

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.**

**CIN : U15491WB1897PLC001365**

**DIN**

**BOARD OF DIRECTORS** : SRI A. V. KOTHARI – Director 02572346  
: SMT. VEDIKA KOTHARI – Director 07189991  
: SRI S. BAGRI – Director 00659888  
: SRI A. KHANDELWAL – Director 00416445  
: SRI A. AGARWAL – Director 00054252  
: SRI A. K. TOSHNIWAL – Managing Director 06872891

**AUDITORS** : K RAY & COMPANY, KOLKATA

**BANKERS** : BANK OF BARODA

**REGISTERED OFFICE** : C – 4, GILLANDER HOUSE,  
8, N. S. ROAD, KOLKATA – 700 001

**REGISTRAR & SHARE TRANSFER AGENT** : MAHESHWARI DATAMATICS PRIVATE LIMITED  
23, R. N. MUKHERJEE ROAD (5<sup>TH</sup> FLOOR),  
KOLKATA – 700 001

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**MANUFACTURING UNITS**

**PHYTOCHEMICALS DIVISION** : MADURAI (Tamil Nadu)  
Mfrs. of: Chemicals and Crude Drugs

**CLARO INDIA DIVISION** : GUMMIDIPOONDI (Tamil Nadu)  
Mfrs. of: Phenolic Resin

**DIRECTORS' REPORT****TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting ONE HUNDRED TWENTY SIXTH Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March 2022.

**1. FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY:**

Amount (₹ in '00)

Particulars	2021 – 22	2020 – 21
Gross Sales	2,462,090.52	2,492,063.05
Other Operating Revenue	43,390.91	50,277.15
Other Income	651,373.79	797,629.14
Total Revenue	3,156,855.22	3,339,969.34
<b>Earnings before Depreciation, Amortisation &amp; Taxation</b>	<b>1,338,731.37</b>	<b>1,784,749.29</b>
Less : Depreciation and Amortisation	50,082.65	63,558.49
<b>Profit before Taxation</b>	<b>1,288,648.72</b>	<b>1,721,190.80</b>
Less : Provision for Taxation		
Current Tax	236,000.00	325,000.00
Deferred Tax (Net)	54,861.36	76,752.74
<b>Profit for the year</b>	<b>997,787.36</b>	<b>1,319,438.06</b>
Other Comprehensive Income	2,897.41	11,368.11
<b>Total Comprehensive Income</b>	<b>1,000,684.77</b>	<b>1,330,806.17</b>
<b>STATEMENT OF RETAINED EARNINGS</b>		
At the beginning of the year	1,334,457.57	153,651.40
Add : Profit for the year	997,787.36	1,319,438.06
Add : Other Comprehensive Income (net of taxes)	2,897.41	11,368.11
Less : Dividend Paid	174,742.88	-
Transfer to General Reserve	500,000.00	150,000.00
At the end of the year (Balance)	1,660,399.46	1,334,457.57
<b>EPS (Amount in ₹)</b>	<b>25.70</b>	<b>33.98</b>

## **2. DIVIDEND**

In continuation to steady dividend policy and performance outlook, your Directors are pleased to recommend payment of dividend @ 35 % i. e. ₹ 3.50 per ordinary share of ₹ 10/- each for the year under review. The total payout amounts to ₹ 13,591,113/-.

## **3. RESERVE**

An amount of ₹ 50,000,000/- has been transferred to the General Reserve for the financial year ended 31<sup>st</sup> March, 2022. The balance amount of profit retained in surplus Profit & Loss.

## **4. SHARE CAPITAL**

The Paid – up Share Capital of the Company as on 31st March, 2022 was ₹ 38,831,750/-.  
There has been no change in the Equity Share Capital of the Company during the year.

## **5. ADOPTION OF INDIAN ACCOUNTING STANDRAD (IND – AS)**

The Company has followed the treatment laid down in the Indian Accounting Standards (Ind AS) and the results for the year ended 31st March, 2022 are in compliance with Indian Accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs.

## **6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year Ordinary Shares relevant to unpaid dividend remained unclaimed for a continuous period of seven years and Unclaimed Dividend for the dividend paid for the financial year 31st March, 2014 has been transferred to Investor Education and Protection Fund (IEPF). The details are as under:

No. of Shares	-	279
No. of Shareholders	-	1732
Unclaimed Dividend for 2013 – 2014	-	₹ 27,626/-

## **7. MANAGEMENT'S DISCUSSION AND ANALYSIS**

During the year under review, the Profit has been decreased due to decline in turnover. The Profit earned after Tax is ₹ 9.97 Crores as against ₹ 13.19 Crores during the previous year. The Turnover has also remained as ₹ 24.62 Crores as compared to ₹ 24.92 Crores in the last year.

### **SEGMENTWISE PERFORMANCE**

#### **a) PHYTOCHEMICALS DIVISION**

During the year under review the turnover of the division has declined to ₹ 17.19 Crore as compared to ₹ 19.54 Crore in last year.

Uncertainty in the price and supply of critical raw materials are serious cause of concern.

#### **NEW PROJECT**

The division has obtained Environmental Clearance (EC) From Ministry of Environment, Forest and Climate Change (MoEF&CC), New Delhi and applied for GO – Relaxation and CTE – Expansion with Tamil Nadu Pollution Control Board where the matter is under process. Also, due to Covid – 19 disruptions, the project implementation got delayed.

#### **b) CLARO INDIA DIVISION**

The division is not doing well. The plant and machineries are getting older and require replacement / modification. Long term viability of this division is uncertain because of uneconomic size and outdated Plant & Machineries.

### **OPPORTUNITIES AND THREATS**

The prevailing exchange rate is helping us in short run to get better realisation. Power supply position is fairly comfortable. Once commercial production of new phyto products start, it would increase revenue of the Company.

### **OUT LOOK**

The commercial production of New Phyto Products in the coming year may increase the Revenue and Profits.

Once we start production of our new products, revenue will increase.

### **RISK AND CONCERNS**

Natural Calamities, Changes in the Government Policies and Local factors are always a area of concern, that will have a direct impact on the profits of the Company. Present day COVID – 19 may adverse effect on the Revenue and Profitability of the Company.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Effective Internal control in all operational areas exist in all the Divisions of the Company. Financial records are maintained according to Accounting Standard introduced by the Government. Internal Audit is conducted by an Independent Professional firm of Chartered Accountants. The Internal Audit Reports are reviewed and discussed with the senior management and corrective actions are implemented as per requirement.

### **HUMAN RESOURCES**

The Company is constantly working on providing the best working environment to its employees with a view to inculcate future leadership and autonomy among them. Value and competencies of employees and workers are enriched through various development strategies and they are rewarded suitably.

**CAUTIONARY STATEMENT**

The statements contained in the Board's Report & Management Discussion and Analysis contain certain facts relating to the future and therefore are forward looking within the meaning of applicable laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statues, market forces and other associated and incidental factors may however lead to variation in actual results. This Report should be read in conjunction with the financial statements included herein and the notes thereto. Readers are cautioned not to place undue reliance on these forward – looking statements that speak only as of their dates.

**8. DIRECTORS**

None of the Directors are disqualified under Section 164 (2) of the Companies Act, 2013.

Sri Anand Vardhan Kothari (DIN: 02572346) Non – executive Director retires by rotation from the Board and being eligible, offer himself for re – election. The Board recommend his reappointment.

A brief particular of the Director seeking reappointment is as under:

Sri Anand Vardhan Kothari, aged about 32 years, is a “Bachelor of Business Administration (BBA)”. He is very young, energetic with good business acumen and commercial prudence. Sri Arun Kumar Kothari & Smt. Prabhawati Devi Kothari, both promoter and shareholder are related to Sri Anand Vardhan Kothari, as father and mother respectively. Smt. Vedika Kothari, director is related to Sri Anand Vardhan Kothari, as Spouse. Details of his other Directorships are as follow:-

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Nature of Office</b>
1	Albert David Limited	Additional Director
2	Bharat Fritz Werner Limited	Director
3	Premier Suppliers Private Limited	Director
4	Shubh Ananda Advisory Private Limited	Director

**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 134 (5) of the Companies Act, 2013 your Directors hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis;
- v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;  
and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**KEY MANAGERIAL PERSONNEL**

Sri A. K. Toshniwal (DIN : 06872891) has been re – appointed as Managing Director for a further period of 1 year w. e. f. 1<sup>st</sup> April, 2022 till 31<sup>st</sup> March, 2023, subject to the approval of shareholders at forthcoming Annual General Meeting (AGM). The Board recommend passing on resolution for his re – appointment on the terms and conditions as set out in the Notice of 126<sup>th</sup> Annual General Meeting.

