench marking exercise.

**vi. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.**

**SECTION A: GENERAL DISCLOSURES**
**I. Details of Listed Entity**

1	Corporate Identity Number (CIN) of the Company	L24219MP1982PLC004937
2	Name of the Company	Khaitan Chemicals and Fertilizers Limited
3	Year of Incorporation	1982
4	Registered office address	A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone- 451 569 (M.P.)
5	Corporate office address	The B Zone, 7 <sup>th</sup> Floor, Pipliya Kumar, Nipania Main Road, Indore-453771 (M.P.)
6	E-mail Id	secretarial@kcfl.in
7	Telephone	0731-4753666
8	Website	www.kcfl.co.in
9	Financial Year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of Indian Limited
11	Paid-up Capital	9,69,89,200
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report.	Mr. Jagdish Lal Jajoo, Whole Time Director Contact No. 0731-4753666 E-mail: secretarial@kcfl.in
13	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On Standalone basis

**II. Products/services**

## 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% to total turnover of the company
1	Manufacture of Straight Inorganic Fertilizers (Single Super Phosphate)	Manufacturing of Single Super Phosphate	89.15
2	Manufacture of nitric acid, ammonia, commercial ammonium chloride, nitrates of potassium and other basic chemicals of nitrogenous fertilizer industry. (Sulphuric Acid)	Manufacturing of Sulphuric Acid	10.60

## 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Single Super Phosphate Fertilizer	24122	89.15
2	Sulphuric Acid	24121	10.60

**III. Operations**

## 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	8	14
International	-	-	-

## 17. Markets served by the entity :

## a. Number of locations

Locations	Number
National (No. of States)	13
International (No. of Countries)	-

## b. What is the contribution of exports as a percentage of the total turnover of the entity: Nil

## c. A brief on types of Customers: The Company serves SSP Fertilizer, Sulphuric Acid and Other Specialty Chemicals directly as well as through Co-operative Societies and Dealers.



## IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	374	369	98.66%	5	1.34%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>374</b>	<b>369</b>	<b>98.66%</b>	<b>5</b>	<b>1.34%</b>
<b>WORKERS</b>						
4.	Permanent (F)	323	323	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>323</b>	<b>323</b>	<b>100%</b>	-	-

b. Differently abled Employees and workers.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	-	-	-	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66%
Key Management Personnel	4	0	-

20. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.59%	36.36%	14.91%	17.17%	15.38%	17.14%	12.54%	0	12.54%
Permanent Workers	4.65%	-	4.65%	6.35%	-	6.35%	4.32%	-	4.32%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, Participate in the Business Responsibility initiatives of the listed entity ? (Yes/No)
	NA	NA	NA	NA

## VI. CSR Details

22. \*(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.) : 8,250,366,000

(iii) Net worth (in Rs.) : 2,337,582,769

\*Pertains to the year 2021-22

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	<a href="https://www.scores.gov.in/admin/Welcme.html">https://www.scores.gov.in/admin/Welcme.html</a>	3 out of 131	0	Grievances are Redressed by RTA & Company.	0 out of 40	0	Grievances are Redressed by RTA & Company.
Employees and workers	<a href="http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf">http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf</a>	0	0	0	0	0	0
Customers	<a href="http://kcfl.co.in/contacts">http://kcfl.co.in/contacts</a>	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Raw Material (Rock & Sulphur) Issue	R	Rock & Sulphur is the main ingredient for manufacturing of Fertilizer, shortage of raw material impact on the manufacturing of the product.	We are trying to store the raw material to mitigate this issue. Also we have purchase rock from India as well as outside the country.	Negative implications
2.	Climate Condition	R	Fertilizer Industry mainly depends on monsoon, delay in monsoon causes poor sales.	Natural	Negative implications
3.	Government Subsidy	R	Delay in Government Subsidy by Various reasons.	Based upon the government subsidy rate finalized, market price of the product is determined after considering other miscellaneous factors.	Negative implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	CSR Policy: <a href="http://kcfl.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf">http://kcfl.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf</a> Whistle Blower Policy: <a href="http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf">http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf</a> Related Party Policy: <a href="http://kcfl.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf">http://kcfl.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf</a> Insider Trading Prohibition Code : <a href="http://kcfl.co.in/wp-content/uploads/2022/05/Code-of-Conduct-for-Prevention-of-insider-trading.pdf">http://kcfl.co.in/wp-content/uploads/2022/05/Code-of-Conduct-for-Prevention-of-insider-trading.pdf</a> Code of Conduct of Board of Directors and senior Management Personnel: <a href="http://kcfl.co.in/wp-content/uploads/2022/07/Code-of-Conduct-of-Board-of-Directors-and-senior-Management-Personnel.pdf">http://kcfl.co.in/wp-content/uploads/2022/07/Code-of-Conduct-of-Board-of-Directors-and-senior-Management-Personnel.pdf</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No



4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fair-trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	- - - - -
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	- - - - -
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principle is reviewed periodically by the various committees led by the Management and Board of the Directors.
<b>Governance, leadership and oversight</b>	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	- NO
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Jagdish Lal Jajoo (Whole Time Director)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details	Yes, CSR Committee of the Board is looking into the Sustainability related issues. Composition of CSR Committee are as follows: 1.Jagdish Lal Jajoo(02758763) : Chairman, Whole Time Director 2.Utsav Khaitan(03021454) : Member, Joint Managing Director 3.Vijay Gupta(03511193) : Member, Independent, Non-executive 4.Balmukund Dakhera(05105269) : Member, Independent, Non-executive 5.Veena Chadha(06886533) : Member, Independent, Non-executive

10. Details of Review of NGRBCs by the Company:

Subject For Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">P 1</td><td style="width: 10%;">P 2</td><td style="width: 10%;">P 3</td><td style="width: 10%;">P 4</td><td style="width: 10%;">P 5</td><td style="width: 10%;">P 6</td><td style="width: 10%;">P 7</td><td style="width: 10%;">P 8</td><td style="width: 10%;">P 9</td> </tr> </table>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">P 1</td><td style="width: 10%;">P 2</td><td style="width: 10%;">P 3</td><td style="width: 10%;">P 4</td><td style="width: 10%;">P 5</td><td style="width: 10%;">P 6</td><td style="width: 10%;">P 7</td><td style="width: 10%;">P 8</td><td style="width: 10%;">P 9</td> </tr> </table>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9												
P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9												
Performance against above policies and follow up action	Committees of the Board : As a practice, policies of the Company are reviewed periodically or on a need basis by the Management. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																			
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committees of the Board : The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Managing / Chief Financial Officer / Company Secretary to the Board of Directors.																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">P 1</td><td style="width: 10%;">P 2</td><td style="width: 10%;">P 3</td><td style="width: 10%;">P 4</td><td style="width: 10%;">P 5</td><td style="width: 10%;">P 6</td><td style="width: 10%;">P 7</td><td style="width: 10%;">P 8</td><td style="width: 10%;">P 9</td> </tr> <tr> <td colspan="9" style="text-align: center;">No</td> </tr> </table>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	No								
P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9												
No																				

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: **All principles are covered by the policies.**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (No)									
The entity does not have the financial or/human and technical resources available for the task (No)									
It is planned to be done in the next financial year (No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE - 1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.**

**ESSENTIAL INDICATORS**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Matters relating to the business, regulations, economy and environmental, social and governance parameters.	100%
Key Managerial Personnel	4		100%
Employees other than BoD and KMPs	2	Workshop on Communication Skills / Technical Skill Development	100%
Workers	12	Mock Drills and Fire Safety training done on all units separately.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NA	NA	NA
Settlement	NIL	NIL	NA	NA	NA
Compounding fee	NIL	NIL	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	NA	NA
Punishment	Nil	Nil	Nil	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. **No**

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	None	None	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None	None	None	None

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.  
Not Applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / Principles %age of value chain covered under the partners covered (by value of business done with such partners) under the awareness programmes
-	NA

2. Does the entity have processes in place to avoid/ manage conflict of interests involving Members of the Board? **(Yes)**  
**Boards of Directors of the company are governed by code of business conduct and ethics which also provide for detailed provisions on conflict of interest.**

## PRINCIPLE - 2 : BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	5.28%	6.70%	Installation of Pollution Control equipments and ensuring zero discharge from factory. Solid/hazardous waste are disposed to authorised agencies. Gases emission are monitored by online monitoring systems.

2. a. Does the entity have procedures in place for sustainable sourcing? **(Yes)**  
 b. If yes, what percentages of inputs were sourced sustainably? **90%**
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. **NA**
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. **Yes Extended Producer Responsibility (EPR) is applicable to the entity's activities and waste collection plan is in line with the EPR plan submitted to Pollution Control Board**

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total Material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including Packaging)	-	-	1150.00 MT	-	-	1250.00 MT
E-waste	-	-	0.40 MT	-	-	-
Hazardous Waste	-	-	4.40 MT	-	-	6.74 MT
Other Wastes (Metal Scrap)	-	-	301.91 MT	-	-	509.66 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

**PRINCIPLE-3 : BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

**% of employees covered by**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	369	369	100%	369	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	-	-	-	-	-	-
<b>Total</b>	<b>374</b>	<b>374</b>	<b>100%</b>	<b>374</b>	<b>100%</b>	-	-	-	-	-	-
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

**% of workers covered by**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	323	323	100%	323	100%	-	-	-	-	-	-
Female	0	0	0	0	0	-	-	-	-	-	-
<b>Total</b>	<b>323</b>	<b>323</b>	<b>100%</b>	<b>323</b>	<b>100%</b>	-	-	-	-	-	-
<b>Other than Permanent workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	50%	80%	Y	100%	100%	Y
Others – (Leave encashment and Retirement Benefit)	100%	100%	Y	100%	100%	Y

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. **Yes, All the Offices are accessible with Lift along with Electricity Backup.**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

**No disabled employees in the company, as the company is in the business of manufacturing hazardous substances.**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

**Not Applicable**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (if Yes, then give details of the mechanism in brief)
Permanent Workers	Each Manufacturing unit has a HR Welfare Department including the Business head office.
Permanent Employees	
Other than Permanent Workers	
Other than Permanent Employees	
	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	369	-	-	371	-	-
Female	5	-	-	6	-	-
<b>Total Permanent Workers</b>						
Male	323	294	91%	322	297	92%
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	369	369	100%	369	100%	371	371	100%	371	100%
Female	5	5	100%	5	100%	6	6	100%	6	100%
<b>Total</b>	<b>374</b>	<b>374</b>	<b>100%</b>	<b>374</b>	<b>100%</b>	<b>377</b>	<b>377</b>	<b>100%</b>	<b>377</b>	<b>100%</b>
<b>Workers</b>										
Male	323	323	100%	323	100%	322	322	100%	322	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>323</b>	<b>323</b>	<b>100%</b>	<b>323</b>	<b>100%</b>	<b>322</b>	<b>322</b>	<b>100%</b>	<b>322</b>	<b>100%</b>

9. Details of performance and career development reviews of employees and worker

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	369	369	100%	371	371	100%
Female	5	5	100%	6	6	100%
<b>Total</b>	<b>374</b>	<b>374</b>	<b>100%</b>	<b>377</b>	<b>377</b>	<b>100%</b>
<b>Workers</b>						
Male	323	323	100%	322	322	100%
Female	-	-	-	-	-	-
<b>Total</b>	<b>323</b>	<b>323</b>	<b>100%</b>	<b>322</b>	<b>322</b>	<b>100%</b>

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? **(Yes)**  
**The Safety & Health Management system covers activities across all manufacturing locations and offices.**
- b) What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?  
**The Company has a process for Risk Management which is essential for preventing accidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the hazards associated with operations and hazardous chemicals used, sites have deployed structured Hazard Assessment, Risk Assessment and Management**

**Process - both qualitative and quantitative which is regularly reviewed and mitigation plans are put in place for high-risk areas. The process also considers roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities. Formal risk assessment training has been provided as appropriate.**

- c) Whether you have processes for employees to report the work-related hazards and to remove themselves from such risks. (Y/N)  
**Yes, we encourage our employees to report near-miss incidents to department heads. All sites have specific procedure for reporting of work-related hazard, injuries, unsafe condition and unsafe act.**
- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes)  
**Yes, all permanent workers are covered under health insurance scheme and ESI scheme.**

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

**The Company's commitment to its safety management programmes follows a top-down approach with the senior management persistently working towards establishing, demonstrating, sustaining and improving the safety culture and incorporating the Company's core value of safety in their daily responsibilities. The employees are specially trained to tackle any potential hazards that may arise in the course of their work. Additionally, tailored periodic medical check-ups are administered to the Company's employees, based on the risk profile of their work area, to identify risks to human health. Adequate medical facilities are present at all manufacturing sites and specialised medical facilities are provided through tie-ups with other hospitals, nursing homes, etc.**

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year :

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

**All critical factors involved in an incident are determined through root cause analysis & investigation and corrective / preventive actions are identified to prevent recurrence. The detailed investigation and root causes identified by cross-functional team are reviewed by the Senior Management. Learning from incident is further discussed in the morning safety meeting, toolbox talk, safety committee meet, contractor communication meet, etc. to bring awareness and prevent recurrence of incidents.**

#### Leadership Indicators

- 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y) (B) Workers (Y).  
**The Company has systems in place to provide financial assistance to the legal dependents of the employees and workers in case of death while in service.**
- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. **NA**
- 3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:



	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **NA**

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. **NA**

### PRINCIPLE-4 : BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

**Senior Management determines internal and external group of stakeholders which has immediate impact on the company, this include shareholder, employees, customers, suppliers, bankers and Government.**

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Websites)	Frequency of engagement (Annually / Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Shareholders	No	Annual General Meeting, Shareholder Meetings, email, Stock Exchange (SE) intimations, Annual Report, Quarterly Results, Newspaper Publication Company / SE Website	Ongoing	Share price appreciation, dividends, profitability and financial stability.
Employees	No	Inter Office Memo, Circulars and Email	Ongoing	Operational efficiencies, communication, health, safety and engagement initiatives.
Customers	No	Website, Email, Post, Pamphlets and Website	Ongoing	Product quality and availability, responsiveness to needs, after sales Support.
Banker	No	Email, Post and Website	Ongoing	Sharing Financial Position and taking financial assistance.
Supplier	No	Email and Post	Ongoing	Product and Quality
Government	No	Email, Letters, Post and Website	Ongoing	Subsidy Information, Stock Movement & Position

### LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

**The Company management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, banker and government etc.**

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If

so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

**On the basis of Stakeholders consultation future policies related to environment and social topics are determined.**

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. **Companies' constant endeavor is to focus on inclusive and collaborative growth. Company tries to provide entry level recruitment to people belonging to vulnerable section of the society.**

## PRINCIPLE- 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/A)
<b>Employees</b>						
Permanent	374	374	100%	377	377	100%
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>374</b>	<b>374</b>	<b>100%</b>	<b>377</b>	<b>377</b>	<b>100%</b>
<b>Workers</b>						
Permanent	323	323	100%	322	322	100%
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>323</b>	<b>323</b>	<b>100%</b>	<b>322</b>	<b>322</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than to Minimum Wage		Total (D)	Equal to Minimum Wage		More than to Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	369	0	0	369	100%	371	0	0	371	100%
Female	5	0	0	5	100%	6	0	0	6	100%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	323	0	0	323	100%	322	0	0	322	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration salary/ wages of respective category	Number	Median remuneration salary/ wages of respective category
Board of Directors (BoD)	3	18273528	0	-
Key Managerial Personnel*	4	11023350	0	-
Employees other than BoD and KMP	364	264000	5	232800
Workers	323	207960	0	-

\*includes MD & JMD

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **Yes: All the human rights issues are reported to personal department.**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. **Reported grievances are reviewed and proper enquiry is made by personal department and findings of the same are reported to Senior Management.**
6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filled during the year	Pending resolution at the end of year	Remark	Filled during the year	Pending resolution at the end of year	Remark
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. **As part of Whistle blower Policy and POSH Policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.**
8. Do human rights requirements form part of your business agreements and contracts?  
**Yes**
9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	Not Applicable
Forced/involuntary labour	Not Applicable
Sexual harassment	Not Applicable
Discrimination at workplace	100% by entity
Wages	100% by entity

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. **No adverse cases came up during the assessment by the entity.**