**REMUNERATION RATIO OF DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES.**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are not applicable to the Company. The remuneration paid to Managing Director and Directors are well within the limits prescribed under the Companies Act, 2013.

**9. PUBLIC DEPOSITS**

The Company has not accepted any deposits from members and public under Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**10. NUMBER OF BOARD MEETINGS HELD**

During the year under review Four Board Meetings were held on 14<sup>th</sup> July, 2021, 2<sup>nd</sup> September, 2021, 23<sup>rd</sup> December, 2021 and 23<sup>rd</sup> March, 2022.

Directors attending the Board Meetings and last Annual General Meeting are as follows:

<b>Name of Director</b>	<b>Category of Directorship</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at the last AGM on 29.09.2021</b>
Sri A. V. Kothari	Non – Executive	4	Yes
Smt. V. Kothari	Non – Executive	4	Yes
Sri S. Bagri	Non – Executive	4	Yes
Sri A. Khandelwal	Non – Executive	3	Yes



Sri A. Agarwal	Non – Executive	2	No
Sri A. K. Toshniwal	Executive – Managing Director	1	Yes

**11. COMMITTEES OF THE BOARD**

At present the Board has two committees viz. (a) Stakeholders Relationship Committee and (b) Corporate Social Responsibility Committee the details of which are given under:

**(a) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of Sri A. Khandelwal, Chairman, Sri S. Bagri and Smt. V. Kothari members.

The Committee met once during the year under review, on 23<sup>rd</sup> March, 2022.

The details of attendance of each member at these meetings are as follows: -

<b>Name of Member</b>	<b>No. of Meetings Attended</b>
Sri A. Khandelwal, Chairman	1
Sri S. Bagri	1
Smt. V. Kothari	1

During the year, no complain received from the Investors, nor any share transfer pending as on 31<sup>st</sup> March, 2022.

None of the Complaints remain pending as a matter of routine practice, for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

**(b) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises of Sri A. Khandelwal, Chairman, Sri S. Bagri and Sri A. V. Kothari members.

The Committee met twice during the year under review, on 28<sup>th</sup> August, 2021 and 23<sup>rd</sup> March, 2022.

The details of attendance of each member at these meetings are as follows: -

<b>Name of Member</b>	<b>No. of Meetings Attended</b>
Sri A. Khandelwal, Chairman	2
Sri S. Bagri	2
Sri A. V. Kothari	2

## **12. STATUTORY AUDITORS**

The term of K. Ray & Company, (Firm Registration No. 312142E) Chartered Accountants, the Statutory Auditors of the Company is expiring in forthcoming of Annual General Meeting. The Board has recommended to appoint Singhi & Company, Chartered Accountants, (Firm Registration No. 302049E) as the Statutory Auditors to hold office for a period of 5 years from the conclusion of 126<sup>th</sup> Annual General Meeting till the conclusion of 131<sup>st</sup> Annual General Meeting of the Company.

Necessary certificate under Section 139 and 141 of the Companies Act, 2013 have been obtained from them.

## **13. AUDIT REPORTS**

There are no qualifications or observations or remarks made by the Statutory Auditor in their Report.

## **14. COMPLIANCE WITH SECRETARIAL STANDARD**

Secretarial Standard 1: Meeting of the Board of Directors and Secretarial Standard 2: General Meeting, as applicable have been complied by the Company.

**15. SECERATARIAL AUDIT**

As the Company does not fall under the perview and criteria of Section 204 of Companies Act, 2013 and other applicable provisions, if any, therefore, Secretarial Audit is not applicable to the Company.

**16. CORPORATE SOCIAL RESPONSIBILITY**

Your Company is conscious of its Social Responsibility and the environment in which it operates. Over the years, the Company aims towards improving the life of the people.

Company's CSR policy covers activities relating to

- i) Eradicating extreme hunger and poverty;
- ii) Promotion of education and Health Care;
- iii) Promoting gender equality and empowering women;
- iv) Ensuring environmental sustainability;
- v) Employment enhancing vocational skills;
- vi) Social business projects;
- vii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or State Governments for socio – economic development and relief, and, funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

During the Financial year 2021 – 22 Company has spent an amount of ₹ 15,20,769/- to Kothari Group CSR Trust which will be spent by the trust for "Ongoing Project" named "Ganga River Bank Protective measures project II"

Pursuant to Section 135 of the Companies Act, 2013 ('Act') and Rule 4 (1) and Rule 4 (2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ('Rules') provides that entities undertaking Corporate Social Responsibility (CSR) to file eForm CSR – 1 for all their CSR projects from 1st April, 2021, accordingly Kothari Group CSR Trust has filed form No. CSR – 1 and registered with MCA.

Further, pursuant to Section 135 of the Companies Act, 2013 ('ACT') and Rule every Company covered under the provision of Section 135 (1) of the Companies Act, 2013 shall furnish a report on its Corporate Social Responsibility in the form CSR – 2 to the Registrar of Companies for the preceding Financial Year 2020 – 2021 accordingly the Company has filed Form No. CSR – 2 with MCA for the Financial Year 2020 – 2021.

Annual Report on CSR activities is annexed herewith as Annexure 'I' forming a part of this report.

#### **17. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangement entered into by the Company in accordance with the provisions of Section 188 of the Companies Act, 2013. As per Indian Accounting Standard 24, Transactions are disclosed under Note No. 36 of the Financial Statement. Accordingly, the Related Party Transaction as required under the Companies Act, 2013 in Form AOC – 2 is not applicable.

#### **18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The details of loan given and Investment in Securities are provided under Note No. 12 and 5 of the Financial Statement respectively. However, the Company has not given any Guarantees to any persons, during the year under review. The aggregate of Loans, Investments made by the Company are within the ceiling approved by the members through resolution passed in the General Meeting.

**19. EXTRACT OF ANNUAL RETURN**

As stipulated under Section 92 (3) and Section 134 (3) (a) of the Companies Act, 2013 read with rules thereunder, the Annual return of the Company have been disclosed on the website of the Company i.e [www.kothariphyto.com](http://www.kothariphyto.com)

**20. SUBSIDIARIES & ASSOCIATES**

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of our Associate Company is given in the prescribed format AOC – 1 which is annexed as Annexure ‘II’ and forming part of this report. The Company does not have any subsidiary Company.

**21. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated financial statements for the financial year ended on 31<sup>st</sup> March, 2022 prepared as per the provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’), Rules framed therein and the applicable Accounting Standards are provided in the Annual Report.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information related to energy conservation, technology absorption and foreign exchange earnings & Outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given as Annexure ‘III’ and forming part of this Report.

**23. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE**

No significant and material order has been passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and company's operations in future.

#### **24. MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments during the period between end of the financial year and the date of this report.

#### **25. VIGIL MECHANISM**

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism.

#### **26. RISK MANAGEMENT**

The Board of Directors supervises the affairs of the Company through the Managing Director and Executives on daily basis. The risk identified are mitigated with their working experience in the area of Business, Competition, Finance and Human Management.

#### **27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDDRESSAL) ACT, 2013**

The Company is committed to provide a safe work environment to its employees. During the year under review, no case of sexual harassment was reported.

#### **28. INDUSTRIAL RELATIONS**

The Directors wish to place on record their appreciation for the services rendered by all categories of employees of the Company. Employer – Employee relation was cordial and in good harmony during the year under report.

**29. PROCEEDINGS UNDER IBC**

There are neither any applications made nor any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**30. ACKNOWLEDGEMENT**

The Directors would like to record their appreciation for the co – operation and support extended by the Shareholders, Banks, Government Agencies and all its Stakeholders.

On behalf of the Board,

Sd/-

Sd/-

**A. V. Kothari**

**A. K. Toshniwal**

**Director**

**Managing Director & CEO**

Kolkata

Dated: 29th August, 2022

**(DIN : 02572346)**

**(DIN : 06872891)**

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## ANNEXURE - I

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub – Section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. A brief outline on CSR policy of the Company:

Kothari Phytochemicals & Industries Limited (KPIL) believes that growth, success and progress of a Company are not reflected only by the strength of its financial statements, but also by its ability to make a positive difference in the lives of the people, environment and the society at large. KPIL tries to address the needs of people by taking sustainable initiatives in the area of health, education, environmental conservation, infrastructure & community development, protection of national heritage and contribution to developmental / relief funds set up by the Government.

#### 2. Composition of the CSR Committee:

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of Meetings of CSR committee held during the Year	Number of meetings of CSR committee attended during the year
1	Mr. Ajit Khandelwal	Independent Director, Chairman of CSR committee	2	2
2	Mr. Surendra Bagri	Independent Director, Member of CSR committee	2	2
3	Mr. Anand Vardhan Kothari	Non Executive Director, Member of CSR committee	2	2

#### 3. The web – link where composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:

- Composition of the CSR Committee - <https://www.kothariphyto.com/ginfo.php>
- CSR Policy - <https://www.kothariphyto.com/ginfo.php>
- CSR Projects - <https://www.kothariphyto.com/ginfo.php>

Pursuant to amendment in Corporate Social Responsibility (CSR) Rules vide Companies Amendment Act 2019, Companies Amendment Act, 2020 & Companies (CSR Policy) Amendment Rules, 2021 w. e. f. 22/01/2021, CSR Committee not required, if amount to be spent by a Company does not exceed fifty lakh rupees. In such cases Board shall discharge all functions of CSR Committee.

In view of the amendments the Board will discharge the duty of CSR committee after its dissolution.

#### 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, if applicable (attach the report):

The Company is not required to carry out the Impact Assessment as required as per sub – rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### 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 : Not Applicable

#### 6. Average net profit of the Company as per Section 135 (5) of the Companies Act, 2013 for spending during the Financial Year 2021 – 2022 :

The average net profit of the Company as per Section 135 (5) of the Companies Act, 2013 for the Financial Year 2021 – 2022 was ₹ 760.38 Lakhs, Calculated as under :

Net Profit for the year 2018 – 2019 ₹ 667.91 Lakhs

Net Profit for the year 2019 – 2020 ₹ 538.25 Lakhs

Net Profit for the year 2020 – 2021 ₹ 1,074.99 Lakhs



7. (a) Two percent of the average net profits of the Company as per Section 135 (5) of the Companies Act, 2013 for spending during the Financial Year 2021 – 2022 :

Two percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013 to be spent during the Financial Year 2021 – 2022 is ₹ 15.21 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 : Not Applicable

(d) Total CSR obligation for the Financial year (7a+7b-7c).

The Total CSR Obligation for the Financial Year 2021 – 2022 was ₹ 15.21 Lakhs

8. (a) CSR amount spent or unspent for the financial year 2021 – 2022 :

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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) of the Companies Act, 2013.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	* 15,20,769/-	30.04.2022	Nil	Nil	Nil

\* Ongoing Project

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project Duration	Amount allocated for the project (Amount in ₹)	Amount spent in the current financial Year (Amount in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (Amount in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
1	Undertaking steps and measures to prevent soil erosion by River Ganga	Ensuring environmental sustainability and ecological balance	Yes	Hooghly District,	West Bengal	3 years	15,20,769/-	Nil	15,20,769/-	No	Kothari Group CSR Trust	CSR 0001 2315

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Amount in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
						Nil			

(d) Amount spent in Administrative Overheads : Nil

- (e) Amount spent on Impact Assessment, if applicable : Not Applicable  
(f) Total amount spent for the Financial Year 2021 – 2022 (8b+8c+8d+8e) : ₹ 15.21 Lakhs.  
(g) Excess amount for set off, if any : Nil.

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

Sr.no.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	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 Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spending during the financial year :

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of CSR assets (Amount in ₹)	Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.	Details of the capital assets created or acquired (including complete address and location of the capital asset)
Nil	Nil	Nil	Nil

11. Specify the reason(s), if the Company has failed to spend two percent of the average Net Profit as per section 135 (5) : Not Applicable

For and on behalf of the  
Corporate Social Responsibility Committee

Sd/-  
**Ajit Khandelwal**  
(DIN : 00416445)  
Chairman of the Committee

Place : Kolkata  
Date: 29th August, 2022

Sd/-  
**Surendra Bagri**  
(DIN : 00659888)  
Member

Sd/-  
**Anand Vardhan Kothari**  
(DIN : 02572346)  
Member

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : U15491WB1897PLC001365**

**ANNEXURE – II**

**Form AOC – 1**

(Pursuant to first proviso to sub – section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries /  
associate companies / joint ventures**

**Part “ A ” : Subsidiaries**

**NOT APPLICABLE**

(Information in respect of each subsidiary to be presented with amounts in ₹ )

1. Sl. No.
2. Name of the Subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & Surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

**Notes :** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

**Part “ B ” : Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates / <del>Joint Ventures</del></b>	<b>Gillanders Arbuthnot &amp; Company Limited</b>
<b>1. Latest audited Balance Sheet Date</b>	<b>12<sup>th</sup> May, 2022.</b>
<b>2. Shares of Associate / <del>Joint Ventures</del> held by the company on the year end</b>	
No.	<b>55,01,078</b>
Amount of Investment in Associates / <del>Joint Venture</del>	<b>₹ 51,748,615/-</b>
Extent of Holding %	<b>25.78 %</b>
<b>3. Description of how there is significant influence</b>	<b>Significant influence arises by adequate voting right.</b>
<b>4. Reason why the associate / <del>joint venture</del> is not consolidated</b>	<b>N. A.</b>
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	<b>₹ 5,610.18 Lakh (25.78% of ₹ 21,761.74 Lakh)</b>
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	<b>Net Profit ₹ 358.51 Lakh &amp; Other Comprehensive Income ₹ 34.09 Lakh</b>
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

**Note :** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

On behalf of the Board

Sd/-  
R. Gupta  
Chief Financial Officer

Kolkata  
Dated: 29<sup>th</sup> August, 2022

Sd/-  
A. V. Kothari  
Director  
DIN : 02572346

Sd/-  
A. K. Toshniwal  
Mg. Director  
DIN : 06872891

## ANNEXURE – III

### INFORMATION PURSUANT TO SEC. 134 (3) (m) OF THE COMPANIES ACT, 2013 AND RULE 8 (3) (A) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### (A) Conservation of energy:

##### i. Steps taken or impact on conservation of energy

- a. To reduce the Power consumption, Energy Efficiency Induction Motor (IE – 2) was fixed in the plant by removing ordinary motor.
- b. Individual capacitors were fixed in the bigger motors to reduce the power loss.
- c. LED fittings was fixed in the warehouse, Finished product packing area in Synthetic and Calcium Sennoside plant.

##### ii. Steps taken for utilising alternate sources of energy

Solar Panel System are to be implemented for all street lights inside the Factory in future.

##### iii. Capital Investment on Energy Conservation Equipment

No capital expenditure was incurred for Energy Conservation Equipment. However, all balancing equipment and devices as and when used have been debited to the respective expenditure in the statement of Profit & Loss.

#### (B) Technology Absorption:

No new technology was used and as such only the marginal benefit of product quality improvement has been derived. No research expenditure was required to continue the present production facility.

#### (C) Foreign Exchange Earnings & Outgo:

Particulars	2021 – 22	2020 – 21
Earnings (₹)	1645.20 Lakh	1813.33 Lakh
Outgo (₹)	7.16 Lakh	55.40 Lakh

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
CIN : U15491WB1897PLC001365

**General Shareholders' Information**

<b>Date, time &amp; venue of the Annual General Meeting</b>	The 126 <sup>th</sup> Annual General Meeting of the Company will be held through Video Conferencing / Other Audio – Visual Means on Tuesday, 27 <sup>th</sup> September, 2022 at 10.00 a.m. (IST).	
<b>Financial Calendar 2022-2023</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>• Financial Year</li> <li>• Annual Results for the year ending 31<sup>st</sup> March 2023</li> </ul>	<ul style="list-style-type: none"> <li>April to March</li> <li>• Audited Annual Results will be made out within the time stipulated under the Companies Act, 2013.</li> </ul>
<b>Dividend Payment Date</b>	After 27 <sup>th</sup> September, 2022 within Stipulated Time.	
<b>Book Closure Period</b>	Wednesday 21 <sup>st</sup> September, 2022 to Tuesday 27 <sup>th</sup> September, 2022 (both days inclusive)	
<b>E – Voting</b>	<p>(A) Remote E – Voting: From 23<sup>rd</sup> September, 2022 (9.00 a. m.) till 26<sup>th</sup> September, 2022 (5.00 p. m.).</p> <p>(B) E – Voting: On 27<sup>th</sup> September, 2022, at the AGM.</p>	
<b>NSDL / CDSL – ISIN No.</b>	INE264E01016.	