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. **No such grievances on Human Rights violations.**
2. Details of the scope and coverage of any Human rights due-diligence conducted. **No such due diligence conducted yet.**
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? **Most of our Locations are accessible to differently abled visitors.**
4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	Not Applicable
Discrimination at workplace	Not Applicable
Child Labour	Not Applicable
Forced Labour/Involuntary Labour	Not Applicable
Wages	Not Applicable
Others – please specify	Not Applicable

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. **NA**

## PRINCIPLE-6 : BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	11,98,91,750 Mega Joules	11,72,55,974 Mega Joules
Total fuel consumption (B)	1,14,441 Mega Joules	1,20,695 Mega Joules
Energy consumption through other sources (c)	-	-
<b>Total energy consumption(A+B+C)</b>	<b>12,00,06,190 Mega Joules</b>	<b>11,73,76,669 Mega Joules</b>
Energy intensity per rupee of turnover( <i>Total energy consumption in MJ/turnover in rupees</i> )	0.01	0.01
Energy intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes: State electricity boards. We have installed electric meters on our captive power generators.**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **No**
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	1,87,856 KL	2,01,105 KL
(ii) Groundwater	2,04,839 KL	210477 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>3,92,695 KL</b>	<b>4,11,582 KL</b>
<b>Total volume of water consumption(in kiloliters)</b>	<b>3,92,695 KL</b>	<b>4,11,582 KL</b>
<b>Water intensity per rupee of turnover (Water consumed in liter / turnover)</b>	0.04	0.05
<b>Water intensity (optional) the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes: We have installed water meters on incoming raw water pipe lines.**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **We have implemented a mechanism for Zero Liquid Discharge at all units. 100% Effluent generated is recycled in SSP mixer as process water for acidulation of rock phosphate. On line PTZ camera and flow meters are installed to ensure Zero Liquid Discharge conditions under all conditions and real time data are communicated to CPCB/SPCB, servers.**
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	mg/nm3	Well within permissible limits specified by CPCB/SPCB	Well within permissible limits specified by CPCB/SPCB
Sox	mg/nm3	Well within permissible limits specified by CPCB/SPCB	Well within permissible limits specified by CPCB/SPCB
Particulate matter(PM)	mg/nm3	Well within permissible limits specified by CPCB/SPCB	Well within permissible limits specified by CPCB/SPCB
Persistent organic pollutants (POP)	mg/nm3	NA	NA
Volatile organic compounds (VOC)	mg/nm3	NA	NA
Hazardous air pollutants (HAP)	mg/nm3	NA	NA
Others – please specify	mg/nm3	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Yes**

**We have installed necessary air pollution control equipments for Single super phosphate fertilizer and Sulphuric acid plants along with on line stack monitoring instruments for SO2, F, PM as per requirement of CPCB/respective SPCB's. These systems are on line connected to CPCB/SPCB servers for real time monitoring air pollution parameters. We have provided tripping interlocks to process plants with these instruments; therefore, there is no adverse impact to air environment.**

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of Co2 equivalent</i>	-	-
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of Co2 equivalent</i>	-	-
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: **No: We are generating captive power from by- product steam as produced during Sulphuric acid production at our Nimrani, Jhansi, Malwan and Somni units. Waste heat generated during sulphur burning is utilized for power generation in place of coal fuel as raw material for conventional coal thermal power plants. Thus power is generated without generation of GHG emission ie CO2 gas.**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **Yes: We are using waste heat generated during production of Sulfuric Acid for producing electricity through Steam Turbine.**

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated ( in metric tonnes)</b>		
Plastic waste (A)	1150.00 MT	1250.00 MT
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.40 MT	-
Radioactive waste (F)	-	-
Other Hazardous waste-Catalyst & Used Oil (G)	4.40 MT	6.70 MT
Other Non-hazardous waste generated- Metal Scrap (H)	301.91 MT	509.66 MT
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>1456.71 MT</b>	<b>1766.40 MT</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. (N) **Spent V2O5 catalyst is being disposed to authorized agencies i.e. MP Waste Management Board Pithampur and UP Waste Management Board Kanpur.**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

**We have adapted the policy of using chromium free chemicals for water treatments processes i.e. chemicals used in cooling towers are free from chromium and other heavy metals. We are complying with all conditions of Hazardous waste Authorization issued by SPCB's.**

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of Operations/Officers	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
1.	Nirmarani, Jhansi, Kanpur, Somni	Manufacture SSP Fertilizer, Sulphuric acid and captive power generation based on waste heat	Yes
2.	Dahej, Nimbaheda	Manufacture of SSP Fertilizer	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of Project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion project for increasing sulphuric acid capacity and 600 TPD GSSP plant	F - N o I A - J - 11011/172/2020-IA-11(I) from MOEF New Delhi	07.07.2021	Yes by external agency M/S EQMS New Delhi	Yes	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes, We are complying with conditions of respective SPCB's air and water consents and Authorization for hazardous wastes as mentioned.**

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Air (Prevention and Control of Pollution) Act, 1981	-	-	-
2.	Water (Prevention and Control of Pollution) Act, 1974	-	-	-

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameters	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	6,04,27,094 Mega Joules	5,60,73,787 Mega Joules
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>6,04,27,094 Mega Joules</b>	<b>5,60,73,787 Mega Joules</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	5,94,64,656 Mega Joules	6,15,42,187 Mega Joules
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>5,94,64,656 Mega Joules</b>	<b>6,15,42,187 Mega Joules</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**

**We have installed addition/higher capacity economizers, air blower, alloy coolers ,cooling towers to enhance sulphuric acid capacity and steam generation from installation of heat recovery systems in sulphuric acid plants at Nimrani and Malwan. This has resulted I additional captive power generation of 4000 kwh/day at Nimrani and 3500 kwh/day at Malwan SA plants.**

**Variable Frequency Drives (VFD) have been installed on air blowers of sulphuric acid plants. Increased capacity of Sulphuric acid plants to the extent possible to generate more power from waste heat generated in Sulphuric acid plants.**

2. Provide the following details related to water discharged:

Parameters	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

**On line PTZ camera and flow meters are installed to ensure Zero Liquid Discharge conditions under all conditions and real time data are communicated to CPCB/SPCB's Servers.**

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area : Nimrani, Dahej, Nimbaheda, Jhansi, Malwan, Somni
- (ii) Nature of operations : Manufacturing of SSP (Fertilizers)
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameters	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	187856 KL	201105 KL
(ii) Groundwater	204839 KL	210477 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal(in kiloliters)</b>	<b>392695 KL</b>	<b>411582 KL</b>
<b>Total volume of water consumption(in kiloliters)</b>	<b>392695 KL</b>	<b>411582 KL</b>
<b>Water intensity per rupee of turnover (Water consumed in liter / turnover in rupees)</b>	0.04	0.05
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment– please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-

Parameters	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iii) Into Seawater	-	
- No treatment	-	-
- With treatment please specify level of treatment	-	-
(iv) Sent to third - parties	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
<b>Total water discharged (in Kiloliters)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of Co2 equivalent</i>	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

**There is no adverse impact on air environment.**

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	<p><b>Resource efficiency</b> We have installed DCS process control systems in SSP plant to optimize specific rock and sulphuric acid consumption.</p> <p><b>Impact due to emissions</b> Provided interlock systems on online SO<sub>2</sub>/F/PM stack monitors for tripping process in case if permissible limit is crossed.</p>	-	<p>Optimized rock and sulphuric acid specific consumption for SSP manufacturing</p> <p>No adverse impact on environment</p>

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. **Yes**

- Disaster management plan covers all activities of operations. Gases emission are monitored by online monitoring systems with tripping and alarms in case of adverse situation.
- All our units are having zero liquid discharge conditions.
- All solid/hazardous waste are disposed to authorised agencies only.
- All our units are having occupational health centers.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. **No significant impact on environment. Environment aspects and impacts have been studied for all activities of entity**

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. **0%**



## PRINCIPLE-7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Fertiliser Association of India (FAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities :

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA
NA	NA	NA

### Leadership Indicators

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ others please specify)	Web Link, if available
NA	NA	NA	NA	NA	NA

## PRINCIPLE- 8 : BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of Project	SIA Notification No.	Date of notification	Whether conducted by Independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.  
Company used to be in contact with the communities being affected by the operation of the Company, if any
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

### Leadership Indicators

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Less than 1% of the domestic purchase	Less than 1% of the domestic purchase
Sourced directly from within the district and neighboring districts	Less than 1% of the domestic purchase	Less than 1% of the domestic purchase

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in INR)
1.	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**No**
- (b) From which marginalized /vulnerable groups do you procure? **NA**
- (c) What percentage of total procurement (by value) does it constitute? **NA**
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on Traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved : **NA**
6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Rural Development	Entire Village Community Approx- 35000 Persons	Approx 30%
2.	Promoting education	Entire School/Anganwadi Approx- 5000 Students	Approx 55%

## PRINCIPLE- 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. **Customers complain are received through email/post, depending upon the nature of complain, the matter is then discussed with head of relevant departments.**
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and /or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remark	FY 2021-22 (Previous Financial Year)		Remark
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recall on account of safety issues.:

Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes) The Company has adequate Safeguard System i.e. Firewall & alternate data storage on cloud.**
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **NA**

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). **www.kcfl.co.in**
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. **NA**
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. **NA**
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. **NO**  
Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) **YES**
5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact. **NIL**
  - b. Percentage of data breaches involving personally identifiable information of customers. **NA**

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of Khaitan Chemicals and Fertilizers Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Khaitan Chemicals and Fertilizers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2023 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p><b>Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability</b></p> <p>Refer to the accompanying notes 3(a)(iii) of the financial statements.</p> <p>During the year, the Company has recognised subsidy revenue amounting to Rs.41245.06 Lakhs and the aggregate amount of subsidy receivable as at March 31, 2023 is Rs.14753.88 Lakhs. The amount of subsidy revenue and the subsidy receivable are significant to the financial statements.</p> <p>We identified this as a Key Audit Matter since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. Further, the areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivable.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivable.</li> <li>• We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies.</li> <li>• We considered the relevant notifications/ policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy already recognised in earlier years pursuant to changes in subsidy rates.</li> <li>• We evaluated the basis of judgements that management has made in relation to the notifications/ policies including past precedence and subsequent evidence in the form of notifications/ policies/clarifications, as applicable.</li> <li>• We assessed the reasonableness of the recoverability of subsidy receivable by assessing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical trends.</li> <li>• We evaluated adequacy of disclosures in the financial statements.</li> <li>• Based on the above procedures performed, the management's assessment of the implications of government notifications/ policies on recognition of subsidy revenue and its recoverability was considered to be reasonable.</li> </ul>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 the Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 based on these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on internal financial controls with reference to standalone financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, 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 including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to the financial statements of the Company 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 the requirements of Section 197(16) of the Act, as amended:

In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statement - Refer note 36 to the financial statements.
- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on our audit procedures conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (a) & (b) contain any material misstatement.
- (v) As stated in note 18 to the financial statements:
  - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The Board of Director of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, as applicable.

For NSBP & Co.  
Chartered Accountants  
Firm's Registration No. 001075N

Subodh Kumar Modi  
Partner  
Membership Number: 093684  
UDIN: 23093684BGXGRB4651

Place: New Delhi  
Date: April 29, 2023

## "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of Khaitan Chemicals and Fertilizers Limited on its financial statements dated April 29, 2023

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date**

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has no intangible assets and accordingly, the requirement to report on clause (i)(a)(B) of the Order is not applicable to the Company.

(b) Property, Plant and Equipment have been physically verified by the management according to the programme of periodical verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties as disclosed in note 4 to the financial statements, are held in the name of the Company except for the following:

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Description of Property	Nature of dues	Held in name of	Whether Promoter, Director or their Relative or Employee	Period held Indicate the range, where appropriate	Reasons for not being held in name of Company
Mines and Minerals Lease hold Land at Malwan (U.P.)	24.87	Mahadeo Fertilizer Ltd.	No	12.04.2006	Dispute with State Govt / UPSIDC relating to stamp duty court case filed with Hon ble High Court, Allahabad.
Free Hold Land at Jhansi (U.P.)	4.23	Shrinivas Fertilizers Ltd.	No	28.02.2003	Dispute with State Govt / UPSIDC relating to stamp duty.
Free Hold Land at Nimrani (M.P.)	3.95	Ratlam Fertilizers Ltd.	No	17.07.1986	The Company has changed its name from Ratlam Chemicals and Fertilizers Ltd. to KhaiTan Chemicals and Fertilizers Ltd. but revenue Authority has not changed the same as on date.

(d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The Company has conducted physical verification of inventory at reasonable intervals during the year except for inventory of Rock Phosphate, Sulphur and Single Super Phosphate for which stock is taken on estimation basis and for the stock in transit and stock lying with outside parties. In our opinion, the coverage and procedures of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 23 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ended	Value per books of account	Value per quarterly return/statement	Difference	Reason for discrepancies
June 30, 2022	36,818.03	36,011.06	806.97	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of the Lenders.
September 30, 2022	28,260.80	27,398.00	862.80	
December 31, 2022	30,745.86	29,369.03	1,376.83	
March 31, 2023	36,244.44	35,122.56	1,121.88	

iii. (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted loans and advances in the nature of loans, either payable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantee and securities, as applicable.

v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules made

thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for maintenance of cost records under Section 148(1) of the Companies Act, 2013 related to its products and are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanation given to us, the Company has generally been regular in depositing its undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable in arrear, as at March 31, 2023, for a period of more than six months from the date they became payable.

(b) The details of statutory dues referred to in clause 3(vii)(a) above which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Gross Amount in dispute (in Rs. lakhs)	Amount paid under protest (in Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Mines and Minerals (Development and Regulation) Act, 1957	Royalty on rock phosphate	158.36	39.59	2004-05	Honorable Supreme Court, Delhi
Commercial Tax Act, 1994	Purchase Tax	64.20	63.38	2004-05	High Court of Madhya Pradesh, Jabalpur
UP Trade Tax, 1948	Trade Tax	1.53	1.08	2006-07	The Deputy Commission Commercial Tax-Jhansi
Custom Act, 1962	Custom Duty	185.47	18.54	2004-05 to 2008-09	Commissioner Appeal, Mumbai
Central Sales Tax, 1956	Sales Tax	13.80	-	2017-18	Corporate Circle, Jhansi
U.P. Sales Tax	Sales Tax	4.97	-	2016-17	Joint Commissioner, Jhansi
Central Sales Tax, 1956	Sales Tax	0.25	-	2016-17	Corporate Circle, Jhansi
U.P. Sales Tax	Sales Tax	19.18	-	2017-18	Joint Commissioner, Jhansi
The Gujarat Value Added Tax Act, 2003	Sales Tax	21.18	1.34	2016-17	Department of commercial tax, Gujarat
The Gujarat Value Added Tax Act, 2003	Sales Tax	56.84	5.94	2017-18	Department of commercial tax, Gujarat
Income Tax Act, 1962	Income Tax	1.16	-	2009-10	CIT (Appeal)- New Delhi
Goods and Service Tax Act	GST/GST	1.72	1.72	2020-21	GST office - Indore
Goods and Service Tax Act	Income Tax	0.40	22.77	-	GST office - Faltehpur (UP)
Income Tax Act, 1962	Income Tax	84.89	16.98	2011-12	CIT (Appeal)- New Delhi
Income Tax Act, 1962	Income Tax	22.77	-	2016-17	CIT (Appeal)- New Delhi
Income Tax Act, 1962		25.35	2.57	For various Year	TDS- CPC
U.P. Sales Tax	Sales Tax	2.66	0.11	2011-12	DY. Commissioner, Jhansi
U.P. Sales Tax	Sales Tax	2.57	-	2012-13	DY. Commissioner, Jhansi
U.P. Central Sales Tax, 1956		0.69	-	2013-14	DY. Commissioner, Jhansi
U.P. Entry Tax, 2007	Entry Tax	0.11	1.22	2013-14	DY. Commissioner, Jhansi
The Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	0.35	0.03	2009-2010	Deputy Commissioner, Ratlam
The Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	1.36	0.14	2010-2011	Deputy Commissioner, Ratlam
U.P. State Industrial Development Corporation,	Stamp Duty Charges	258.34	-	2020-2021	Honorable High Court, Allahabad, Uttar Pradesh
Kanpur Labour laws	Labour Compensation	0.80	0.80	2013-14	Assistant labour commissioner Malwan
Labour laws	Labour Compensation	5.20	5.20	2013-14	Assistant labour commissioner Malwan
Custom Act, 1962	Custom Duty	193.49	14.51	2021-22	Additional Commissioner, Kandla
Custom Act, 1962	Custom Duty	397.47	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	671.86	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	671.86	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	1671.86	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	172.03	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	891.45	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	1098.53	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	1830.35	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	5.21	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)
Custom Act, 1962	Custom Duty	102.51	-	2022-23	Honorable High Court, Gujarat (Ahmedabad)

- viii. According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender  
(b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not been declared wilful defaulter by any bank, financial institution or government or any government authority.  
(c) Term loans were applied for the purpose for which the loans were obtained.  
(d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.  
(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.  
(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments), hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year and, hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management.  
(b) No report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended with the Central Government, during the year and up to the date of this report.  
(c) According to the information & explanations and representation made by the management, no whistle-blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. According to the information and explanation given to us and as per the books of accounts examined by us, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors. Hence, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.  
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.  
(c) The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.  
(d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. According to the information and explanation given to us and on the basis of our examination of these records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 45 to the financial statements, 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 the 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. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to Sub-section (5) of Section 135 of the Companies Act, 2013. This matter has been disclosed in note 52 to the financial statements.  
(b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of Sub-section (6) of Section 135 of Act. This matter has been disclosed in note 52 to the financial statements.