**Distribution of shareholding as on 31<sup>st</sup> March, 2022**

Ordinary Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Upto 500	1160	98.89	7146	0.18
501 – 1000	2	0.17	1800	0.05
1001 – 5000	2	0.17	3721	0.10
5001 – 10000	2	0.17	14500	0.37
10001 – 50000	3	0.26	45112	1.16
50001 – 100000	-	-	-	-
Above 100000	4	0.34	3810896	98.14
Total	1173	100	3883175	100

**Shareholding pattern as on 31<sup>st</sup> March, 2022**

Category	No. of shares held	% of shares held
Indian Promoters	3860857	99.43
Nationalised Banks & Mutual Funds	-	-
NRI / OCBs	-	-
Public	22318	0.57
Total	3883175	100.00

**Registrars & Share Transfer Agent :** Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5<sup>th</sup> Floor,  
Kolkata – 700 001.  
Ph: (033) 2248 – 2248 / 2243 - 5029  
Fax: (033) 2248 – 4787  
E – mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

**Share Transfer System :** As per amended law, the transfer of shares can only be in dematerialized form, except where the claim is lodged for transmission or transposition or where the transfer deed(s) was lodged prior to 1<sup>st</sup> April, 2019n. Shareholders are therefore, advised to dematerialize the shares held by them in physical form, if any. Requests for dematerialization of shares are processed and confirmation thereof is given by the RTA to the respective depositories i. e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of share certificates, provided the documents are complete in all respect.

**Dematerialisation of Shares and Liquidity :** The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i. e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996. As on 31<sup>st</sup> March 2022, shares representing total Ordinary Share Capital of the Company were held as under:

	No. of Shares	Percentage of Total Capital
In Dematerialised form	38,75,450	99.80 %
In Physical form	7,725	0.20 %
	<u>38,83,175</u>	<u>100.00 %</u>

**Commodity Price Risk / Foreign Exchange Risk and Hedging :** The Company did not engage in hedging activities.

**Plant Locations :**

- (A) **Phytochemical Division**  
Nagari, Thanichchiyam Post – 625 221  
Madurai, Tamil Nadu
- (B) **Claro India Division**  
B – 7, SIPCOT Industrial Complex,  
Gummidipoondi – 601 201,  
Tamil Nadu

**Address for Correspondence**

- (a) For Transfer of physical shares, request : Maheshwari Datamatics Private Limited  
for dematerialization of shares, change 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor,  
of mandates / address or any other query Kolkata – 700 001  
Ph: (033) 2248–2248 / 2243–5029  
Fax: (033) 2248 – 4787  
E – Mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)
- (b) For any investor grievance : Kothari Phytochemicals & Industries Limited  
C - 4, Gillander House, 8, N. S. Road,  
Kolkata – 700 001  
Ph: (033) 2230 – 2331 (6 lines)  
E – Mail: [hokothari@yahoo.com](mailto:hokothari@yahoo.com)  
[kothari.kamal@gillandersarbuthnot.com](mailto:kothari.kamal@gillandersarbuthnot.com)

**For Kothari Phytochemicals & Industries Limited**

**Place : Kolkata**  
**Dated : 29<sup>th</sup> August, 2022**

Sd/-  
**A. K. Toshniwal**  
**Managing Director & CEO**  
(DIN : 06872891)



# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of Kothari Phytochemicals & Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information in which are included the financial statements for the year ended on that date audited by the branch auditors of the two units of the Company's Phytochemicals and Claro India Divisions (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and its Profit, Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 Standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were

addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition :</b></p> <p>The Company recognizes revenue when control has been transferred to the customer as detailed out in Significant Accounting Policies, Note 2 (j). The Company has varied contract terms with customers for export sales. There is a risk of inappropriate revenue recognition if deliverables are recorded in the incorrect period or revenue is not accounted for in line with contractual terms with customers. The key audit matter focuses on recognition of revenue by reference to contracted shipping terms and the transfer of ownership for product and delivery spanning the year end.</p>	<p><b>Principal audit procedures performed :</b></p> <p>We have obtained and understood controls instituted by the management to determine the appropriateness of revenue recorded at the period end and to ensure cut – off. We have performed test of details for revenue transactions to confirm the revenue transactions have been appropriately recorded in the Statement of Profit and Loss and verified the underlying documents to establish that the control of the products have transferred to the customers.</p>
2.	<p><b>Recoverability of Investments including in an Associate Company :</b></p> <p>The Company has investments in certain Companies including with an Associate Company with a carrying value of (₹ in '00) 4,295,464.25</p> <p>Assessment of the recoverable amount of the Investments has been identified as a key audit matter.</p>	<p><b>Principal audit procedures performed :</b></p> <p>We have obtained and read management's assessment for identification of indicators of impairment.</p> <p>We have performed test of controls over impairment process through inspection of evidence of performance of these controls.</p> <p>We have assessed the compliance of the disclosures made in the standalone Ind AS financial statements with accounting standards.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

- Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, we conclude that we have nothing to report in this regard.

### **Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 are also responsible for overseeing the Company's Financial Reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone 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 Financial 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 whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Standalone 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 Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Standalone 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.

### **Other matters**

We did not audit the financial statements / information of two divisions included in the Standalone Financial Statements of the Company whose financial statements reflect total assets of (₹ in '00) 2,426,018.52 as at 31<sup>st</sup> March 2022 and total revenues of (₹ in '00) 2,544,111.25 for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of these divisions have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these divisions, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

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

- I. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing our report.
  - (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (e) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - (f) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

- (h) 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, refer to Clause (xi) of our separate Report in "Annexure B".

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

- (i) 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 on its financial position in Note 34.01 of the Standalone Financial Statements.
- ii. The Company does not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.
- 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. The management has represented that, to the best of its knowledge and belief other than as disclosed in the notes to accounts, during the year 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 behalf of the ultimate beneficiaries.
  - b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, during the year no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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. 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.

As stated in Note 17.1 to the financial statements, the Board of Directors 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 amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

**For K. RAY & CO.**  
Chartered Accountants  
(Firm Registration No. 312142E)

Sd/-  
**Supratim Roychoudhury**  
(Partner)  
(Membership No. 066040)  
UDIN : 22066040ARNLUG6155

Kolkata, 29<sup>th</sup> August, 2022

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

**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls over Financial Reporting of Kothari Phytochemicals & Industries Limited ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Standalone Ind AS 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 (the "Guidance Note") 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 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 over Financial Reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the auditor's 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 system over Financial Reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31<sup>st</sup> March 2022, 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.

### **Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting in so far as it relates to two divisions of the Company which are based on the corresponding reports of the branch auditors of the respective divisions.

Our opinion is not modified in respect of this matter.

**For K. RAY & CO.**  
Chartered Accountants  
(Firm Registration No. 312142E)

Sd/-  
**Supratim Roychoudhury**  
(Partner)  
(Membership No. 066040)  
UDIN : 22066040ARNLUG6155

Kolkata, 29<sup>th</sup> August, 2022

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

(Referred to in paragraph I (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- I.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company is maintaining proper records showing full particulars of intangible assets.
  - (c) Property, Plant and Equipment has been physically verified by the management in reasonable intervals; As informed no material discrepancies between book records and the physical inventories have been noticed on such verification.
  - (d) Title deeds of immovable properties are held in the name of the Company.
  - (e) The Company has not revalued its property, plant and equipment during the year.
  - (f) No proceedings have been initiated or are pending against the Company for holding benami property under the prohibition of benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder.

- II.
  - (a) The inventories have been physically verified at reasonable intervals during the year by the management. In our opinion, coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification between physical stock and book records were not material and have been properly dealt with in the books of accounts.

- (b) The Company has not taken any working capital loan during the year.

- III.
  - (a) The Company has provided loans to an other entity during the year and details of which are given below :

	Loans
Aggregate amount granted / provided during the year	(₹ in '00) 600,000.00

- (b) The Investments made, and the terms and conditions of the grant of Loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

- (c) The Company has not granted advances in the nature of loans to other parties.

- (d) The Company has not provided any guarantee during the year. The terms and conditions of the grant of loans and advances in the nature of loan during the year are prima facie, not pre-judicial to the interest of the Company.

- IV. In our opinion and according to explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities as applicable.

- V. The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(V) of the Order is not applicable.
- VI. The Central Government has not specified the maintenance of cash records under sub-section (1) of section 148 of the Act.
- VII. According to the information and explanations given to us, in respect of Statutory Dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax as at 31<sup>st</sup> March 2022, which have not been deposited on account of any dispute other than Sales Tax dues as set out below:

Name of Statute	Nature of Dues	Amount (₹ in '00)	Period of which the amount related	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	3,225.70	1986 – 89	The Tamil Nadu Taxation Special Tribunal as per directions of the High Court at Madras

- VIII. According to information and explanations given to us, there are no transactions which are not recorded in the books of accounts but have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961 (43 of 1961).
- IX. The Company has not taken any loan or other borrowing. Accordingly the question of repayment of loan and payment of Interest do not arise.
- X. (a) The Company has not raised any money by way of initial public offer or further public offer.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally converted) during the year.
- XI. (a) Considering the principle of materiality outlined in Standards in Auditing, we repeat that no fraud has been noticed or reported as or by the Company during the year.