For NSBP & Co.  
Chartered Accountants  
Firm's Registration No. 001075N

Sudh K Kumar Modi  
Partner  
Membership Number: 093684  
UDIN: 23093684BGXGRB4651

Place: New Delhi  
Date: April 29, 2023

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT**

Annexure B to the Independent Auditor's Report to the Members of KhaiTan Chemicals and Fertilizers Limited ('the Company') on its financial statements dated April 29, 2023

**Report on the Internal Financial Controls Over Financial Reporting under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') and referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our report of even date**

We have audited the internal financial controls over financial reporting of KhaiTan Chemicals and Fertilizers Limited ("the Company") as of March 31, 2023, 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 ("ICAI"). 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 the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements 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 prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls both issued by the ICAI. 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 judgement, 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 with reference to the financial statements.

**Meaning of Internal Financial Controls with reference to the Financial Statements**

A Company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to the Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statement and such internal controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal financial 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 ICAI.

**For NSBP & Co.  
Chartered Accountants  
Firm Registration No. 001075N**

**Subodh Kumar Modi  
Partner  
Membership Number: 093684  
UDIN: 23093684BGXGRB4651**

**Place: New Delhi  
Date: April 29, 2023**

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Balance Sheet as at March 31, 2023

Rs. in Lakhs

	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current Asset</b>			
Property, plant and equipment	4	12,273.05	9,541.16
Right of use assets	4a	667.66	617.71
Capital work-in-progress	4b	346.44	525.98
Intangible assets	5	-	-
<b>Financial Assets</b>			
i) Investments	6	348.68	343.94
ii) Other Financial Assets	7	222.23	425.38
Income tax assets (net)	15	184.62	330.90
Other non-current assets	8	558.05	672.87
		14,600.73	12,457.94
<b>Current Asset</b>			
Inventories	9	25,209.42	20,928.27
<b>Financial Assets</b>			
i) Trade receivables	10	6,508.55	3,801.71
ii) Cash and cash equivalents	11	15.50	4,718.57
iii) Bank balances other (ii) above	12	1,622.43	1,281.84
iv) Loans	13	9.28	32.55
v) Other financial assets	14	324.35	303.57
Other current assets	16	22,077.00	12,940.51
		55,766.53	44,007.03
Assets or disposal group classified as held for sale	4	333.91	612.68
<b>TOTAL ASSETS</b>		70,701.17	57,077.64
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	969.89	969.89
Other equity	18	28,406.10	24,255.66
<b>Total Equity</b>		29,375.99	25,225.55
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	19	2,429.70	710.93
ii) Lease Liabilities		554.60	566.77
iii) Other financial liabilities	20	51.57	46.91
Provisions	21	38.05	50.72
Deferred tax liabilities (net)	22	1,025.87	1,153.56
		4,099.79	2,528.89
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	23	19,685.31	12,851.12
ii) Lease Liabilities		183.65	83.20
iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		20.90	11.68
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,804.31	9,874.85
iv) Other financial liabilities	25	1,657.66	1,453.11
Other current liabilities	26	2,844.81	5,017.83
Provisions	27	632.89	24.03
		36,829.53	29,315.82
Liabilities directly associated with disposal group classified as held for sale		395.86	7.38
<b>TOTAL EQUITY AND LIABILITY</b>		70,701.17	57,077.64
<b>Company information</b>	1		
<b>Basis of preparation of financial statements</b>	2		
<b>Significant accounting policies</b>	3		

The accompanying notes 1 to 56 form an integral part of these financial statements.

**For and on behalf of the Board of Directors of Khaitan Chemicals and Fertilizers Limited**

**For NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. : 001075N

**UTSAV KHAITAN**  
(Joint Managing Director)  
DIN : 03021454

**JAGDISH LAL JAJOO**  
(Whole Time Director)  
DIN : 02758763

**Subodh Kumar Modi**  
Partner  
Membership Number: 093684

**HARSH VARDHAN AGNIHOTRI**  
(President & Chief Financial Officer)  
PAN No.: ACXPA9315K

**CS AJAY SALITRA**  
(Company Secretary & Compliance Officer)  
Membership No.: A 61495

**Place :** New Delhi  
**Date :** April 29, 2023



# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Statement of Profit and Loss for the year ended March 31, 2023

Rs. in Lakhs

	Note	For the Year ended 31.03.2023	For the Year ended 31.03.2022
<b>Continuing Operation</b>			
<b>INCOME</b>			
Revenue from Operations	28	88,781.61	82,377.79
Other Income	29	147.68	125.87
<b>Total Income</b>		<b>88,929.29</b>	<b>82,503.66</b>
<b>EXPENSES:</b>			
Cost of Raw material consumed	30	61,977.31	52,028.23
Purchases of Stock in Trade		-	0.19
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	31	(3,912.58)	(3,594.50)
Employee benefits expense	32	3,392.25	3,102.11
Finance costs	33	1,931.42	1,262.42
Depreciation and amortisation expense	34	906.19	733.76
Other expenses	35	19,531.66	18,682.82
<b>Total Expenses</b>		<b>83,826.25</b>	<b>72,215.03</b>
Profit before exceptional items and tax		5,103.04	10,288.63
Exceptional Items		-	-
<b>Profit before tax</b>		<b>5,103.04</b>	<b>10,288.63</b>
<b>Profit before tax from continuing operation</b>		<b>5,103.04</b>	<b>10,288.63</b>
<b>Tax expense:</b>			
a) Current tax		1,465.69	2,630.03
b) Deferred tax		(154.77)	(338.87)
c) Tax adjustments for earlier year		56.34	(19.39)
<b>Total Tax expense of continuing operation</b>		<b>1,367.26</b>	<b>2,271.77</b>
<b>Profit for the year from continuing operation</b>		<b>3,735.78</b>	<b>8,016.86</b>
<b>Discontinued Operation</b>			
<b>Profit/(Loss) before tax from discontinued operation</b>	51	637.06	(89.86)
<b>Tax expense:</b>			
a) Tax expenses/(credit) on discontinued operation		160.33	22.62
<b>Net profit/(loss) for the year from discontinued operation</b>		<b>476.73</b>	<b>(67.24)</b>
<b>Profit for the year</b>		<b>4,212.51</b>	<b>7,949.62</b>
<b>Other Comprehensive Income (Continuing and discontinued operation)</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
Re-measurements of defined benefit plans		42.92	(16.32)
<b>Less: Tax on Re-measurements of defined benefit plans</b>		(10.80)	4.11
Changes in fair value of financial assets		4.74	171.40
<b>Less: Deferred Tax on Changes in fair value of financial assets</b>		(0.48)	(17.21)
<b>Items that will be reclassified to profit or loss :</b>			
Gains & (Losses) in Cash Flow Hedges		62.83	3.73
<b>Less: Tax Relating to items that will be reclassified to profit &amp; Loss</b>		(15.81)	(0.94)
<b>Total comprehensive income for the year</b>		<b>4,295.91</b>	<b>8,094.39</b>
<b>Earnings per equity share (Face value of Re. 1/- per share)</b>			
Basic and Diluted Earnings Per Share (Rupees) - Continuing operations		3.85	8.27
Basic and Diluted Earnings Per Share (Rupees) - Discontinued operation		0.49	(0.07)
Basic and Diluted Earnings Per Share (Rupees) - Continuing operation and discontinued operation		<b>4.34</b>	<b>8.20</b>
<b>Company information</b>	1		
<b>Basis of preparation of financial statements</b>	2		
<b>Significant accounting policies</b>	3		

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our report of even date

For NSBP & Co.

Chartered Accountants

Firm's Registration No. : 001075N

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

UTSAV KHAITAN

(Joint Managing Director)

DIN : 03021454

JAGDISH LAL JAJOO

(Whole Time Director)

DIN : 02758763

Subodh Kumar Modi

Partner

Membership Number: 093684

Place : New Delhi

Date : April 29, 2023

HARSH VARDHAN AGNIHOTRI

(President & Chief Financial Officer)

PAN No.: ACXPA9315K

CS AJAY SALITRA

(Company Secretary & Compliance Officer)

Membership No.: A 61495

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Cash Flow Statement for the year ended March 31, 2023

Rs. in Lakhs

	For the Year ended 31.03.2023 (Audited)	For the Year ended 31.03.2022 (Audited)
<b>Cash flow from operating activities</b>		
<b>Profit/loss before tax from</b>		
- Continuing operations	5,103.04	10,288.63
- Discontinued operation	637.06	(89.86)
<b>Profit before tax</b>	<b>5,740.10</b>	<b>10,198.77</b>
<b>Adjustments to reconcile net profit to net cash by operating activities</b>		
Depreciation and amortization expense	906.19	767.17
Provision no longer required written back	(52.56)	(54.83)
Net Profit/( Loss) on sale of property, plant and equipment	(637.06)	206.10
Provision for Non Moving Inventory	3.97	-
Net gain on account of foreign exchange	-	(3.73)
Provision for Doubtful debt/Subsidy / Advances/Bad debts w/off	607.74	215.89
Finance costs	1,931.42	1,262.41
Interest income	(86.13)	(55.80)
	<b>8,413.67</b>	<b>12,535.98</b>
Adjustments for:		
(Increase)/ decrease in inventories	(4,285.13)	(9,711.34)
(Increase)/ decrease in trade receivables	(2,733.98)	560.58
(Increase)/ decrease in short-term loans	23.26	(24.61)
(Increase)/ decrease in other financial current assets	(20.78)	43.05
(Increase)/ decrease in other current assets	(9,471.38)	(4,823.14)
(Increase)/ decrease in other non-current Financial assets	203.15	(1,027.01)
(Decrease)/ increase in other non-current assets	114.82	(119.50)
(Decrease)/ increase in other non current financial liabilities	4.66	(349.30)
(Decrease)/increase in trade payable	1,938.69	5,173.58
(Decrease)/ increase in other financial current liabilities	204.55	501.05
(Decrease)/ increase in other current liabilities	<b>(2,173.02)</b>	<b>2,782.63</b>
<b>Cash (used in)/ Received from operations</b>	<b>(7,781.51)</b>	<b>5,541.96</b>
Direct taxes ( Paid) / Received (net of refund)	(1,034.01)	(2,844.85)
<b>Net cash flow (used in)/from operating activities</b>	<b>(8,815.52)</b>	<b>2,697.11</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment, intangible assets including Capital work in progress	(3,266.22)	(1,476.43)
Proceeds from sale of Property, plant and equipment	1,304.31	128.54
Margin Money Deposits	(340.88)	(690.46)
Interest received	86.13	55.80
<b>Net cash flow from/ (used in) investing activities</b>	<b>(2,216.66)</b>	<b>(1,982.55)</b>
<b>Cash flow from financing activities</b>		
Availment (Repayments) of non-current borrowings	1,718.80	(1,193.27)
Availment of current borrowing (Net)	6,834.19	6,904.26
Dividend Paid	(145.77)	(290.97)
Interest paid	(1,833.11)	(1,192.81)
Lease liabilities interest paid	(92.11)	(69.60)
Repayment of Lease Liabilities	(152.89)	(187.51)
<b>Net cash Flow from/ (used in) financing activities</b>	<b>6,329.11</b>	<b>3,970.11</b>
<b>Net increase / (decrease) in cash and cash equivalent (A+B+C)</b>	<b>(4,703.07)</b>	<b>4,684.67</b>
Cash and cash equivalent at the beginning of the year	4,718.57	33.90
<b>Cash and cash equivalent at the end of the year</b>	<b>15.50</b>	<b>4,718.57</b>
<b>Components of cash and cash equivalent</b>		
Cash on hand	3.36	4.81
With Bank - on current account	12.14	4,713.76
<b>Total cash and cash equivalent</b>	<b>15.50</b>	<b>4,718.57</b>

- Note:**
- The above cash flow statement has been prepared under the indirect method as set out in Ind -AS 7 specified under section 133 of the Companies Act, 2013.
  - Figures in brackets denote cash outflow.
  - For the purpose of the statement of cash flows cash and cash equivalent comprise the following :

**A. Continuing operations**

Balances with Banks:		
- On current account	12.14	13.75
- On deposit account	-	4,700.00
- Cash on hand	3.36	4.81
<b>Cash &amp; cash equivalents - Continuing operation (A)</b>	<b>15.49</b>	<b>4,718.56</b>
<b>B. Discontinued operation</b>		
Cash & cash equivalents - Discontinued operation (B)	0.01	0.01
<b>Cash &amp; cash equivalent as per cash flow statement (A+B)</b>	<b>15.50</b>	<b>4,718.57</b>

**4. Changes in liabilities arising from financing activities (FY 2022-23)**

Particulars	As at April 01, 2022	Cash flows	As at March 31, 2023
Non- Current Borrowings	710.93	1,718.80	2,429.70
Current Borrowings	12,851.12	6,834.19	19,685.31

**Changes in liabilities arising from financing activities (FY 2021-22)**

Particulars	As at April 01, 2021	Cash flows	As at March 31, 2022
Non- Current Borrowings	1,904.20	(1,193.27)	710.93
Current Borrowings	5,946.85	6,904.26	12,851.12

As per our report of even date

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

**For NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. : 001075N  
**Subodh Kumar Modi**  
Partner  
Membership Number: 093684  
Place : New Delhi  
Date : April 29, 2023

**UTSAV KHAITAN**  
(Joint Managing Director)  
DIN : 03021454  
  
**HARSH VARDHAN AGNIHOTRI**  
(President & Chief Financial Officer)  
PAN No.: ACXPA9315K

**JAGDISH LAL JAJOO**  
(Whole Time Director)  
DIN : 02758763  
  
**CS AJAY SALITRA**  
(Company Secretary & Compliance Officer)  
Membership No.: A 61495

## Statement of Changes in Equity for the year ended March 31, 2023

### a. Equity Share Capital

Rs. in Lakhs

Equity Share of Rs.1/- each issued subscribed and fully paid

(I) Current Reporting Period	Balance at the beginning of the current reporting period - 01.04.2022	Changes in Equity Share Capital during the current year	Balance at the end of current reporting period-31.03.2023
	969.89	-	969.89
(II) Previous Reporting Period	Balance at the beginning of the current reporting period - 01.04.2021	Changes in Equity Share Capital during the current year	Balance at the end of current reporting period-31.03.2022
	969.89	-	969.89

### b (i). Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus*				Other Comprehensive Income*			Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments thorough other comprehensive income	Effective Portion of Cash flow hedges	Re-measurements of defined benefit plans	
Balance as at April 01, 2021	1,539.81	2,152.58	2,791.24	9,836.78	146.71	8.28	(23.14)	<b>16,452.26</b>
Profit/ (loss) for the year				7,949.62				<b>7,949.62</b>
Other comprehensive income					154.19	2.79	(12.22)	<b>144.76</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>7,949.62</b>	<b>154.19</b>	<b>2.79</b>	<b>(12.22)</b>	<b>8,094.38</b>
Final Dividend (F.Y. 2020-21)				(145.48)				<b>(145.48)</b>
Interim Dividend (F.Y. 2021-22)				(145.49)				<b>(145.49)</b>
Transfer to retained earnings	(2.04)			2.04				-
<b>Balance as at March 31, 2022</b>	<b>1,537.77</b>	<b>2,152.58</b>	<b>2,791.24</b>	<b>17,497.47</b>	<b>300.90</b>	<b>11.07</b>	<b>(35.36)</b>	<b>24,255.67</b>
Profit/ (loss) for the year				4,212.51				<b>4,212.51</b>
Other comprehensive income					4.26	47.02	32.12	<b>83.40</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>4,212.51</b>	<b>4.26</b>	<b>47.02</b>	<b>32.12</b>	<b>4,295.91</b>
Final Dividend (F.Y. 2021-22)				(145.48)				<b>(145.48)</b>
Transfer to retained earnings	(2.04)			2.04				-
<b>Balance as at March 31, 2023</b>	<b>1,535.73</b>	<b>2,152.58</b>	<b>2,791.24</b>	<b>21,566.54</b>	<b>305.16</b>	<b>58.09</b>	<b>(3.24)</b>	<b>28,406.10</b>

### b(ii) \* Nature and Purpose of Reserves

- (a) **Capital Reserve** :- Capital Subsidy received Credited to the capital Reserve.
- (b) **Securities Premium** :- Securities Premium was credited when Right shares were issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus Shares to provide for premium on redemption of shares, write -off equity related expenses like underwriting cost etc.
- (c) **General Reserve** :- Represents the statutory reserves this is in accordance with Indian corporate law wherein a portion of profit is appropriated to General reserve under the erstwhile Companies Act, 1956 . It was mandatory to transfer amount before a Company declare dividend. However Company Act, 2013 transfer any amount to General reserve is at the discretion of the Company
- (d) **Retained Earnings** :- Retained earnings are profits that the company has earned till date, less any transferred to general reserve, dividends or other distribution paid to shareholders.
- (e) **Other comprehensive income(OCI)** :- Reserve represents the balance in equity for items to be accounted in other comprehensive income. OCI is classified in to i) items that will not be reclassified to statement of profit & loss and ii) items that will be reclassified to statement of profit & loss.

<b>Company information</b>	1
<b>Basis of preparation of financial statements</b>	2
<b>Significant accounting policies</b>	3

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our report of even date

For NSBP & Co.  
Chartered Accountants  
Firm's Registration No. : 001075N

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

UTSAV KHAITAN  
(Joint Managing Director)  
DIN : 03021454

JAGDISH LAL JAJOO  
(Whole Time Director)  
DIN : 02758763

Subodh Kumar Modi  
Partner  
Membership Number: 093684

HARSH VARDHAN AGNIHOTRI  
(President & Chief Financial Officer)  
PAN No.: ACXPA9315K

CS AJAY SALITRA  
(Company Secretary & Compliance Officer)  
Membership No.: A 61495

Place : New Delhi  
Date : April 29, 2023

## Summary of significant accounting policies and Notes on accounts for the year ended March 31, 2023

### 1. Corporate Information

Khaitan Chemicals and Fertilizers Limited (the Company) is engaged in the manufacturing of Single Super Phosphate Fertilisers (Plain, Zincated and Boronated in powder form and granulated form), Sulphuric Acid and its variants, Trading of NPK Fertilisers, Processing of Oil Seed (mainly Soybean) and crude edible oil, selling of De-Oiled Cake and Crude/Refined Oil & Generation and selling of Wind Power. The Company is a public limited company incorporated and domiciled in India under the provisions of Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The financial statements are presented in INR and all values are rounded to the nearest INR Lakh (100 Thousand), except when otherwise indicated.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on April 29, 2023.

### 2. Basis of Preparation of Financial Statements

#### a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (and the relevant amendment rules issued thereafter) and relevant provisions of the Companies Act, 2013. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

#### b) Basis of preparation of financial statements

The financial statements have been prepared on accrual basis and under the historical cost convention, except as stated otherwise. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### c) Operating Cycle

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III of the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### d) 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 involves complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Notes.

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.

#### (i) Property, plant and equipment

PPE 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 value of the asset are determined by the management when the asset is acquired and reviewed periodically 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 lives, such as change in technology.

#### (ii) Recognition and measurement of defined benefit obligations

The obligation arising from define benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumption includes discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.

#### (iii) Intangibles

Intangible assets are amortized over their estimated useful life as estimated by management on straight line basis, commencing from the date, the asset is available to the Company for its use. Computers software are depreciated fully in the year of addition.

#### (iv) Provision for contingencies

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3. Significant Accounting Policies for the year ended 31st March, 2023.

#### a) Revenue Recognition

- i. **Sale** - Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The sales amount includes the excise duty and exclude Export incentives, Duty drawbacks, Goods and Service Tax and other benefits are recognized in the Statement of Profit and Loss.
- ii. **Interest** - Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable, effective interest method, wherever applicable.

iii. **Subsidy** - Fertilizer Subsidy, wherever applicable, is accounted for on actual sales and is net off of any subsequent non receipt reversal. Subsidy on fertilisers has been accounted for as per the concession rates based on Nutrient based policy, notified by Government of India

iv. **Dividend** - Dividends are accounted for when the right to receive the dividend payment is established.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

## b) Government Grants and Subsidies

Grants from the government is recognized at fair value with the reasonable assumption that the Company will comply with conditions attached to them. Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure.

If not related to a specific expenditure, it is taken as income and presented under "Other Income".

## c) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

i. Short term employee benefits obligations are estimated and provided for.

ii. Post-employment benefits and other long term benefits:

### a) Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to revenue.

### b) Defined benefits plans:

Company's Liability towards gratuity and leave encashment is actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in Other Comprehensive Income and other costs are recognized in statement of profit and loss. Gratuity and Leave encashment liabilities are funded and administered through Group Gratuity Scheme with Life Insurance Corporation of India.

## d) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

### The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### e) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### f) Property, plant and equipment

- i. Property, plant and equipment are stated at cost net of duty or tax credit availed, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts, rebates & input of GST and other taxes availed, are deducted in arriving at the purchase price. When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and depreciated it accordingly. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.
- ii. Capital work-in-progress comprises of the cost of Property, Plant and Equipment that are not yet ready for their intended use at the reporting date.
- iii. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.
- iv. Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.
- v. Machinery Spares /Standby equipment's which are used only in connection with Property, Plant and Equipment and are of material value to the overall value of the asset are capitalized.

### g) Intangible assets

Intangible Assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

Revenue expenditure on Research and Development is charged to statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant and Equipment.

### h) Depreciation and Amortisation

- i. Depreciation on Property, Plant and Equipments provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013, except in respect of certain categories of assets in whose case the life has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.
- ii. Depreciation for assets purchased/sold during a period are proportionately charged.
- iii. Intangible Assets are amortized on straight-line basis over the estimated useful economic life not exceeding 10 years. The Intangible Assets are assessed for impairment whenever there is an indication that the Intangible assets impaired.
- iv. The leasehold land is amortised over the primary lease period excluding on perpetual lease. Freehold land is not depreciated.
- v. Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase

### i) Non-Current Assets held for Sale and Discontinued Operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Discontinued operations is a component of an entity that either has been disposed off, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the Statement of Profit and Loss.

## j) Impairment of Property, Plant and Equipment and intangible assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount and such assets are written down to their recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses, recognized for the assets, no longer exists or have decreased to the extent of previously recognized impairment losses.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

## k) Inventories

Inventories are valued at the lower of cost and estimated net realisable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated / used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Cost for various items of inventory is determined as under:

Raw Material	Quarterly weighted average method for Fertilizer Division and FIFO method for Agri Division.
Packing material and Stores & Spares	Monthly weighted average method.
Finished goods and work-in-progress	Raw material cost and proportion of manufacturing overheads. Excise duty, if any, is included in the value of Finished goods Inventory.

## l) Financial Assets & Liabilities

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.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

### i. Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### ii. Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

### iii. Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

## Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

## Investment in Equity Shares.

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

## Derecognition.

Financial Asset is primarily derecognised when:

- i. The right to receive cash flows from asset has expired, or,
- ii. The Company has transferred its right 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 right 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.

## Financial Liabilities

### Initial recognition and measurement

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

### Subsequent Measurement.

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

#### i. Financial Liabilities at Fair Value through Profit or Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities are measured at fair value through profit or loss at each reporting date with all the changes recognized in the Statement of Profit and Loss.

#### ii. Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

#### iii. Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

#### iv. Trade and Other Payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### 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.

### Derivative Financial Instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current and non-current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable bank and financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### Cash flow hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument is recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

### Foreign Currency Transactions/ Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional and presentation currency.

#### • Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.



## • Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

## • Exchange differences

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

## m) Taxation

### Income Tax

The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the year in accordance with the provisions of Income Tax Act, 1961. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## n) Pre project expenditure

The expenses on pre-feasibility study reports, market survey reports, and techno-economic feasibility reports etc. on new projects are allocated to the Property, Plant and Equipment on completion of the projects. Where the projects are proved infructuous, they are charged to the revenue in the year in which the decision is taken to scrap the same.

## o) Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Indian Accounting Standard 33- "Earning per share". Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The Company does not have any diluted equity share, hence Basic and Dilutive earning per share is same.

## p) Provisions and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be 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. 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

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

## q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statements comprises cash at bank and in hand and short term investments with an original maturity of 3 months or less.

## r) Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## s) Derivatives Instruments

The Company holds derivative financial instruments such as Foreign Currency Forward Contracts to mitigate the risk of changes in exchange rates on Foreign currency exposures. The counter party for these contracts is bank. The Company initially recognised such derivative instruments at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit & Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to statement of profit and loss in the period when they arise. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

## t) Segment Reporting

The Company is organized into three primary business segments mainly Fertilizers, Chemicals and Speciality Chemicals and others including Agro (Soya), based on nature of products. The management and administration are centralized and considered as part of 'Fertilizers & Chemicals' segment, being major activities.

Unallocated items include general corporate income, expense, assets and liabilities items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as whole.

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

## u) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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;

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## v) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

### i. Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

### ii. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

### iii. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them as not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

### iv. Defined Benefit Plans.

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. 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.

### v. 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 including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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.

## Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements : The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 12 – Income Taxes : The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, on its financial statements.

Ind AS 8 – Accounting Policies : Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact on its financial statements.

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Notes to the financial statements for the year ended March 31, 2023

### 4. Property, Plant and Equipment

Rs. in Lakhs

	Land- Freehold	Land- Leasehold	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as at April 01, 2021	559.57	469.41	4,820.96	6,787.01	75.37	711.42	52.37	69.23	13,545.34
Additions	29.55	-	305.70	585.67	5.02	43.48	3.80	19.85	993.07
Adjustments / deletions	-	(15.00)	-	(597.94)	-	(235.90)	-	-	(848.84)
Disposal group classified as held for sale*	-	-	(252.52)	(1,186.85)	-	-	-	-	(1,439.37)
<b>Gross carrying value as at April 01, 2022</b>	<b>589.12</b>	<b>454.41</b>	<b>4,874.14</b>	<b>5,587.89</b>	<b>80.39</b>	<b>519.00</b>	<b>56.17</b>	<b>89.08</b>	<b>12,250.20</b>
Additions	-	-	542.73	2,632.25	2.91	239.49	15.26	17.19	3,449.83
Adjustments / deletions	-	-	-	97.46	-	-	-	37.23	134.69
Disposal group classified as held for sale*	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2023</b>	<b>589.12</b>	<b>454.41</b>	<b>5,416.87</b>	<b>8,122.68</b>	<b>83.30</b>	<b>758.49</b>	<b>71.43</b>	<b>69.04</b>	<b>15,565.34</b>
Accumulated Depreciation/ amortisation as of April 01, 2021	-	25.05	624.32	2,737.87	40.20	136.23	35.45	42.26	3,641.38
Depreciation/ amortisation	-	5.01	132.99	396.97	7.84	58.49	6.68	10.44	618.42
Adjustments / deletions	-	-	-	(414.81)	-	(117.19)	-	-	(532.00)
Disposal group classified as held for sale*	-	-	(146.81)	(871.94)	-	-	-	-	(1,018.75)
<b>Accumulated Depreciation/ amortisation as of March 31, 2022</b>	<b>-</b>	<b>30.06</b>	<b>610.50</b>	<b>1,848.09</b>	<b>48.04</b>	<b>77.53</b>	<b>42.13</b>	<b>52.70</b>	<b>2,709.04</b>
Depreciation/ amortisation	-	5.01	156.42	474.10	4.77	55.25	2.97	15.37	713.88
Adjustments / deletions	-	-	-	93.41	-	-	-	37.23	130.65
Disposal group classified as held for sale*	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation/ amortisation as of March 31, 2023</b>	<b>-</b>	<b>35.07</b>	<b>766.92</b>	<b>2,228.78</b>	<b>52.81</b>	<b>132.78</b>	<b>45.10</b>	<b>30.84</b>	<b>3,292.27</b>
<b>Carrying value as at March 31, 2022</b>	<b>589.12</b>	<b>424.35</b>	<b>4,263.64</b>	<b>3,739.80</b>	<b>32.35</b>	<b>441.47</b>	<b>14.04</b>	<b>36.38</b>	<b>9,541.16</b>
<b>Carrying value as at March 31, 2023</b>	<b>589.12</b>	<b>419.34</b>	<b>4,649.95</b>	<b>5,893.90</b>	<b>30.49</b>	<b>625.71</b>	<b>26.33</b>	<b>38.20</b>	<b>12,273.05</b>

\* Refer Note 51 for assets held for Disposal.

Description of Properties not being in the name of Company	Gross carrying value (Rs in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reasons for not being held in name of company
Lease hold Land at Malwan (U.P.)	24.87	Mahadeo Fertilizer Ltd (Amalgamation)	No	12.04.2006	Dispute with State Govt / UPSIDC relating to stamp duty Court case filed with Honble High Court, Allahabad.
Free Hold Land at Jhansi (U.P.)	4.23	Shrinivas Fertilizers Ltd (Amalgamation)	No	28.02.2003	Dispute with State Govt / UPSIDC relating to stamp duty.
Free Hold Land at Nimrani (M.P.)	3.95	Ratlam Fertilizers Ltd (Name Change)	No	17.07.1986	Company has change its name from Ratlam Fertilizers Ltd to Khaiitan Chemicals and Fertilizers Ltd but revenue Authority have not changed the same as on date.

- NOTES:** (a) Vehicles include motor cars taken on hire purchase with a gross value of Rs 607.36 lakhs (previous year Rs 385.77 lakhs).  
 (b) Refer note no. 19 for charges on property plant and equipments.  
 (c) Pre-operative Expenses comprises of: Interest on loan Rs 46.69 Lakhs (Previous year: Rs 23.17 Lakhs).