- (b) No report under section 12 of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government.
- (c) According to information and explanation given to us, whistle – blower complaints received during the year have been addressed.
- XII. The Company is not a Nidhi Company.
- XIII. All the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related party transactions have been disclosed in the IND AS Financial Statements as required by the applicable Indian Accounting Standards.
- XIV. The Company has adequate internal audit system commensurate to size of the business.
- XV. The Company has not entered into any non-cash transaction with directors.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- XVII. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- XVIII. There has not been any resignation of the statutory auditors during the year.
- XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected date of realization of financial assets and payments 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 audit report that company is not capable of meeting liabilities existing at the date of balance sheet as and when they fall due within the period of one year from the balance sheet date.
- Our statement however is not an assurance as to the future viability of the Company. Further our reporting is based on the facts upto the date of 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. There is no unspent amount under sub-section (5) of Section 135 of the Act to any point. Accordingly clauses 3(xx) and 3(xx)(b) of the Order are not applicable.

**For K. RAY & CO.**  
Chartered Accountants  
(Firm Registration No. 312142E)

Sd/-  
**Supratim Roychoudhury**  
(Partner)  
(Membership No. 066040)  
UDIN : 22066040ARNLUG6155

Kolkata, 29<sup>th</sup> August, 2022

Amount (₹ in '00)

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	407,394.27	448,962.03
Capital Work - in - progress	3A	344,503.45	344,503.45
Intangible Assets	4	36.55	36.55
Investments in Associates	5	517,486.15	517,486.15
Financial Assets			
i. Investments	5	3,777,978.10	2,834,885.93
ii. Other Financial Assets	6	22,277.58	21,623.79
Other Non - Current Assets	7	2,976.01	2,976.01
<b>Total Non - Current Assets</b>		<b>5,072,652.11</b>	<b>4,170,473.91</b>
<b>Current Assets</b>			
Inventories	8	589,133.04	586,146.46
Financial Assets			
i. Trade Receivables	9	144,586.47	110,370.79
ii. Cash and Cash Equivalents	10	342,632.35	926,748.49
iii. Bank Balances other than Cash and Cash Equivalents	11	512,705.52	598,457.53
iv. Loans	12	1,000,000.00	400,000.00
v. Other Financial Assets	13	441.46	14,841.22
Current Tax Assets (Net)	14	7,809.28	2,179.16
Other Current Assets	15	180,767.89	175,634.55
<b>Total Current Assets</b>		<b>2,778,076.01</b>	<b>2,814,378.20</b>
<b>Total Assets</b>		<b>7,850,728.12</b>	<b>6,984,852.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	388,317.50	388,317.50
<b>Other Equity</b>			
Reserves and Surplus	17	7,104,194.52	6,278,252.63
<b>Total Equity</b>		<b>7,492,512.02</b>	<b>6,666,570.13</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Provisions	18	16,200.24	15,936.20
Deferred Tax Liabilities (Net)	19	156,876.34	100,898.25
<b>Total Non - Current Liabilities</b>		<b>173,076.58</b>	<b>116,834.45</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Trade Payables	20	115,733.31	127,006.57
ii. Other Financial Liabilities	21	44,421.84	51,357.59
Other Current Liabilities	22	11,429.17	8,911.36
Provisions	18	13,555.20	14,172.01
<b>Total Current Liabilities</b>		<b>185,139.52</b>	<b>201,447.53</b>
<b>Total Liabilities</b>		<b>358,216.10</b>	<b>318,281.98</b>
<b>Total Equity and Liabilities</b>		<b>7,850,728.12</b>	<b>6,984,852.11</b>

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the standalone financial statements

On behalf of the Board

Sd/-  
Supratim Roychoudhury  
Partner

Membership No. 066040

For and on behalf of

K. Ray &amp; Company

Chartered Accountants

Kolkata

Firm Registration No. 312142E

Dated: 29th August, 2022

UDIN : 22066040ARNLUG6155

Sd/-  
R. Gupta  
Chief Financial OfficerSd/-  
A. V. Kothari  
Director  
DIN : 02572346Sd/-  
A. K. Toshniwal  
Mg. Director  
DIN : 06872891

Amount (₹ in '00)

**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>INCOME :</b>	Note	<b>2021-2022</b>	<b>2020-2021</b>
Revenue from Operations	23	2,505,481.43	2,542,340.20
Other Income	24	651,373.79	797,629.14
<b>Total Revenue</b>		<b>3,156,855.22</b>	<b>3,339,969.34</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	25	1,037,348.48	858,652.78
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	26	53,434.94	(130,912.21)
Employee Benefits Expense	27	310,948.60	324,150.24
Finance Costs	28	-	88.10
Depreciation and Amortisation Expense	29	50,082.65	63,558.49
Power & Fuel	30	114,335.24	128,057.99
Other Expenses	31	302,056.59	375,183.15
<b>Total Expenses</b>		<b>1,868,206.50</b>	<b>1,618,778.54</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>1,288,648.72</b>	<b>1,721,190.80</b>
Exceptional Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>1,288,648.72</b>	<b>1,721,190.80</b>
Tax Expense	32		
- Current Tax		236,000.00	325,000.00
- Deferred Tax (Net)		54,861.36	76,752.74
<b>Total Tax Expenses</b>		<b>290,861.36</b>	<b>401,752.74</b>
<b>PROFIT FOR THE YEAR</b>		<b>997,787.36</b>	<b>1,319,438.06</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Post - Employment benefit obligation:		4,014.14	16,038.53
Tax Expense on the above		(1,116.73)	(4,670.42)
<b>Other Comprehensive Income for the year</b>		<b>2,897.41</b>	<b>11,368.11</b>
<b>Total Comprehensive Income for the year</b>		<b>1,000,684.77</b>	<b>1,330,806.17</b>
<b>EARNINGS PER ORDINARY SHARE OF ₹ 10/- EACH</b>	33		
Basic and Diluted (Amount in ₹)		25.70	33.98

This is the Statement of Profit and Loss referred to in our report of even date.

The Notes referred to above form an integral part of the standalone financial statements

Sd/-  
Supratim Roychoudhury  
Partner  
Membership No. 066040  
For and on behalf of  
K. Ray & Company  
Chartered Accountants

Sd/-  
R. Gupta  
Chief Financial Officer

Sd/-  
A. V. Kothari  
Director  
DIN : 02572346

On behalf of the Board

Sd/-  
A. K. Toshniwal  
Mg. Director  
DIN : 06872891

Kolkata  
Dated: 29th August, 2022

Firm Registration No. 312142E  
UDIN : 22066040ARNLUG6155

<b>STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022</b>			
	<b>2021-2022</b>		<b>2020-2021</b>
<b>A. Cash Flow from Operating Activities :</b>			
<b>Profit before Tax</b>		<b>1,288,648.72</b>	<b>1,721,190.80</b>
Adjustments for :			
Depreciation and Amortisation Expense	50,082.65		63,558.49
Dividend Income from Non-Current Investment	(9,655.71)		(2,613.04)
Net (Gain)/Loss on sale of Non-Current Investments	(50,797.41)		2,124.57
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FVTPL	(455,537.00)		(678,474.22)
Expected Credit Loss on Trade Receivables	-		200.01
Bad & Sundry Receivables written off	2.37		4.25
Profit on Sales of Fixed Assets	-		(2,294.89)
Interest (Net)	(123,099.78)		(105,270.88)
Liabilities & Provisions no longer required written back	(12,283.89)	(601,288.77)	(731,580.20)
Operating Profit before Working Capital Changes		<u>687,359.95</u>	<u>989,610.60</u>
Adjustments for :			
Trade and Other Receivables	(40,005.18)		(83,824.40)
Inventories	(2,986.58)		(167,148.90)
Trade and Other Payables	434.36	(42,557.40)	8,534.81
		<u>(42,557.40)</u>	<u>(242,438.49)</u>
Cash Generated from Operations		644,802.55	747,172.11
Direct Taxes - (Payments)/Refunds (Net)	(241,630.12)	(241,630.12)	(323,677.75)
<b>Net Cash ( Used in ) / From Operating Activities:</b>		<u><b>403,172.43</b></u>	<u><b>423,494.36</b></u>
<b>B. Cash Flow From Investing Activities :</b>			
Purchase of Property, Plant and Equipment/ Intangible Assets	(8,514.89)		(29,027.96)
Proceeds From Sales of Fixed Assets	-		3,850.00
Dividend Received	9,655.71		2,613.04
Purchase of Non- Current Investments	(794,527.54)		(500,662.31)
(Increase) / Decrease in Loans Given	(600,000.00)		(400,000.00)
Proceeds from Sale of Non- Current Investments	357,769.78		382,640.51
Interest Received	137,499.54		90,764.29
<b>Net Cash ( Used in ) / From Investing Activities</b>		<u><b>(898,117.40)</b></u>	<u><b>(449,822.43)</b></u>

**STANDALONE CASH FLOW STATEMENT (Contd.)**

	2021-2022	2020-2021
<b>C. Cash Flow from Financing Activities</b>		
Interest Paid	-	(88.10)
Dividends Paid	(174,923.18)	(71.38)
<b>Net Cash ( Used in ) / From Financing Activities:</b>	<b>(174,923.18)</b>	<b>(159.48)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(669,868.15)</b>	<b>(26,487.55)</b>
<b>Cash and Cash Equivalents (Note No. 10 &amp; 11)</b>		
Opening	1,525,206.02	1,551,693.57
Closing	<u>855,337.87</u>	<u>1,525,206.02</u>

NOTES :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement.