### 4a. Right of Use Assets

Rs. in Lakhs

	Right of use Asset
Gross carrying value as at April 01, 2021	239.18
Additions	717.48
<b>Gross carrying value as at March 31, 2022</b>	<b>956.66</b>
Additions	242.26
<b>Gross carrying value as at March 31, 2023</b>	<b>1,198.92</b>
Accumulated Depreciation/ amortisation as of April 01, 2021	191.28
Depreciation/ amortisation	147.67
<b>Accumulated Depreciation/ amortisation as of March 31, 2022</b>	<b>338.95</b>
Depreciation/ amortisation	192.31
<b>Accumulated Depreciation/ amortisation as of March 31, 2023</b>	<b>531.26</b>
<b>Carrying value as at March 31, 2022</b>	<b>617.71</b>
<b>Carrying value as at March 31, 2023</b>	<b>667.66</b>

### 4b. Capital Work-in Progress

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
Capital work-in progress (Including pre-operative expenses amounting of Rs 46.69 Lakhs (previous year Rs 23.17 Lakhs) Refer Note No -4	346.44	525.98
<b>Total</b>	<b>346.44</b>	<b>525.98</b>



## Notes to the financial statements for the year ended March 31, 2023

### Capital Work in Progress ageing schedule as at March 31, 2023

Rs. in Lakhs

Capital Work in Progress	Amount of CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	Total
1. Projects in progress	345.17	1.27	-	-	346.44
2. Projects temporarily suspended.	-	-	-	-	-
<b>Total</b>	<b>345.17</b>	<b>1.27</b>	<b>-</b>	<b>-</b>	<b>346.44</b>

### Capital Work in Progress ageing schedule as at March 31, 2022

Rs. in Lakhs

Capital Work in Progress	Amount of CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	Total
1. Projects in progress	525.98	-	-	-	525.98
2. Projects temporarily suspended.	0	0	0	0	0
<b>Total</b>	<b>525.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525.98</b>

### 5. Intangible assets

Rs. in Lakhs

	Software (Bought Out)	Total
<b>Gross carrying value as at April 01, 2021</b>	<b>56.56</b>	<b>56.56</b>
Additions	-	-
Adjustments / deletions	-	-
<b>Gross carrying value as at March 31, 2022</b>	<b>56.56</b>	<b>56.56</b>
Additions	-	-
Adjustments / deletions	-	-
<b>Gross carrying value as at March 31, 2022</b>	<b>56.56</b>	<b>56.56</b>
Accumulated amortisation as of April 01, 2022	55.48	55.48
Amortisation	1.07	1.07
Adjustments / deletions	-	-
Accumulated amortisation as of March 31, 2023	56.56	56.56
Amortisation	-	-
Adjustments / deletions	-	-
<b>Accumulated amortisation</b>	<b>56.56</b>	<b>56.56</b>
<b>Carrying value as at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Carrying value as at March 31, 2023</b>	<b>-</b>	<b>-</b>

### 6. Non-current- Investments

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>Unquoted equity shares (fully paid up)</b>		
<b>Investment in structured entities at Fair value through other comprehensive income</b>		
<b>National Board of Trade Limited</b>	0.01	0.01
16,100 shares (Previous year 16,100 shares) of fully paid up equity share of Rs. 10/- each		
<b>Quoted equity shares (fully paid up)</b>		
<b>Investment in structured entities at Fair value through other comprehensive income</b>		
<b>Shradha Project Limited</b>	348.67	343.93
9,48,000 shares (Previous Year 9,48,000 Shares) of fully paid up equity share of Re. 1/- each		
<b>Total</b>	<b>348.68</b>	<b>343.94</b>
<b>Aggregate value of Quoted investments and fair value thereof</b>	<b>348.67</b>	<b>343.93</b>
<b>Aggregate value of Un-Quoted investments and fair value thereof</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate Provision for impairment in the value of investments</b>	<b>-</b>	<b>-</b>

Shradha Project Ltd is a listed Company (Calcutta Stock Exchange) but their shares are not quoted hence shares are valued at fair value basis.

## Notes to the financial statements for the year ended March 31, 2023

7. Non-current- Other Financial Assets	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Security deposits (unsecured, considered good)	357.74	357.52
Less : Provision against Security Deposit	(187.99)	-
Bank deposits with maturity of more than 12 months*	0.45	0.45
Gratuity plan assets	52.03	67.42
<b>Total</b>	<b>222.23</b>	<b>425.38</b>

\* pledged with government authorities and others

8. Other Non-Current Assets	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Other advances:		
Advance to suppliers & contractors (Capital)	558.05	672.87
Subsidy receivable (Unsecured, Considered good)	142.88	142.88
Less: Subsidy payable to Bank of India on realisation	(142.88)	(142.88)
<b>Total</b>	<b>558.05</b>	<b>672.87</b>

9. Current Inventories	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Raw materials	5,653.87	5,083.68
Raw material in transit	3,252.02	3,555.21
Work -in-progress	-	-
Finished goods	14,147.21	10,234.63
Stores and spares	2,255.20	2,149.66
Less: Provision for Non Moving Stores	(98.88)	(94.91)
<b>Total</b>	<b>25,209.42</b>	<b>20,928.27</b>

Note: Inventory is hypothecated as first Pari - Passu Charge to consortium of Bankers lead by SBI for working capital.

10. Current Trade receivables	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	6,508.55	3,801.71
Credit Impaired	344.30	317.15
Impairment allowance (allowances for bad and doubtful receivables)*	(344.30)	(317.15)
<b>Total</b>	<b>6,508.55</b>	<b>3,801.71</b>

\* Bad debts written off of Rs Nil during the year (Previous year Rs 526.25 Lakhs)

Ageing of trade receivables as at March 31, 2023:	Rs. in Lakhs							
	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 year	
<b>Undisputed trade receivable</b>								
Considered good	-	5,067.05	1,318.15	99.58	23.77	-	-	6,508.55
which have significant increase in credit risk					51.67	52.55	240.07	344.30
credit impaired								-
<b>Disputed trade receivable</b>								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk								
credit impaired	-	-	-	-	-	-	-	-
<b>Gross Amount</b>	-	5,067.05	1,318.15	99.58	75.44	52.55	240.07	6,852.85
<b>Less : Provisions</b>								(344.30)
<b>Net Amount</b>								6,508.55

## Notes to the financial statements for the year ended March 31, 2023

Ageing of trade receivables as at March 31, 2022:

Rs. in Lakhs

	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 year	
<b>Undisputed trade receivable</b>								
Considered good	-	1,418.72	2,059.83	124.14	113.95	84.93	0.14	3,801.71
which have significant increase in credit risk	-	-	-	-	10.28	5.45	301.42	317.15
credit impaired	-	-	-	-	-	-	-	-
<b>Disputed trade receivable</b>								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	1,418.72	2,059.83	124.14	124.23	90.38	301.56	4,118.86
<b>Less : Provisions</b>								(317.15)
<b>Net Amount</b>								3,801.71

### 11. Current - Cash and cash equivalents

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
Cash on hand	3.36	4.81
Balance with banks	12.14	4,713.76
<b>Total</b>	15.50	4,718.57

### 12. Current -Bank balances other than cash and cash equivalents

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>Earmarked balances with banks:</b>		
Unpaid dividend account	15.75	16.04
Margin money deposits	1,606.68	1,265.80
<b>Total</b>	1,622.43	1,281.84

Note a) Margin Money Deposits are subject to first charge to secure the Company's Letter of Credit's & Bank Guarantees.

b) Margin money deposits includes an interest accrued of Rs. 21.85 lakhs (Previous Year Rs 21.95 lakhs)

c) **Unclaimed dividend account**

The Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account" If the dividend has not been claimed within 30 days from the date of its declaration. The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### 13. Current Loans

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
Other loans (unsecured, considered good)		
Advances to employees	9.28	32.55
<b>Total</b>	9.28	32.55

### 14. Current Other Financial Assets

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>(unsecured, considered good)</b>		
Security deposits	272.94	226.07
Interest receivable	6.22	6.51
Derivative financial instrument (at fair value through OCI)	3.06	16.40
Gratuity plan assets	42.13	54.59
<b>Total</b>	324.35	303.57

### 15. Non-Current Income tax assets (net)

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
Prepaid Taxes	184.62	330.90
<b>Total</b>	184.62	330.90



## Notes to the financial statements for the year ended March 31, 2023

### 16. Other current assets

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>Advances other than Capital Advances</b>		
Advance to suppliers & contractors	327.20	849.31
Credit impaired	37.45	3.41
Impairment allowance (allowances for bad & doubtful advances)	(37.45)	(3.41)
<b>Total advance to suppliers &amp; contractors</b>	<b>327.20</b>	<b>849.31</b>
<b>Government subsidies receivable- Unsecured considered good</b>	<b>14,753.88</b>	<b>7,341.67</b>
Impairment allowance (allowances for government subsidies)	(362.75)	(21.04)
<b>Total Government subsidies receivable</b>	<b>14,391.13</b>	<b>7,320.63</b>
Prepaid expenses	150.91	274.01
Balances with statutory/govt. authorities	5,722.41	4,259.72
Other advances recoverable in cash or in kind	1,378.82	161.43
Taxes/duties deposited under protest	106.53	75.41
<b>Total</b>	<b>22,077.00</b>	<b>12,940.51</b>

### 17. Share Capital

Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
22,00,00,000 shares (Previous year 22,00,00,000 shares) of par value of Re. 1/- each	2,200.00	2,200.00
<b>Issued</b>		
9,71,24,420 shares (Previous year 9,71,24,420 shares) of par value of Re.1/- each	971.24	971.24
<b>Subscribed and fully paid-up</b>		
9,69,89,200 shares (Previous year 9,69,89,200 shares) of par value of Re.1/- each	969.89	969.89
<b>Total</b>	<b>969.89</b>	<b>969.89</b>

Promoter's Shareholding		As at March 31, 2023			As at March 31, 2022			As at March 31, 2021	
Sr. No.	Promoter's Name	No of Shares	%age of shares held during year 2023	Change during the year	No of Shares	%age of shares held during year 2022	Change during the year	No of Shares	%age of shares held during year 2021
1.	S.K. Khaitan (HUF)	7920	0.01	Nil	7920	0.01	Nil	7920	0.01
2.	Shailesh Khaitan	3571910	3.68	Nil	3571910	3.68	Nil	3571910	3.68
3.	Shradha Project Limited	45763640	47.18	Nil	45763640	47.18	Nil	45763640	47.18
4.	Swapna Khaitan	1329950	1.37	Nil	1329950	1.37	Nil	1329950	1.37
5.	The Majestic Packaging Co. Pvt Ltd	22049310	22.73	Nil	22049310	22.73	Nil	22049310	22.73
6.	Utsav Khaitan	13439	0.01	Nil	13439	0.01	Nil	13439	0.01
<b>Total</b>		<b>72736169</b>	<b>74.99</b>		<b>72736169</b>	<b>74.99</b>		<b>72736169</b>	<b>74.99</b>

### Note

- a) The Company has only one class of equity shares having a par value of Re.1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing annual general meeting. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- b) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the balance sheet date.
- c) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
At the beginning of the year	96,989,200	969.89	96,989,200	969.89
Changes during the year				
Outstanding at the end of the year	96,989,200	969.89	96,989,200	969.89

- d) **Details of shareholders holding more than 5% shares of the Company:**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of shares	No. of shares	% of shares
Shradha Projects Limited	45,763,640	47.18	45,763,640	47.18
The Majestic Packaging Co. Pvt. Ltd.	22,049,310	22.73	22,049,310	22.73

## Notes to the financial statements for the year ended March 31, 2023

### 18. Other equity

	As at March 31, 2023	As at March 31, 2022
<b>Rs. in Lakhs</b>		
Capital reserve		
Opening balance	1,537.77	1,539.81
Transferred to retained earnings	(2.04)	(2.04)
<b>Closing Capital Reserve</b>	<b>1,535.73</b>	<b>1,537.77</b>
Securities Premium		
Opening balance	2,152.58	2,152.58
Addition/adjustments	-	-
<b>Closing Securities Premium</b>	<b>2,152.58</b>	<b>2,152.58</b>
General Reserve		
Opening balance	2,791.24	2,791.24
Addition/adjustments	-	-
<b>Closing General Reserve</b>	<b>2,791.24</b>	<b>2,791.24</b>
Retained Earnings		
Opening Balance	17,497.47	9,836.78
Profit for the year	4,212.51	7,949.62
Final dividends paid	(145.48)	(290.97)
Transfer from capital reserve	2.04	2.04
<b>Closing Surplus in Statement of Profit &amp; Loss</b>	<b>21,566.54</b>	<b>17,497.47</b>
Other Comprehensive Income		
Opening Balance	276.61	131.85
Addition/adjustments	83.40	144.76
<b>Closing Comprehensive Income</b>	<b>360.01</b>	<b>276.61</b>
<b>Total other equity</b>	<b>28,406.10</b>	<b>24,255.66</b>

Note Dividend distribution made and proposed

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Cash dividend on equity shares paid:</b>		
Final dividend for the year ended on March 31, 2022: Rs. 0.15 Per Equity Share (March 31, 2021: Rs. 0.15 Per Equity Share)	145.48	145.49
Interim dividend for the year ended on March 31, 2023: Nil (March 31, 2022 Rs. 0.15 Per Equity Share)	-	145.48
<b>Total</b>	<b>145.48</b>	<b>290.97</b>
<b>(ii) Proposed dividend on equity share:</b>		
Final dividend for the year ended on March 31, 2023: Rs. 0.30 Per Equity Share (March 31, 2022: Rs. 0.15 Per Equity Share)	290.96	145.48
<b>Total</b>	<b>290.96</b>	<b>145.48</b>

### 19. Non-Current Borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Term Loan</b>		
<b>Secured</b>		
Indian Rupee Term Loan from Banks	3,186.32	1,000.88
Foreign Currency Loan from Banks	-	-
Financial Institution	-	-
Less: Current Maturities (refer note no 23)	756.62	289.95
	<b>2,429.70</b>	<b>710.93</b>
<b>Loan from related parties</b>		
Unsecured	-	-
<b>Total</b>	<b>2,429.70</b>	<b>710.93</b>

- i) Rupee Term Loan of Rs 1.48 Lakhs (Previous Year 4.80 Lakhs) carrying interest @ 9.11% p.a. Sanctioned Rs 14.67 Lakhs in 2018-19 by Yes bank with tenure of 60 months ending 2nd August 2023. The Loan is secured by the hypothecation of the car.
- ii) Rupee Term Loan of Rs 237.96 lakhs (Previous Year 278.41 Lakhs), carrying interest @ 7.30% p.a. Sanctioned Rs. 325 lakhs in 2020-21 by HDFC bank with tenure of 84 months ending 5th December 2027. The Loan is secured by the hypothecation of the car.
- iii) Rupee Term Loan of Rs 864.38 lakhs (Previous Year 717.67 Lakhs), availed during the year Rs. 363.62 Lakh, carrying interest @ 9.40% p.a. Sanctioned Rs. 1125 lakhs in 2021-22 by HDFC bank with tenure of 60 months ending October 2026. The Loan is primarily secured by way of First Pari-pasu charge on immovable and movable Property Plant and Equipment. Secondary Security is Personal Guarantee of Shri Shailesh Khaitan. This loan was used for the purpose it was drawn.



## Notes to the financial statements for the year ended March 31, 2023

- iv) Rupee Term Loan of Rs 1912.50 lakhs (Previous Year NIL), availed during the year Rs. 2250 Lakh, carrying interest @ 7.55% p.a. Sanctioned Rs. 2250 lakhs in 2022-23 by AXIS bank with tenure of 60 months ending April 2027. The Loan is primarily secured by way of First Pari-pasu charge on immovable and movable Property Plant and Equipment. Secondary Security is Personal Guarantee of Shri Shailesh Khaitan. This loan was used for the purpose it was drawn.
- v) Rupee Term Loan of Rs 170 Lakhs (Previous Year NIL) carrying interest @ 8.85% p.a., Sanctioned Rs 170 Lakhs in March 2023 by ICICI bank with tenure of 60 months ending March 2028. The Loan is secured by the hypothecation of the car.
- Loan of Rs 2612.28 lakhs availed from the banks during current financial year (previous year Rs 723.31 lakhs) for completing the various capital project were utilised for the purpose it was availed.

20. Non-current-other Financial Liabilities	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Security Deposits	51.57	46.91
<b>Total</b>	<b>51.57</b>	<b>46.91</b>

21. Non-current-Provisions	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits	38.05	50.72
<b>Total</b>	<b>38.05</b>	<b>50.72</b>

22. Non-current-Deferred tax liabilities (net)	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability on account of:		
a) Timing difference on depreciation and amortisation	1,302.96	1,278.76
b) M2M Forex / Others	-	4.65
c) Fair value of investments at FVTOCI	34.57	33.58
<b>Deferred Tax Liability</b>	<b>1,337.53</b>	<b>1,317.00</b>
Deferred Tax Assets on account of:		
a) Provisions for doubtful debts/Non-moving Items	-	109.86
b) Expense allowed on payment/ settlement basis	311.66	53.58
<b>Deferred Tax Asset</b>	<b>311.66</b>	<b>163.43</b>
<b>Deferred Tax Liability/(Assets)/(Net)</b>	<b>1,025.87</b>	<b>1,153.56</b>

23. Current-Borrowings	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Loans Repayable on Demand		
Secured From Banks		
Cash Credits / Working Capital Demand Loans	18,928.69	12,561.17
Current Maturity of long term borrowing (refer note no. 19)	756.62	289.95
	<b>19,685.31</b>	<b>12,851.12</b>

**Note:** Cash Credit/Working Capital demand loans are secured by first hypothecation charge on the Company's entire stocks comprising raw materials, stocks in transit, stocks in process, finished goods, consumable stores & spares and receivable on pari-passu basis among consortium bankers.

### Current reporting period

Particulars	Period	Amount as per Financials	Amount as per statement filed with Bankers	Difference	Remarks
<b>Eligible Trade</b>					
Receivables/Inventory	30.06.2022	36,818.03	36,011.06	806.97	Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of Lenders
Other assets (Net)	30.09.2022	28,260.60	27,398.00	862.60	
	31.12.2022	30,745.86	29,369.03	1,376.83	
	31.03.2023	36,244.44	35,122.56	1,121.88	

### Previous reporting period

Particulars	Period	Amount as per Financials	Amount as per statement filed with Bankers	Difference	Remarks
<b>Eligible Trade</b>					
Receivables/Inventory	30.06.2021	24287.94	22468.00	1819.94	Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of Lenders
Other assets (Net)	30.09.2021	28717.17	25315.00	3402.17	
	31.12.2021	23360.31	21282.00	2078.31	
	31.03.2022	23828.35	22981.85	846.50	

## Notes to the financial statements for the year ended March 31, 2023

24. Current-Trade Payables	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Dues to Micro, Small and Medium Enterprises* (Refer note no. 41)	20.90	11.68
Other trade payables (including acceptances)	11,804.31	9,874.85
<b>Total</b>	<b>11,825.21</b>	<b>9,886.53</b>

\* There are no outstanding amounts payable beyond the agreed period to micro, small and medium enterprise as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable.

Current reporting period	Rs. in Lakhs						
	Outstanding for following period from due date of Payment						
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
<b>Undisputed</b>	-	-	-	-	-	-	-
<b>MSME</b>	-	20.90	-	-	-	-	20.90
<b>Others</b>	-	10,693.99	1105.45	0.49	1.24	3.14	11,804.31
<b>Disputed</b>	-	-	-	-	-	-	-
<b>MSME</b>	-	-	-	-	-	-	-
<b>Disputed dues – Others</b>	-	-	-	-	-	-	-

Previous reporting period	Rs. in Lakhs						
	Outstanding for following period from due date of Payment						
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
<b>Undisputed</b>	-	-	-	-	-	-	-
<b>MSME</b>	-	11.68	-	-	-	-	11.68
<b>Others</b>	-	8,869.01	968.24	3.67	7.46	26.47	9,874.85
<b>Disputed</b>	-	-	-	-	-	-	-
<b>MSME</b>	-	-	-	-	-	-	-
<b>Disputed dues – Others</b>	-	-	-	-	-	-	-

25. Current-Other Financial Liabilities	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	15.69	9.49
Unclaimed Dividends*	15.74	16.03
Payable to Employees	310.23	297.76
Managerial Commission	30.47	104.00
Other Payable	1,285.53	1,025.83
<b>Total</b>	<b>1,657.66</b>	<b>1,453.11</b>

\* There are no amount outstanding in respect of unpaid dividend for the more than seven years to be transferred to Investor Education and Protection Fund.

26. Other Current Liabilities	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Advances from customers	2,384.58	4,537.97
<b>Other Payable:-</b>		
Other Statutory dues	460.23	479.86
<b>Total</b>	<b>2,844.81</b>	<b>5,017.83</b>

27. Current-Provisions	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	20.40	24.03
Provision for Income Tax	612.49	-
<b>Total</b>	<b>632.89</b>	<b>24.03</b>

## Notes to the financial statements for the year ended March 31, 2023

### 28. Revenue from Operations

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
<b>Sales of products</b>		
Manufactured goods	88,564.13	82,242.50
Traded goods	84.23	38.32
Other operating revenue	133.25	96.97
<b>Total Revenue from operations</b>	<b>88,781.61</b>	<b>82,377.79</b>
<b>Details of products sold</b>		
<b>Finished goods</b>		
SSP/GSSP Fertilizer (includes subsidy income of Rs 41225.23 lakhs (Previous year Rs 44192.12 lakhs)	79,152.19	72,258.92
Sulphuric Acid	9,321.11	9,922.44
Oleum 23% and 65%	90.83	61.14
<b>Total</b>	<b>88,564.13</b>	<b>82,242.50</b>
<b>Traded goods sold</b>		
Soya De-Oiled Cake / NPK Fertilizers (includes subsidy income of Rs.19.83 lakhs (Previous year 14.73 lakhs)	84.23	38.32
<b>Total</b>	<b>84.23</b>	<b>38.32</b>
<b>Other Operating Revenue</b>		
Others	133.25	96.97
<b>Total</b>	<b>133.25</b>	<b>96.97</b>

### 29. Other Income

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
<b>Interest Income on</b>		
Bank deposits	83.74	52.27
Electricity Deposits	2.39	3.47
Others	8.99	15.89
Balances written back	52.56	54.24
<b>Total</b>	<b>147.68</b>	<b>125.87</b>

### 30. Cost of Raw Material Consumed

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
Opening Stock	5,083.68	2,076.34
Add: Purchases including related expenses upto the factory site (net of claim)	62,547.50	55,035.57
Less: Closing Stock	5,653.87	5,083.68
<b>Total</b>	<b>61,977.31</b>	<b>52,028.23</b>

### Details of Inventories - Raw Material

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
Rock Phosphate (Indigenous)	181.07	54.37
Rock Phosphate (Imported)	2,501.79	1,381.70
Sulphur ( Fert)	1,202.10	2,939.48
Sulphuric Acid/Spent Acid	257.65	266.76
Others	1,511.26	441.37
<b>Total</b>	<b>5,653.87</b>	<b>5,083.68</b>

### Details of raw material consumed

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
Rock Phosphate (Indigenous)	5,767.68	3,275.13
Rock Phosphate (Imported)	36,958.50	27,902.12
Sulphur ( Fert)	12,913.51	14,128.68
Sulphuric Acid/Spent Acid	4,271.77	4,828.31
Others	2,065.85	1,893.99
<b>Total</b>	<b>61,977.31</b>	<b>52,028.23</b>

## Notes to the financial statements for the year ended March 31, 2023

31. Change in Inventories	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the beginning of the year</b>		
Finished goods	10,234.63	6,595.61
Stock-in-trade	-	44.52
	10,234.63	6,640.13
<b>Inventories at the end of the year</b>		
Finished goods	14,147.21	10,234.63
	14,147.21	10,234.63
<b>Total</b>	(3,912.58)	(3,594.50)

Details of Inventories		
Finished Goods		
SSP/GSSP Fertilizers	13,746.27	9,737.12
Sulphuric acid	400.94	497.52
<b>Total</b>	14,147.21	10,234.63

32. Employee Benefit Expenses	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,108.15	2,798.47
Contribution to provident and other funds	160.53	151.47
Provision for Gratuity and leave encashment	62.28	101.32
Staff Welfare Expenses	61.29	50.85
<b>Total</b>	3,392.25	3,102.11

33. Finance Costs	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on loans*	1,477.80	970.40
Interest on delayed payments of Statutory dues	90.85	58.81
Interest on Lease	92.11	69.60
Other Borrowing Costs	270.66	163.61
<b>Total</b>	1,931.42	1,262.42

\* Interest on loan of Rs 46.69 lakhs has been capitalized as pre-operative expenses with capital work in progress during the year (Previous year 23.17 lakhs).

34. Depreciation and amortisation expense	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	713.88	585.02
Amortisation on Lease property	192.31	147.67
Amortisation of intangible assets	-	1.07
<b>Total</b>	906.19	733.76

35. Other expense	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores & spare parts	2,013.86	1,921.62
Packing Material consumed	2,394.75	2,494.40
Power & Fuel	2,758.77	2,422.51
Repair & Maintenance:		
Plant & Machinery	436.12	314.70
Building	181.63	91.22
Others	87.84	87.96
Other Manufacturing expenses	1,702.51	1,246.72
Freight Outward	7,588.25	7,522.09
Loading & Unloading expenses	234.55	183.05
Other selling expenses	76.56	108.14
Communication expenses	30.84	27.44
Rent	229.87	145.90
Insurance	42.81	46.84
Legal & Professional charges	72.07	80.48
Rates & Taxes	131.42	232.61

## Notes to the financial statements for the year ended March 31, 2023

	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling & Conveyance	349.94	327.70
Payment to Auditors (refer note no. 39)	22.08	22.14
Corporate Social Activity (refer note no. 52)	125.23	49.01
Loss on Sale of Fixed Assets (net)	-	206.10
Donations to Political Party	-	51.00
Donations	1.60	5.00
Foreign Exchange Fluctuation (including MTM loss) (Net)	235.37	344.93
Bank Charges	37.47	7.92
Impairment allowance (bad and doubtful debts/ subsidy) *	44.00	374.33
Provision for doubtful advances	222.03	-
Miscellaneous Expenses	512.09	369.01
<b>Total</b>	<b>19,531.66</b>	<b>18,682.82</b>

\*Bad debts written off of Rs Nil during the year (Previous year Rs 526.25 lakhs)

### 36. Contingent Liabilities & Commitments (to the extent not provided for) :

Claim against the Company not acknowledged as debts

**Rs. in Lakhs**

Particulars (Refer Notes 1 & 2)	As at March 31, 2023	As at March 31, 2022
Royalty on Rock Phosphate claimed by RSMM	158.36	158.36
Sales Trade Tax	1.07	1.07
GST	34.58	2.76
Income-Tax	96.40	47.75
Central Sales Tax / VAT	109.72	123.60
Labour Case	5.99	5.99
UPSIDC	258.34	258.14
Custom & Excise Duty	7,891.71	185.47
Bank Guarantee (Secured with FDR)	2,393.00	1,931.36

Note 1 : The Company has been advised that the demand is likely to either deleted or substantially reduced and accordingly no provision is considered necessary.

Note 2 : Company has paid/duty under protest amounting Rs. 106.53 Lakhs (Previous Year 75.41 Lakhs)

**Rs. in Lakhs**

37. Commitment	As at March 31, 2023	As at March 31, 2022
Estimated amount of Capital Commitments & Other Commitments (net of advances) not provided for	723.60	1874.74

38. The Company is in the process of obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status.

### 39. Other disclosure required by statute

**Rs. in Lakhs**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Auditor's remuneration</b>		
<b>Statutory Auditors</b>		
Audit fee	7.50	7.50
Limited Review	3.00	3.00
Certification / other services	11.48	10.88
Out of pocket expense	0.10	0.77
<b>Total</b>	<b>22.08</b>	<b>22.14</b>

### 40. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

**Rs. in Lakhs**

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount and Interest due thereon remaining unpaid to any supplier as on date	20.90	11.68
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

## Notes to the financial statements for the year ended March 31, 2023

### 41. Leases

#### Operating lease - Company as lessee

(a) The Company has lease contracts for various land, buildings (godowns, office and residential premises), vehicles and other equipment used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of godowns and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(b) Future minimum rentals payable under non-cancellable operating leases:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Not later than One Year	258.98	154.51
Later than one year and not later than five years	622.97	583.73
Later than five years	121.91	226.41
<b>Total</b>	<b>1003.86</b>	<b>964.65</b>

### 42. Earning per share

(Rs. in Lakhs unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit as per statement of profit and loss - Continuing operation	3,735.78	8,016.86
Net Profit as per statement of profit and loss - Discontinuing operation	476.73	(67.24)
	<b>4,212.51</b>	7,949.62
Face Value of Share	1.00	1.00
Opening Balance of Shares ( nos.)	96,989,200	96,989,200
Add/ ( less) Change in shares during the year	-	-
<b>Closing Balance of Shares (nos.)</b>	<b>96,989,200</b>	96,989,200
Weighted average number of equity shares	96,989,200	96,989,200
Basic & Diluted EPS -Continued	3.85	8.27
Basic & Diluted EPS - Discontinued	0.49	(0.07)
<b>Basic &amp; Diluted EPS in Rs (Continued &amp; Discontinued)</b>	<b>4.34</b>	8.20

### 43. Employee benefits

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

#### a) Defined Contribution Plans-charge to the Profit and Loss Account based on contribution

Rs. in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Superannuation	6.10	7.00
Provident fund	127.27	119.42
Employee state insurance	27.16	27.56

#### b) Other long-term benefits

Leave Encashment amount recognized as an expense and included in Note 32 Item "Provision for Gratuity and Leave encashment related expenses Rs 27.46 lakhs (Previous year Rs 46.14 lakhs) for long term compensated Absences.

#### c) Defined benefits plans

- i) Amount recognized as an expense and included in Note 32 "Contribution to Provident and Other Funds" Rs. 160.53 lakhs (Previous year Rs. 151.47 lakhs) for Provident and other fund.
- ii) Gratuity Expense Rs 34.82 lakhs (Previous year Rs. 55.62 lakhs) has been recognized in "Provision for Gratuity and leave encashment" under Note 32. as per Actuarial Valuation.

Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
<b>I Change in present value of obligation during the year</b>				
Present value of obligation at the beginning of the year	585.90	162.50	530.99	128.68
<b>Included in profit and loss:</b>				
- Current Service Cost	45.13	17.85	44.89	21.05
- Interest Cost	41.01	11.37	37.16	9.01
- Past Service Cost	-	-	-	-

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Notes to the financial statements for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
<b>Included in OCI:</b>				
Actuarial losses/(gains) arising from:				
- Experience adjustments	(0.10)	(36.56)	(10.12)	3.76
- Financial assumption	(6.45)	(1.81)	-	-
<b>Others</b>				
Benefits Paid	(77.72)	-	(17.02)	-
<b>Present Value of obligation at the end of the year</b>	<b>587.77</b>	<b>153.35</b>	<b>585.90</b>	<b>162.50</b>

### II. Change in Fair Value of Plan Assets during the year Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Plan assets at the beginning of the year	707.93	92.31	377.69	87.71
<b>Included in profit and loss:</b>				
Expected return on plan assets	51.32	1.76	26.44	6.14
<b>Included in OCI:</b>				
Actuarial Gain/(Loss) on plan assets	(1.76)	(0.22)	(26.44)	(1.54)
<b>Others:</b>				
Employer's contribution	2.16	1.05	347.26	-
Benefits paid	(77.72)	-	(17.02)	-
<b>Fair Value of plan assets at the end of the year</b>	<b>681.93</b>	<b>94.90</b>	<b>707.93</b>	<b>92.31</b>

### III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Present Value of obligation as at year-end	(587.77)	(153.35)	(585.90)	(162.50)
Fair value of plan assets at year -end	681.93	94.90	707.93	92.31
Funded status {Surplus/(Deficit)}	94.16	(58.45)	122.03	(70.19)
<b>Net Asset/(Liability)</b>	<b>94.16</b>	<b>(58.45)</b>	<b>122.03</b>	<b>(70.19)</b>

### IV. Expenses recognised in the Statement of Profit and Loss Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Current Service Cost	45.13	17.85	44.89	42.84
Interest Cost	41.01	11.37	37.16	9.01
Past Service Cost	-	-	-	-
Expected return on plan assets	(51.32)	(1.76)	(26.44)	(6.14)
<b>Total Expense</b>	<b>34.82</b>	<b>27.46</b>	<b>55.61</b>	<b>45.71</b>

### V. Expenses recognised in the Statement of Other Comprehensive Income Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Net Actuarial (Gain)/Loss	(6.55)	(38.37)	(10.12)	3.76
Expected return on plan assets excluding interest income	1.76	0.22	26.44	1.54
<b>Total Expense</b>	<b>(4.79)</b>	<b>(38.15)</b>	<b>16.32</b>	<b>5.30</b>

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Notes to the financial statements for the year ended March 31, 2023

Rs. in Lakhs

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
<b>VI Contribution of Plan Assets</b>				
Equity Instruments	-	-	-	-
Debt Instruments	-	-	-	-
Property	-	-	-	-
Insurance	2.16	1.05	347.26	-
<b>VII Bifurcation of PVDBO at the end of the year</b>				
Current Liability/(Current Assets)	-	53.51	(54.59)	52.23
Non-Current Liability/(Non current Assets)	-	99.83	(67.42)	110.23
<b>VIII Actuarial Assumptions</b>				
Discount Rate	7.25% per annum	7.25% per annum	7% per annum	7% per annum
Expected rate of return on plan assets	5% per annum	7% per annum	5% per annum	7% per annum
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Salary Escalation	5.00% per annum	5.00% per annum	5.00% per annum	5.00% per annum
Turnover Rate- (18 to 30 Years)	5.00% per annum	5.00% per annum	5.00% per annum	5.00% per annum
Turnover rate- (30 to 44 Years)	3.00% per annum	3.00% per annum	3.00% per annum	3.00% per annum
Turnover rate- (44 to 58 Years)	2.00% per annum	2.00% per annum	2.00% per annum	2.00% per annum