2. Previous year's figures have been regrouped / re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

	Sd/- Supratim Roychoudhury Partner Membership No. 066040 For and on behalf of K. Ray & Company Chartered Accountants Firm Registration No. 312142E UDIN : 22066040ARNLUG6155	Sd/- R. Gupta Chief Financial Officer	Sd/- A. V. Kothari Director DIN : 02572346	Sd/- A. K. Toshniwal Mg. Director DIN : 06872891
Kolkata Dated: 29th August, 2022			On behalf of the Board	



Amount (₹ in '00)

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022****A) EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A) EQUITY SHARE CAPITAL</b>		
Opening Balance	388,317.50	388,317.50
Add/(Less):Changes in Equity Share Capital during the year	-	-
Closing Balance	<u>388,317.50</u>	<u>388,317.50</u>

**B) OTHER EQUITY****RESERVES AND SURPLUS**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Capital Reserve</b>		
Balance at the beginning of the year	91,930.40	91,930.40
<b>Balance at the end of the year</b>	<u>91,930.40</u>	<u>91,930.40</u>
<b>Securities Premium Account</b>		
Balance at the beginning of the year	14,506.57	14,506.57
<b>Balance at the end of the year</b>	<u>14,506.57</u>	<u>14,506.57</u>
<b>General Reserve</b>		
Balance at the beginning of the year	4,837,358.09	4,687,358.09
Add : Transferred from Statement of Profit and Loss	500,000.00	150,000.00
<b>Balance at the end of the year</b>	<u>5,337,358.09</u>	<u>4,837,358.09</u>
<b>Retained Earning</b>		
Balance at the beginning of the year	1,334,457.57	153,651.40
Add : Profit for the year	997,787.36	1,319,438.06
Add : Other Comprehensive Income for the year	2,897.41	11,368.11
<b>Total for the year</b>	<u>2,335,142.34</u>	<u>1,484,457.57</u>
Less : Appropriations :		
Transferred to General Reserve	500,000.00	150,000.00
Dividend Paid	174,742.88	-
<b>Total appropriations</b>	<u>674,742.88</u>	<u>150,000.00</u>
<b>Balance at the end of the year</b>	<u>1,660,399.46</u>	<u>1,334,457.57</u>
<b>Total</b>	<u>7,104,194.52</u>	<u>6,278,252.63</u>

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray &amp; Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 22066040ARNLUG6155

Sd/-

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

On behalf of the Board

Kolkata

Dated: 29th August, 2022

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI5491WBI897PLC001365**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – I**

**BASIS OF PREPARATION:**

**(a) Statement of Compliance:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The Company had prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention.

The financial statements are approved by the Board of Directors of the Company at their meeting held on 29<sup>th</sup> August, 2022.

Details of the Company's accounting policies are included in Note 2.

**(b) Functional and Presentation Currency**

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

**(c) The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:**

	<b>Items</b>	<b>Measurement basis</b>
(i)	Certain financial assets and financial liabilities	Fair value
(ii)	Employee's defined benefit plan	As per actuarial valuation
(iii)	Assets held for sale	Lower of its carrying amount and fair value costs to sale

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the

measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**(d) Use of Estimates and Judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**Assumptions and Estimation Uncertainties**

In the process of applying the Company's accounting policies, management has made the following judgments, which have most effect on the amounts recognized in the financial statements.

- Estimation of Useful life and residual value of property, plant and equipment;
- Determining the fair values of investments, in particular of the unlisted securities;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of deferred tax assets; availability of future taxable profit against which carried forward tax losses can be used;
- Estimation of defined benefit obligations: key actuarial assumptions;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

**(e) Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for

overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 39 B.

### **Determination of Fair Values**

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Financial Assets**

The fair value of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques.

**(ii) Trade and Other Receivables**

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short – term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

**(iii) Financial Liabilities**

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

**(f) Current and Non – Current Classification**

All assets and liabilities are classified as current or Non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realized within 12 months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non – current financial assets.

All other assets are classified as non – current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be settled in the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;

- (iii) It is due to be settled within 12 months after the reporting date; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non – current financial liabilities.

All other liabilities are classified as non – current.

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

### **Operating Cycle**

For the purpose of current / non – current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI5491WBI897PLC001365**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – 2**

**SIGNIFICANT ACCOUNTING POLICIES:**

**(a) Property, Plant and Equipment**

**(i) Recognition and Measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection / commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work – in – progress.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has selected to continue with the carrying value of all of its property, plant and equipment recognized as on 1<sup>st</sup> April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment [See Note 3].

**(iii) Subsequent Expenditure**

Subsequent costs are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

**(iv) Depreciation**

Depreciation for the year is recognized in the Statement of Profit and loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets.

The useful lives have been determined based on technical evaluation done by the management and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013. The residual values are not more than 5 % of the original cost of the asset.

Depreciation on additions / (disposals) is provided on a pro – rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Freehold land is not depreciated.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each financial year – end and adjusted prospectively, if appropriate.

**(v) Capital work – in – Progress (CWIP)**

Capital work – in – progress (CWIP) includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated Pre – operative expenses pending location to the asset and are shown under CWIP.

**(b) Intangible Assets**

**(i) Computer Software**

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization.

**(ii) Amortisation**

Amortisation is calculated to write off the cost of Intangible assets over their estimated useful lives using the straight – line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

<b>Class of assets</b>	<b>Management estimate of useful life (in years)</b>
Computer Software	3



Amortisation method and useful lives are reviewed at the end of each financial year and adjusted, if appropriate.

**(iii) Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

**(c) Inventories**

Inventories are valued as under:

Raw Materials	-	At cost on weighted average method / FIFO
Stores and Spare Parts-		At cost on weighted average method / FIFO
Materials in Process	-	At estimated Cost
Finished Goods	-	At cost on weighted average method or Net Realizable Value, whichever is lower

Cost of Inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**(d) Foreign Currency Transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non – monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non – monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.

**(e) Impairment**

**(i) Impairment of Financial Instruments: Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Impairment of Non – Financial Assets**

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

**(f) Financial Instruments**

**(i) Recognition and Initial Measurement**

Financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are initially recognized at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs are attributable to the acquisition of the financial assets.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balance and derivative financial instruments.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft, derivative financial instruments etc.

**(ii) Classification and Subsequent Measurement of Financial Assets**

On initial recognition, a financial asset is classified and measured at:

- amortised cost; or
- fair value through other comprehensive income (FVOCI) - Equity Investment; or
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**Financial Assets at Amortised Cost**

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

## **Financial Assets at Fair Value through other Comprehensive Income (FVOCI)**

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment – by – investment basis.

Financial assets are measured at the FVOCI if both the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

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

All financial assets which do not meet the criteria for categorization as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial Assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.
Financial assets at amortised cost	<p>These assets are subsequently measured at amortised cost using the effective interest method (EIR).</p> <p>The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss</p>

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.
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### **Financial Liabilities: Classification, Subsequent Measurement and Gains and Losses**

Financial liabilities are classified as measured at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held – for – trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

#### **(iii) Derecognition**

##### **Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

##### **Financial Liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and loss.

#### **(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(g) Employee Benefits**

**(i) Short – Term Employee Benefits**

Short – term employee benefit obligations are measured on an undiscounted basis and are expected as the related service is provided. A liability is recognized for the amount expected to be paid, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Defined Contribution Plans**

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when contributions are made to the related schemes.

**(iii) Defined Benefit Plans**

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

**(iv) Compensated Absences**

The employees of the company are entitled to compensated absences which are both accumulating and non – accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognized in profit or loss in the period in which they arise.

**(h) Provision (other than for Employee Benefits)**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**(i) Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

**(j) Recognition of Revenue**

Revenue is recognized to the extent it is probable that economic benefits would flow to the company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of products is passed to the buyer as per terms of contract which usually happens on delivery of goods.