**IX** The expected contribution for Defined Benefit Plan for the next financial year will be Rs.54.43 lakhs (previous year Rs 106.82 lakhs)

**X Experience Adjustment:**

Rs. in Lakhs

Gratuity	2022-23	2021-22	2020-21	2019-20	2018-19
Present Value of obligation	587.77	585.90	530.99	486.20	404.32
Fair value of Plan assets	681.93	707.93	377.69	326.64	286.72
Net Asset/(Liability)	(94.16)	(122.03)	153.30	159.56	117.60
Actuarial (Gain)/Loss on plan obligation	(6.55)	(10.12)	2.58	55.16	31.87
Actuarial Gain/(Loss) on plan assets	(1.76)	(26.44)	5.44	(2.83)	(0.24)

Rs. in Lakhs

Leave Encashment Compensated Absences	2022-23	2021-22	2020-21	2019-20	2018-19
Present Value of obligation	153.35	162.50	128.68	116.60	102.55
Fair value of Plan assets	94.90	92.31	87.71	80.53	75.07
Net Asset/(Liability)	(58.45)	(70.19)	(40.97)	(36.07)	(27.48)
Actuarial Gain/(Loss) on plan obligation	(38.37)	3.76	(11.25)	(8.10)	(8.77)
Actuarial Gain/(Loss) on plan assets	(0.22)	(0.22)	(1.54)	1.54	0.20

**XI. Sensitivity Analysis**

**Gratuity**

Rs. in Lakhs

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	560.70	618.74	558.28	617.58
Future salary growth ( 1% movement)	618.14	560.65	616.89	558.51
Employee turnover ( 1% movement)	591.72	583.22	589.45	581.83

**Long Term Compensated Absences**

Rs. in Lakhs

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	145.35	162.57	153.48	172.79
Future salary growth (1 % movement)	162.68	145.11	172.89	153.25
Employee turnover ( 1% movement)	154.79	151.73	163.85	160.90



## Notes to the financial statements for the year ended March 31, 2023

### XII. Maturity Profile of projected benefit obligation: from the fund

Rs. in Lakhs

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity		Gratuity	
	Funded		Funded	
1st Following Year	230.42		232.06	
2nd Following Year	34.59		33.39	
3rd Following Year	28.25		29.98	
4th Following Year	49.48		23.71	
5th Following Year	21.50		43.99	
After 5 Years	223.60		222.77	

### 44. Income Taxes

#### a. Amount recognised in Statement of Profit and Loss

Rs. in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Income Tax		
Current year- Continuing operation	1,465.69	2,630.03
Current year- Discontinued operation	160.33	(22.62)
	1,626.02	2,607.41
Adjustment in respect of current income tax for earlier year	56.34	(19.39)
<b>Total</b>	<b>1,682.36</b>	<b>2,588.02</b>
Deferred Tax		
In relation to origination of temporary differences (Current year)	(154.77)	(60.10)
Re-measurement of Deferred Tax on a/c of New Tax regime (net)	-	(451.88)
Reversal of MAT Credit Entitlement	-	173.11
<b>Total</b>	<b>1,527.59</b>	<b>2,249.15</b>

#### b. Income taxes that are charged or credited directly in equity

Rs. in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax		
Impact due to fair value of investment other than subsidiary	(0.48)	(17.21)
Re-measurement of defined benefit plan(actuarial gain/loss)	(10.80)	4.11
Gains & (Losses) in Cash Flow Hedges	(15.81)	(0.94)
<b>Total</b>	<b>(27.09)</b>	<b>(14.04)</b>

#### c. Reconciliation of Tax expense

Rs. in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax from continuing operation	5,103.04	10,288.63
Profit/(loss) before tax from discontinued operation	637.06	(89.86)
<b>Accounting profit before tax</b>	<b>5,740.10</b>	10198.77
Applicable tax rate *	25.168%	25.168%
<b>Computed Tax expense</b>	<b>1,444.67</b>	2,566.83
Effect of expenses not deductible in determining taxable profit	181.36	40.58
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,626.02</b>	<b>2,607.41</b>
Income tax expense from continuing operations	1465.69	2630.03
Income tax expense /(credit) attributable to discontinued operation	160.33	(22.62)

\* tax rate of 25.168% includes corporate tax of 22%, 10% surcharge and Health & Education Cess of 4% on the tax amount

## Notes to the financial statements for the year ended March 31, 2023

### d. Reconciliation of deferred tax liabilities (net)

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
Opening Balance	1,153.55	1478.38
In relation to origination of temporary differences (Current year)	(154.77)	(60.10)
Re-measurement of Deferred Tax on a/c of New Tax regime (net)	-	(451.88)
Reversal of MAT Credit Entitlement	-	173.11
Other comprehensive income	27.09	14.04
<b>Closing Balance</b>	<b>1025.87</b>	<b>1153.55</b>

### e. Deferred tax

#### Deferred tax relates to the followings

	For the year ended March 31, 2023	Rs. in Lakhs For the year ended March 31, 2022
Timing difference on depreciation and amortisation	24.20	(664.10)
Re-measurement of borrowings	(4.65)	0.91
Fair value of investments at FVTPL	0.99	17.21
Provisions for doubtful debts\Non-moving Items	109.86	106.15
Expense allowed on payment/ settlement basis	(258.08)	61.47
Previous year adjustments	-	(19.57)
MAT credit entitlement setoff	-	173.11
<b>Total</b>	<b>(127.68)</b>	<b>(324.81)</b>

### 45. Ratios

Rs. in Lakhs

S. No.	Ratios	Numerator	Denominator	Year ended 31.03.2023	Year ended 31.03.2022	Change in Ratio %	Reasons for variation exceeding 25%
1.	Net Profit Margin (%)	Net profits after taxes	Revenue from Operation	4.70	9.63	-51%	Net Profit margin has decreased during the period on account of higher raw material and over head cost.
2.	Debt Service Coverage Ratio (in times)	Earnings available for debt service = Profit before exceptional item and tax + finance costs + depreciation and amortisation	Debt Service= Finance cost + repayment of long term borrowing during the period+ Interest Capitalised	3.41	4.07	-16%	-
3.	Trade receivables Turnover ratio (in times)	Revenue from Operation	Average Trade Receivable	17.40	20.23	-14%	-
4.	Inventory Turnover ratio (in times)	Revenue from Operation	Average Inventory	3.89	5.14	-24%	Ratio is decreased due to Increase in Inventory level.
5.	Debt-Equity Ratio (in times)	Total Borrowings	Shareholders Equity	0.75	0.54	40%	Due to Increase in availment of Term Loan & Working Capital
6.	Current Ratio (in times)	Current Assets	Current Liabilities	1.51	1.50	1%	-
7.	Return on Equity	Net profits after taxes	Paid-up capital + Free reserves	14.34	31.51	-54%	Ratio has decrease significantly due to decrease in net profit during the year
8.	Trade payable/ Turnover	Net purchases of goods	Average Trade Payable	6.48	7.43	-13%	-
9.	Net Capital turnover	Revenue from operation	Average Shareholders equity	3.29	3.87	-15%	-
10.	Return on Capital Employed	Net Profit after tax	Capital Employed: Paid-up capital + Free Reserves + Long term debts	13.24	30.65	-57%	Reduction in Profit and increase in long term debts has resulted in reduction in return of capital employed
11.	Return on Investment	Net Profit after tax	Total Assets	5.96	13.93	-57%	Ratio has decrease significantly due to decrease in net profit during the year

## Notes to the financial statements for the year ended March 31, 2023

### 46. Related party disclosures as required by ind AS - 24 (As certified by the management)

#### a. List of Related Parties

##### I. Entities with joint control of, or significant influence over the entity

Names	Relationship
Shradha Project Limited	Significant influence (with 47.18 % holding)

##### II. Key Management Person

##### Executive directors and their relatives

Names	Relationship
i) Shri Shailesh Khaitan	Chairman & Managing Director
ii) Shri S.K. Khaitan (HUF)	HUF in which Shri Shailesh Khaitan is Karta
iii) Smt Swapna Khaitan	Wife of Chairman & Managing Director
iv) Shri Utsav Khaitan	Joint Managing Director (Son of Chairman & Managing Director)
v) Smt Udita Khaitan	Wife of Joint Managing Director
vi) Shri Jagdish Lal Jajoo	Whole Time Director
vii) Shri Harsh Vardhan Agnihotri	President & Chief Financial Officer
viii) Shri Kamlesh Joshi	Company Secretary & Senior General Manager (resigned w.e.f. January 23, 2023)
ix) Shri Ajay Salitra	Company Secretary & Compliance Officer (appointed w.e.f. January 23, 2023)
x) Shri Vijay Gupta	Non executive/ Independent director
xi) Shri Balmukund Dakhera	Non executive/ Independent director
xii) Ms. Veena Chadha	Non executive/ Independent women director

##### III. Other related parties

##### Enterprises which is under significant influence of KMP and / or their Relatives (with whom transaction have taken place)

- i) The Majestic Packaging Co Pvt Ltd
- ii) Arati Marketing Private Limited
- iii) B O Constructions Private Limited
- iv) Accord Infra Properties Private Limited
- v) Khaitan Paper & Packaging Pvt Ltd
- vi) Lilac Properties Private Limited

#### b. Transactions carried out with related parties in ordinary course of business

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Rent Paid</b>		
Shradha Projects Ltd.	3.60	3.60
B O Constructions Private Limited	91.15	54.12
Smt Swapana Khaitan	112.09	99.81
Smt Udita Khaitan	73.92	-
<b>Interest Paid</b>		
Shradha Projects Ltd.	13.59	46.78
Accord Infra Properties Pvt Ltd	1.65	28.70
Lilac Properties Pvt Ltd	-	15.30
Aarti Marketing Pvt Ltd	2.28	0.67
<b>Dividend Paid</b>		
Shradha Projects Ltd.	68.65	137.28
The Majestic Packaging Co Pvt Ltd	33.07	66.12
Shri Shailesh Khaitan	5.36	10.74
Shri S K Khaitan (HUF)	0.01	0.02
Smt Swapana Khaitan	1.99	3.98
Shri Utsav Khaitan	0.02	0.06
<b>Director's Sitting Fees</b>		
Shri Vijay Gupta	2.90	1.80
Shri Balmukund Dakhera	2.90	1.80
Ms.Veena Chadha	2.70	1.80
<b>Loan Taken</b>		
Shradha Projects Ltd.	1,030.00	1,450.00
Accord Infra Properties Pvt Ltd	200.00	-
Aarti Marketing Pvt Ltd	370.00	185.00

## Notes to the financial statements for the year ended March 31, 2023

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Remuneration Paid (Note No. 1)</b>		
Shri Shailesh Khaitan	467.42	197.11
Shri Jagdishlal Jajoo	20.42	13.30
Shri Utsav Khaitan	182.74	173.99
Shri Harshvardhan Agnihotri	39.83	35.50
Shri Ajay Salitra	1.03	-
Shri Kamlesh Joshi	16.84	16.54
<b>Loan Repaid</b>		
Shradha Projects Ltd.	1,030.00	2,470.00
Accord Infra Properties Pvt Ltd	200.00	392.00
Lilac Properties Pvt Ltd	-	209.00
Arati Marketing Private Limited	370.00	185.00

**Note No 1 :** Excluding Provision for gratuity & Leave Encashment, which are provided on actuarial basis for the company as a whole. Hence, no separate figures are available.

**Note No 2 :** For the purpose of above disclosure transactions are inclusive of taxes (Gross).

### C. Balances with related parties in ordinary course of business

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Shradha Projects Ltd.</b>		
Interest Payable	-	-
Loan Payable	-	-
Investments made	348.67	343.94
<b>Shri Shailesh Khaitan</b>		
Remuneration Payable	19.79	123.61
<b>Shri Utsav Khaitan</b>		
Remuneration Payable	14.43	0.17
<b>Shri Jagdish Lal Jajoo</b>		
Remuneration Payable	1.09	0.90
<b>Shri Harsh Vardhan Agnihotri</b>		
Remuneration Payable	-	-
<b>Shri Kamlesh Joshi</b>		
Remuneration Payable	-	-
<b>B O Constructions Private Limited</b>		
Rent Payable	-	1.01
<b>Khaitan Paper &amp; Packaging Pvt Ltd</b>		
Rent Payable	-	0.08
<b>Smt Udita Khaitan</b>		
Rent Payable	3.12	-
<b>Smt Swapana Khaitan</b>		
Rent Payable	-	-

### 47. Segment information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

- i) Fertilizers
- ii) Chemicals & Speciality Chemicals
- iii) Others (Include Soya / Agro - Discontinuing operation)

# KHAITAN CHEMICALS AND FERTILIZERS LIMITED



## Notes to the financial statements for the year ended March 31, 2023

Rs. in Lakhs

Particulars	For the year ended March 31, 2023						For the year ended March 31, 2022						
	Continuing Operation				Discontinuing Operation	Total Continuing & dis-continuing Operation	Continuing Operation				Discontinuing Operation	Total Continuing & dis-continuing Operation	
	Fertilizers	Chemicals & Speciality Chemicals	Others	Total	Soya Agro		Fertilizers	Chemicals & Speciality Chemicals	Others	Total	Soya Agro		
<b>Revenue (including other income)</b>													
Revenue from external customers	79517.35	17490.13	-	97007.48	637.06	<b>97,644.54</b>	72493.65	18512.44	26.42	91032.51	198.83	91,231.34	
Less : Inter segment revenue	-	8078.19	-	8078.19	-	<b>8,078.19</b>	-	8528.85	-	8528.85	-	8,528.85	
<b>Total revenue</b>	<b>79,517.35</b>	<b>9,411.94</b>	<b>-</b>	<b>88,929.29</b>	<b>637.06</b>	<b>89,566.35</b>	72,493.65	9,983.59	26.42	82,503.66	198.83	82,702.49	
<b>Results</b>													
<b>Segment Operating Profit/ (Loss) net of allocable expenses</b>													
Unallocable expenses	3913.75	3120.71	-	7034.46	637.06	<b>7,671.52</b>	8206.91	3477.00	(132.84)	11551.07	(89.86)	11,461.20	
<b>Total operating profit/(loss)</b>	<b>3,913.75</b>	<b>3,120.71</b>	<b>-</b>	<b>7,034.46</b>	<b>637.06</b>	<b>7,671.52</b>	8,206.91	3,477.00	(132.84)	11,551.07	(89.86)	11,461.20	
<b>Non-operating expenses</b>													
Interest Expense						<b>1,931.42</b>	<b>1,262.42</b>			<b>1,262.42</b>			
<b>Net Profit</b>	<b>3,913.75</b>	<b>3,120.71</b>	<b>-</b>	<b>7,034.46</b>	<b>637.06</b>	<b>5,740.09</b>	<b>8,206.91</b>	<b>3,477.00</b>	<b>(132.84)</b>	<b>10,288.65</b>	<b>(89.86)</b>	<b>10,198.78</b>	
Tax Expense						<b>1,527.59</b>				<b>2,271.77</b>	<b>(22.62)</b>	<b>2,249.15</b>	
<b>Profit After Tax</b>						<b>4,212.51</b>						<b>7,949.63</b>	
<b>Capital Expenditure</b>	<b>2,333.74</b>	<b>1,116.09</b>	<b>-</b>	<b>3,449.83</b>	<b>-</b>	<b>3,449.83</b>	993.07	-		993.07	-	<b>993.07</b>	
<b>Unallocated Capital Expenditure</b>													
<b>Total Capital Expenditure</b>						<b>3,449.83</b>	<b>993.07</b>			<b>993.07</b>		<b>993.07</b>	
Depreciation and amortisation	810.24	95.95	-	906.19	-	<b>906.19</b>	685.76	48.00	-	733.76	33.40	<b>767.16</b>	
Unallocated Depreciation													
<b>Total depreciation</b>	<b>810.24</b>	<b>95.95</b>	<b>-</b>	<b>906.19</b>	<b>-</b>	<b>906.19</b>	<b>685.76</b>	<b>48.00</b>	<b>-</b>	<b>733.76</b>	<b>33.40</b>	<b>767.16</b>	
Non cash Expenditure other than Depreciation/ Amortisation	266.03	-	-	266.03	-	<b>266.03</b>	580.43	-	-	580.43	-	<b>580.43</b>	
Unallocated Corporate Non Cash Expenses other than Depreciation / Amortisation													
<b>Total non cash expenditure other than Depreciation/ Amortisation</b>	<b>266.03</b>	<b>-</b>	<b>-</b>	<b>266.03</b>	<b>-</b>	<b>266.03</b>	<b>580.43</b>	<b>-</b>	<b>-</b>	<b>580.43</b>	<b>-</b>	<b>580.43</b>	

### b) Segment Assets and Liabilities

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Segment Assets</b>		
Fertilizers	64,078.64	50,233.62
Chemicals & Speciality Chemicals	5103.97	4887.29
Discontinued Operation	333.91	612.68
Others	651.36	669.20
Unallocable Assets	533.30	674.85
<b>Total</b>	<b>70,701.17</b>	<b>57,077.65</b>
<b>Segment Liabilities</b>		
Fertilizers	39,260.13	30,619.58
Chemicals & Speciality Chemicals	30.84	71.59
Discontinued Operation	395.86	7.38
Unallocable Liabilities	1,638.35	1,153.55
<b>Total</b>	<b>41,325.18</b>	<b>31,852.09</b>

### c) Other information

Rs. in Lakhs

Particulars	For the year ended March 31, 2023						For the year ended March 31, 2022						
	Continuing Operation				Discontinuing Operation	Total Continuing & dis-continuing Operation	Continuing Operation				Discontinuing Operation	Total Continuing & dis-continuing Operation	
	Fertilizers	Chemicals & Speciality Chemicals	Others	Total	Soya Agro		Fertilizers	Chemicals & Speciality Chemicals	Others	Total	Soya Agro		
<b>Revenue from major customers</b>													
Revenue from customers exceeding 10% of total revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The company does not have any exports, hence reporting on secondary segment does not arise.



## Notes to the financial statements for the year ended March 31, 2023

### 48. Financial Risk Management objectives and Policies

#### Financial risk factors

This note explain the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables	Ageing Analysis, credit risk analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines and borrowing facilities
Market Risk -Foreign Exchange	Future Commercial transactions, Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity Analysis	Forward foreign exchange contracts Foreign Currency options
Market Risk -Interest Rate	Long term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk -Security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

#### Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyses foreign currency risk from financial instruments :

Particulars	Rs. in Lakhs		
	As at March 31, 2023 USD	As at March 31, 2022 USD	Total
<b>Financial Assets</b>			
Cash and cash equivalents	-	-	-
Trade receivables	-	-	-
Other financials assets ( including loans)	-	-	-
<b>Financial liabilities</b>			
Trade payables	89.94	91.26	7,394.59
Borrowings	-	-	
Interest Accrued but not due	-		
<b>Net assets / (liabilities)</b>	<b>(89.94)</b>	<b>(91.26)</b>	<b>(7,394.59)</b>

The following significant exchange rates have been applied during the year.

Particulars	Rs. in Lakhs	
	Year and spot rate	
	March 31, 2023	March 31, 2022
USD	82.2169	75.8071

#### Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

Particulars	Rs. in Lakhs			
	2022-23		2021-22	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	(18.49)	18.49	(17.29)	17.29
<b>Increases/ ( decrease ) in profit or loss</b>	<b>(18.49)</b>	<b>18.49</b>	<b>(17.29)</b>	<b>17.29</b>



## Notes to the financial statements for the year ended March 31, 2023

### Summary of Exchange difference account in Statement of Profit and loss

Rs. in Lakhs

Particulars	For the year ended 31, 2023	For the year ended 31, 2022
<b>Currency fluctuations</b>		
Net foreign exchange ( gain)/ losses shown as operating expenses	235.37	344.93
Net foreign exchange ( gain)/ losses shown as Finance Cost	-	-
<b>Derivatives</b>		
Currency forwards ( gain) / losses shown as operating expenses	-	-
<b>Total</b>	<b>235.37</b>	<b>344.93</b>

### Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

### Interest Rate Risk Exposure

Particulars	As at March 31, 2023		As at March 31, 2022	
	(Rs. in lakhs)	(% of Total)	(Rs. in lakhs)	(% of Total)
Fixed Rate Borrowings	409.44	1.85%	283.21	2.09%
Variable Rate Borrowings	21,705.57	98.15%	13,278.83	97.91%
<b>Total Borrowings</b>	<b>22,115.01</b>	<b>100.00%</b>	<b>13,562.04</b>	<b>100.00%</b>

### Sensitivity on Variable Rate Borrowing

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31- Mar-23	31- Mar-22	31- Mar-23	31- Mar-22
Interest Rate Increase by 0.25%	(54.26)	(33.20)	(54.26)	(33.20)
Interest Rate decrease by 0.25%	54.26	33.20	54.26	33.20

### Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

### II. Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 6852.85 Lakhs and Rs. 4118.86 lakhs as of March 31, 2023 and March 31, 2022 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers: Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from top customer	7,042.15	33,058.00
Revenue from top five customers	21,165.86	10,641.00

### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 was 344.30 lakhs. Rs. in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning	317.15	467.68
Impairment loss reversed	-	-
Additional provision created during the year	27.15	(150.53)
<b>Balance at the end</b>	<b>344.30</b>	<b>317.15</b>

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk

### Ageing Analysis of Trade Receivables

Rs. in Lakhs

Particulars	As at March 31, 2023			Total
	Up to Six Months	Six to Twelve Months	Above 12 Months	
Unsecured	6,385.20	99.58	368.06	6,852.85
Less: Impairment allowances (bad and doubtful debts)	-	-	344.30	344.30
<b>Net Balance</b>	<b>6,385.20</b>	<b>99.58</b>	<b>23.76</b>	<b>6,508.55</b>



## Notes to the financial statements for the year ended March 31, 2023

Rs. in Lakhs

Particulars	As at March 31, 2022			Total
	Up to Six Months	Six to Twelve Months	Above 12 Months	
Unsecured	3,478.55	124.14	516.17	4,118.86
Less: Impairment allowances (bad and doubtful debts)	-	-	317.15	317.15
<b>Net Balance</b>	<b>3,478.55</b>	<b>124.14</b>	<b>199.02</b>	<b>3,801.71</b>

### iii) Liquidity risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023

Rs. in Lakhs

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	18,928.69	18,928.69	-	-	18,928.69
Borrowings - Non-Current	3,186.32	756.62	2,429.71	-	3,186.32
Trade payables	11,825.21	11,825.21	-	-	11,825.21
<b>Other financial liabilities - Current</b>					
Interest accrued but not due on loans	15.69	15.69	-	-	15.69
Derivative Financial Instruments	-	-	-	-	-
Others	1,611.50	1,611.50	-	-	1,611.50
<b>Other financial liabilities - Non-Current</b>					
Others	554.60	-	432.69	121.91	554.60
Trade Deposits	51.57	-	-	51.57	51.57

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022

Rs. in Lakhs

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	12,561.17	12,561.17	-	-	12,561.17
Borrowings - Non-Current	1,000.88	289.95	710.93	-	1,000.88
Trade payables	9,886.53	9,806.81	79.72	-	9,886.53
<b>Other financial liabilities - Current</b>					
Interest accrued but not due on loans	9.49	9.49	-	-	9.49
Derivative Financial Instruments	10.69	10.69	-	-	10.69
Others	1,339.63	1,339.63	-	-	1,339.63
<b>Other financial liabilities - Non-Current</b>					
Others	566.77	566.47	0.30	-	566.77
Trade Deposits	46.91	-	-	46.91	46.91

### Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### iv) Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

Rs. in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	22,115.02	13,562.05
Trade Payables	11,825.21	9,886.53
Other Payables	1,709.23	1,500.02
Less: Cash and cash equivalents including bank balance	1,637.93	6,000.41
Less: Current Investments	-	-
<b>Net debt</b>	<b>34,011.53</b>	<b>18,948.20</b>
Equity	29,375.99	25,225.55
<b>Capital and Net debt</b>	<b>63,387.52</b>	<b>44,173.75</b>
Gearing Ratio	54%	43%



## Notes to the financial statements for the year ended March 31, 2023

### 49. Fair Value Measurement

i) Some of the financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Financial Asset (Financial Liabilities)	Rs. in Lakhs			
	Fair Value at*		Fair Value Hierarchy	Valuation Technique and key input used
	As at March 31, 2023	As at March 31, 2022		
1) Foreign currency forward contracts	3.06	16.40	Level 2	Refer Note 3
2) Investments in unquoted equity instruments at fair value through other comprehensive income	348.67	343.93	Level 3	Refer Note 4

\*positive value denotes financial asset (net) and negative value denotes financial liability (net)

#### Notes:

1. There were no level 1 financial instruments during the period.
2. There were no transfers between the Levels for the purpose of fair valuation.
3. The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
Foreign currency forward contracts	Discounted cash flows	Flow Forward exchange rates, contract forward and interest rates, observable yield curves.

4. The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
Investments in unquoted equity instruments at fair value through other comprehensive income	Weighted average of Net asset value, discounted cash flows and profit earning capacity.	Projected cash flows, discount for expected rate of capitalisation, return and risk.	A 100 basis points increase / decrease in discount rate holding other variables constant would increase/(decrease) the amount of investment by (Rs.13.74 lakhs) / Rs 12.98 Lakhs .(Pr. Yr 31.03.2022, : Rs. 9.01 Lakhs)

### ii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required) Rs. in Lakhs

	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Financial Assets at amortised cost</b>				
Trade receivables	6508.55	6508.55	3801.71	3801.71
Cash and cash equivalents	15.50	15.50	4718.57	4718.57
Bank balances other than cash and cash equivalents	1622.43	1622.43	1281.84	1281.84
Loans	9.28	9.28	32.55	32.55
Other financial assets	546.58	546.58	728.95	728.95
<b>Financial Liabilities at amortised cost</b>				
Borrowings	22115.02	22115.02	13562.05	13562.05
Trade payables	11825.21	11825.21	9886.53	9886.53
Other financial liabilities	2233.36	2233.36	1962.79	1962.79

Note : In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

### iii) Reconciliation of Level 3 fair value measurements for the year ended 31 March 2023:

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
	Investments in unquoted equity instruments at FVTOCI	Investments in unquoted equity instruments at FVTOCI
Opening Balance	343.93	172.53
<b>Total gain or losses</b>		
in profit or loss	-	-
In other comprehensive income	4.74	171.40
<b>Closing Balance</b>	<b>348.68</b>	<b>343.93</b>



## Notes to the financial statements for the year ended March 31, 2023

### 50. Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

#### Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Foreign currency in lakhs	(Rs. in lakhs)	Foreign currency in lakhs	(Rs. in lakhs)
<b>Imports/ and other foreign currency payables</b>				
US Dollar	89.94	7,394.59	115.27	8,785.89

#### Foreign Currency Exposure not hedged as at the Balance Sheet Date

Foreign Currency	As at March 31, 2023		As at March 31, 2022	
	Foreign currency in lakhs	(Rs. in lakhs)	Foreign currency in lakhs	(Rs. in lakhs)
<b>Imports/ and other foreign currency payables</b>				
US Dollar	-	-	-	-
Receivables against debit note				
US Dollar	-	-	-	-

### 51. i) Financial performance related to discontinued operation

	Rs. in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>		
Revenue from Operations	-	198.18
Other Income	637.06	0.65
<b>Total Income</b>	<b>637.06</b>	<b>198.83</b>
<b>EXPENSES:</b>		
Cost of Raw material consumed	-	186.43
Purchases of Stock in Trade	-	0.00
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	-	4.33
Employee benefits expense	-	28.05
Finance costs	-	0.00
Depreciation and amortisation expense	-	33.40
Other expenses	-	36.48
<b>Total Expenses</b>	<b>-</b>	<b>288.70</b>
<b>Profit/(Loss) before tax</b>	<b>637.06</b>	<b>(89.88)</b>
Tax expenses	160.33	22.62
<b>Profit/(Loss) from discontinued operation</b>	<b>476.72</b>	<b>(67.25)</b>

	Rs. in Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>ii) Major class of assets and liabilities of disposal group classified as held for sale</b>		
<b>Assets or disposal group classified as held for sale</b>		
Property, plant and equipment	329.91	420.62
Stores Inventory	-	187.45
Non-current Assets		
<b>Financial Assets</b>		
Other Financial Assets	4.00	3.86
Cash and cash equivalents	0.00	0.00
Other Assets	-	0.75
	333.91	612.68
<b>Liabilities directly associated with disposal group classified as held for sale</b>		
Financial Liabilities	1.34	2.86
Other Payables	394.51	4.52
	395.86	7.38

\* Certain property, plant & equipment classified as held for sale during the reporting period were measured at lower of carrying amount and fair value less costs to sell at the time of reclassification, resulting in recognition of a write down of Rs Nil March 31, 2023. as depreciation expense in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

**Notes to the financial statements for the year ended March 31, 2023****52. Expenditure incurred on corporate social responsibilities**

Details of expenditure on corporate social responsibility activities as per Section 135 of Companies Act, 2013 read with schedule III are as below:

Rs. in Lakhs

	Year ended March 31, 2023	Year ended March 31, 2022
<b>1. Gross amount required to be spent by the company during the year</b>	109.71	48.46
<b>Total</b>	<b>109.71</b>	<b>48.46</b>
<b>2. Amount spent during the year</b>		
Rural Development Projects	74.20	2.64
Promote Rural Sports		34.33
Promoting Education	51.03	5.84
Rural Development Projects	-	-
PM CARE Fund	-	6.20
<b>Total</b>	<b>125.23</b>	<b>49.01</b>

53. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**54. Subsequent events**

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

55. a) The financial statements are presented in INR and all value are rounded to the nearest INR Lakhs, except when otherwise indicated.

## b) Other Statutory information

- i) The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company do not have any transactions with struck off companies, except the following :

Name of the struck off Company	Nature of transaction with struck-off Company	Balance Outstanding	Relationship with any
Rukmini Leasing Ltd.	80 No. of Shares held by struck-off company	Nil	N.A.

- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- a) 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
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) The Company have not declared willful defaulter by any banks or any other financial institution at any time during the financial year.

56. Previous year figures have been re-arranged and/or regrouped wherever considered necessary, to confirm current year classification.

As per our report of even date

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

For NSBP & Co.  
Chartered Accountants  
Firm's Registration No. : 001075N

UTSAV KHAITAN  
(Joint Managing Director)  
DIN : 03021454

JAGDISH LAL JAJOO  
(Whole Time Director)  
DIN : 02758763

Subodh Kumar Modi  
Partner  
Membership Number: 093684

HARSH VARDHAN AGNIHOTRI  
(President & Chief Financial Officer)  
PAN No.: ACXPA9315K

CS AJAY SALITRA  
(Company Secretary & Compliance Officer)  
Membership No.: A 61495

Place : New Delhi  
Date : April 29, 2023



**स्वेतान**

FERTILIZER - ZINCATED **जादू**

SINGLE SUPER PHOSPHATE  
GRANULES

P(NACS)-16%, P(WS)-14.5%, S-11%, Zn-0.5%

Net Weight 50 Kg, Gross Weight 50.12 Kg

**जिंक युक्त**

GOI - Subsidy Per Bag ₹ 14215

**Registered Office :**  
Khaitan Chemicals & Fertilizers Limited  
Nimrani, District - Khargone (M.P.)

**Manufacturing unit :**  
Khaitan Chemicals & Fertilizers Limited

1. Nimrani, District - Khargone (M.P.)
2. Dhinwa, Nimbaheda, District - Chittod (Raj.)
3. Goramachhiya, District - Jhansi (UP)
4. Malwan, District - Fatehpur (UP)
5. Farhad Somni, District - Rajnandgaon (CG)
6. Vagra, District - Bhauch (GUJ)

**स्वेतान, खातान, खैतान**

QUALITY CERTIFIED  
गुणवत्ता पर परीक्षा का प्रमाण  
(कृषि विभाग, खैरतपुर, म.प्र.)



स्वेतान