**(k) Expenses**

All expenses are accounted for on accrual basis.

**(l) Leases**

**(i) Assets held under Leases**

Lease of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as Finance Leases.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

**(ii) Lease Payments**

Payments made under operating leases are generally recognized in Statement of Profit and Loss on straight – line basis over the term of Lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

**(m) Income Tax**

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of profit and Loss.

**(i) Current Tax**

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable Tax rates and the provisions of the Income Tax Act, 1961 and other applicable Tax Laws.

**(ii) Deferred Tax**

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

**(n) Segment Accounting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision – maker (CODM).

The chief operating decision – maker, who is responsible for allocation of resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:



- (i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realizable value in case of by – products.

- (ii) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and / or on a reasonable basis, have been disclosed as “Unallocable”.

**(o) Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a Substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(p) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cash – on – deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(q) Cash Flow Statement**

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.

**(r) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(s) Interest in Associate**

Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 3**

**PROPERTY, PLANT AND EQUIPMENT**

**Year ended 31st March, 2022**

	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Tubewell and Water	Total
<b>Gross Carrying Amount</b>											
Opening Gross Carrying Amount	12,624.00	19,852.83	403,010.82	1,340,100.19	57,517.18	13,404.83	33,484.11	5,432.15	42,595.72	5,199.16	1,933,220.99
Additions during the year	-	-	-	7,540.81	39.84	754.24	180.00	-	-	-	8,514.89
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,624.00</u>	<u>19,852.83</u>	<u>403,010.82</u>	<u>1,347,641.00</u>	<u>57,557.02</u>	<u>14,159.07</u>	<u>33,664.11</u>	<u>5,432.15</u>	<u>42,595.72</u>	<u>5,199.16</u>	<u>1,941,735.88</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2021	3,698.10	-	216,675.59	1,147,169.48	53,514.20	11,900.04	16,760.31	4,635.55	26,037.10	3,868.59	1,484,258.96
Depreciation charge during the year	127.52	-	9,595.41	33,401.75	352.09	199.03	375.21	121.84	4,990.39	919.41	50,082.65
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,825.62</u>	<u>-</u>	<u>226,271.00</u>	<u>1,180,571.23</u>	<u>53,866.29</u>	<u>12,099.07</u>	<u>17,135.52</u>	<u>4,757.39</u>	<u>31,027.49</u>	<u>4,788.00</u>	<u>1,534,341.61</u>
<b>Net Carrying Amount</b>	<u>8,798.38</u>	<u>19,852.83</u>	<u>176,739.82</u>	<u>167,069.77</u>	<u>3,690.73</u>	<u>2,060.00</u>	<u>16,528.59</u>	<u>674.76</u>	<u>11,568.23</u>	<u>411.16</u>	<u>407,394.27</u>

**Year ended 31st March, 2021**

	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Tubewell and Water	Total
<b>Gross Carrying Amount</b>											
Deemed Cost as at 1st April, 2020	12,624.00	19,852.83	403,010.82	1,331,876.84	57,220.30	12,174.41	33,339.11	5,377.07	36,801.13	5,199.16	1,917,475.67
Additions during the year	-	-	-	8,223.35	296.88	1,230.42	145.00	55.08	16,577.23	-	26,527.96
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	10,782.64	-	10,782.64
Closing Gross Carrying Amount	<u>12,624.00</u>	<u>19,852.83</u>	<u>403,010.82</u>	<u>1,340,100.19</u>	<u>57,517.18</u>	<u>13,404.83</u>	<u>33,484.11</u>	<u>5,432.15</u>	<u>42,595.72</u>	<u>5,199.16</u>	<u>1,933,220.99</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2020	3,570.58	-	207,008.12	1,102,223.30	53,169.34	11,576.86	16,293.37	4,518.08	28,745.47	2,880.75	1,429,985.87
Depreciation charge during the year	127.52	-	9,667.47	44,946.18	344.86	323.18	466.94	117.47	6,519.16	987.84	63,500.62
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	9,227.53	-	9,227.53
Closing Accumulated Depreciation	<u>3,698.10</u>	<u>-</u>	<u>216,675.59</u>	<u>1,147,169.48</u>	<u>53,514.20</u>	<u>11,900.04</u>	<u>16,760.31</u>	<u>4,635.55</u>	<u>26,037.10</u>	<u>3,868.59</u>	<u>1,484,258.96</u>
<b>Net Carrying Amount</b>	<u>8,925.90</u>	<u>19,852.83</u>	<u>186,335.23</u>	<u>192,930.71</u>	<u>4,002.98</u>	<u>1,504.79</u>	<u>16,723.80</u>	<u>796.60</u>	<u>16,558.62</u>	<u>1,330.57</u>	<u>448,962.03</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 3A</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>CAPITAL WORK IN PROGRESS</b>		
Capital work in Progress	344,503.45	344,503.45
	<b>344,503.45</b>	<b>344,503.45</b>

Capital work in Progress ageing Schedule as at 31st March, 2022

Particulars	Amount in Capital work in Progress for a period of				As at 31st March, 2022
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	344,503.45	344,503.45
Projects temporarily Suspendec	-	-	-	-	-
	-	-	-	344,503.45	344,503.45

Capital work in Progress ageing Schedule as at 31st March, 2021

Particulars	Amount in Capital work in Progress for a period of				As at 31st March, 2021
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	344,503.45	344,503.45
Projects temporarily Suspendec	-	-	-	-	-
	-	-	-	344,503.45	344,503.45

For Capital work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan  
Capital work in Progress completion schedule are as below

As at March 31, 2022

Particulars	To be completed in				As at 31st March, 2022
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects completion overdue	-	-	-	-	-
New Phytochemical Project	-	-	-	344,503.45	344,503.45
	-	-	-	344,503.45	344,503.45

As at March 31, 2021

Particulars	To be completed in				As at 31st March, 2021
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects completion overdue	-	-	-	-	-
New Phytochemical Project	-	-	-	344,503.45	344,503.45
	-	-	-	344,503.45	344,503.45

Reasons for delay in Project Implementation (For both Financial Year 2020 - 2021 and 2021 - 2022)

The Company has obtained Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change (MoEF&CC), New Delhi and applied for GO - Relaxation and CTE - Expansion with Tamil Nadu Pollution Control Board where the matter is under process. Also, due to Covid - 19 disruption, the project implementation got delaye

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : UI5491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 4****INTANGIBLE ASSETS****Year ended 31st March, 2022**

	<b>Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	731.00	731.00
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>731.00</u>	<u>731.00</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	694.45	694.45
Amortisation charge for the year	-	-
Disposals	-	-
Closing Accumulated Amortisation	<u>694.45</u>	<u>694.45</u>
<b>Closing Net Carrying Amount</b>	<u>36.55</u>	<u>36.55</u>

**Year ended 31st March, 2021**

	<b>Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	731.00	731.00
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>731.00</u>	<u>731.00</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	636.58	636.58
Amortisation charge for the year	57.87	57.87
Disposals	-	-
Closing Accumulated Amortisation	<u>694.45</u>	<u>694.45</u>
<b>Closing Net Carrying Amount</b>	<u>36.55</u>	<u>36.55</u>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 5**

	Face Value ₹	Number of Shares / Units	As at 31st March, 2022 Amount	As at 31st March, 2021 Number of Shares / Units	Amount
<b>NON - CURRENT INVESTMENTS</b>					
<b>A. INVESTMENT IN ASSOCIATES:</b>					
In Equity Instruments - Quoted, fully paid up - at Cost					
Gillanders Arbuthnot & Company Limited	10	5,501,078	517,486.15	5,501,078	517,486.15
<b>TOTAL A</b>			<b>517,486.15</b>		<b>517,486.15</b>
<b>B. INVESTMENT IN OTHERS:</b>					
<b>(i) In Equity Instruments - Quoted, fully paid up at FVTPL</b>					
Welspun Corporation Limited	5	7,500	12,555.00	5,500	7,609.25
Kesoram Textile Mills Limited	2	104	-	104	-
Albert David Limited	10	90,500	480,283.50	61,589	231,974.97
Balmer Lawrie & Company Limited	10	1,050	1,183.35	1,050	1,351.88
Electrosteel Castings Limited	1	4,000	1,578.00	10,000	2,500.00
GMR Infrastructure Limited	1	5,000	1,847.50	6,000	1,458.00
Deccan Cements Limited	5	-	-	450	1,866.15
Graphite India Limited	2	1,500	7,542.75	4,000	20,480.00
Larsen and Toubro Limited	2	1,000	17,676.50	1,500	21,283.50
Tata Steel Limited	10	1,500	19,608.00	2,800	22,731.80
Pilani Investments & Industries Corporation Limited	10	4,100	69,492.95	4,100	64,759.50
The West Coast Paper Mills Limited	2	500	1,671.25	1,000	2,414.50
Infosys Limited	5	2,500	47,671.25	2,500	34,201.25
Kansai Nerolac Paints Limited	1	5,000	23,387.50	5,587	33,580.66
Suven Life Sciences Limited	1	6,000	5,562.00	6,760	4,775.94
Suven Pharmaceuticals Limited	1	13,520	83,614.44	13,520	67,167.36
Trent Limited	1	2,500	31,887.50	7,000	52,573.50
Shree Cements Limited	10	30	7,209.78	30	8,839.62
Steel Authority of India Limited	10	1,000	985.50	2,000	1,576.00
Bharat Petroleum Corporation Limited	10	2,000	7,187.00	-	-
The Tata power Company Limited	1	2,000	4,773.00	-	-
VA Tech Wabag Limited	2	1,000	2,804.00	-	-
Aditya Birla Fashion & Retail Limited	10	2,000	6,042.00	-	-
ITC Limited	1	1,500	3,759.75	-	-
Coal India Limited	10	1,500	2,745.75	-	-
Tata Consultancy Services Limited	1	200	7,479.90	-	-
Hikal Limited	2	1,000	4,023.00	-	-

Hindalco Industries Limited	1	2,500	14,237.50	-	-
The Jammu & Kashmir BanK Limited	1	7,000	2,261.00	-	-
Axis Bank Limited	2	2,500	19,028.75	-	-
Exide Industries Limited	1	3,000	4,533.00	-	-
GMR Power & Urban Infra Limited	5	500	168.00	-	-
<b>TOTAL B (i)</b>			<b>892,799.42</b>		<b>581,143.88</b>
<b>(ii) In Equity Instruments - Unquoted, fully paid up at FVTPL</b>					
Tulip Tea Company Limited	25	1,160	91.10	1,160	91.10
Aaham Printers Private Limited (in Liquidation)	100	15	0.01	15	0.01
Satyam Financial Services Limited	10	250,000	39,625.00	250,000	39,625.00
Vidyasagar Industries Private Limited	10	450,000	45,000.00	450,000	45,000.00
Bharat Fritz Werner Limited	2	845,875	1,137,278.94	771,504	1,004,266.76
Bharat Fritz Werner Limited DVR	2	2,000	2,689.00	2,000	2,603.40
<b>TOTAL</b>			<b>1,224,684.05</b>		<b>1,091,586.27</b>
Less: Provision for Diminution in carrying amount of Investments			45,000.00		45,000.00
<b>TOTAL B (ii)</b>			<b>1,179,684.05</b>		<b>1,046,586.27</b>
<b>(iii) In Mutual Funds - Quoted, fully paid up at FVTPL</b>					
Aditya Birla Sun Life Frontline Equity Fund - Growth - Direct Plan	10	41,630.2400	151,817.16	41,630.2400	125,544.31
IDFC Core Equity Fund - Growth - (Regular Plan)	10	305,131.7050	208,649.06	276,386.8070	156,821.87
Mirae Asset Large Cap Fund - Direct Plan - Growth	10	239,486.5890	202,215.29	239,486.5890	169,293.07
Aditya Birla Sun Life Frontline Equity Fund - Growth - Regular Plan	10	22,441.7150	75,713.86	22,441.7150	63,036.53
HDFC Small Cap Fund - Regular Plan - Growth Plan	10	232,655.4750	165,206.33	232,655.4750	122,963.07
Aditya Birla Sun Life Digital India Fund - Growth - Direct Plan	10	108,658.7660	162,857.76	108,658.7660	113,439.75
Axis Focused 25 Fund - Regular Growth	10	189,904.7150	81,867.92	135,724.4660	50,869.53
ICICI Prudential Technology Fund - Direct Plan - Growth	10	66,722.6420	117,118.25	66,722.6420	77,665.16
ICICI Prudential Technology Fund - Growth	10	27,838.2520	45,262.22	27,838.2520	30,377.10
Kotak Liquid Fund - Regular Plan - Growth	10	-	-	735.5750	30,458.71
SBI Healthcare Opportunities Fund - Regular Growth	10	34,056.2420	75,431.61	34,056.2420	66,493.35
UTI Healthcare Fund - Regular Growth Plan	10	50,684.9970	79,576.81	50,684.9970	70,642.87
UTI Value Opportunities Fund - Direct Plan - Growth Plan - Growth	10	147,218.1080	155,557.43	147,218.1080	129,550.46
Kotak Equity Opportunities Fund - Growth - Regular Plan	10	64,811.0980	127,108.17	-	-
Axis Focused 25 Fund - Direct Plan- Growth	10	118,540.3950	57,112.76	-	-
<b>TOTAL B (iii)</b>			<b>1,705,494.63</b>		<b>1,207,155.78</b>
<b>TOTAL B (i to iii)</b>			<b>3,777,978.10</b>		<b>2,834,885.93</b>
<b>TOTAL (A + B)</b>			<b>4,295,464.25</b>		<b>3,352,372.08</b>
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)			<b>3,115,780.20</b>		<b>2,305,785.81</b>
Aggregate carrying amount of unquoted investments			<b>1,179,684.05</b>		<b>1,046,586.27</b>
			<b>4,295,464.25</b>		<b>3,352,372.08</b>
Aggregate Market Value of Quoted Investments in Associates			3,663,717.95		2,263,693.60
Aggregate Market Value of Quoted Investments other than Associates			892,799.42		581,143.88
Aggregate Book Value of Unquoted Investments			1,224,684.05		1,091,586.27
Aggregate Repurchase price of Mutual Funds			1,705,494.63		1,207,155.78

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 6</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER FINANCIAL ASSETS (NON - CURRENT)</b>		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	22,277.58	21,623.79
	<u>22,277.58</u>	<u>21,623.79</u>



Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 7</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER NON - CURRENT ASSETS</b>		
Capital Advances	2,641.27	2,641.27
Others	859.95	859.95
	<hr/>	<hr/>
	3,501.22	3,501.22
Less: Provision for Doubtful Advances	525.21	525.21
	<hr/>	<hr/>
	<b>2,976.01</b>	<b>2,976.01</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>NOTE - 8</b>		
<b>INVENTORIES</b>		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	303,439.66	264,553.21
Materials - in - Process	204,256.81	244,955.37
Finished Goods	25,043.16	37,779.54
Stores and Spare Parts	56,393.41	38,858.34
	<b><u>589,133.04</u></b>	<b><u>586,146.46</u></b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 9</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Considered Good	144,586.47	110,370.79
Considered Doubtful	200.01	200.01
	<u>144,786.48</u>	<u>110,570.80</u>
Less : Allowances for Doubtful Receivables	200.01	200.01
	<u>144,586.47</u>	<u>110,370.79</u>

Trade Receivable ageing Schedule as on 31-March-2022.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Trade Receivables - considered good	144,586.47	-	-	-	-	144,586.47
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	200.01	200.01
	<u>144,586.47</u>	-	-	-	200.01	144,786.48
Less : Expected Credit Loss Allowance	-	-	-	-	200.01	200.01
<b>Total</b>	<u>144,586.47</u>	-	-	-	-	144,586.47

Trade Receivable ageing Schedule as on 31-March-2021.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Trade Receivables - considered good	110,370.79	-	-	-	-	110,370.79
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	200.01	-	200.01
	<u>110,370.79</u>	-	-	200.01	-	110,570.80
Less : Expected Credit Loss Allowance	-	-	-	200.01	-	200.01
<b>Total</b>	<u>110,370.79</u>	-	-	-	-	110,370.79

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 10</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	342,125.62	801,295.75
Fixed Deposits of Maturity of Less than 3 Months	-	125,000.00
Cash in Hand	506.73	452.74
	<u>342,632.35</u>	<u>926,748.49</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - II</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
<b>Other Bank Balances</b>		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	510,521.27	596,092.98
Balances with Banks - Unpaid Dividend Account	2,184.25	2,364.55
	<b>512,705.52</b>	<b>598,457.53</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 12</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>LOANS</b>		
Loans to Bodies Corporates	1,000,000.00	400,000.00
	<u>1,000,000.00</u>	<u>400,000.00</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 13</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER FINANCIAL ASSETS (CURRENT)</b>		
Interest accrued on Loans and Deposits	441.46	14,841.22
	<u>441.46</u>	<u>14,841.22</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 14</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax (Net of Provisions)	7,809.28	2,179.16
	<u>7,809.28</u>	<u>2,179.16</u>



Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 15</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER CURRENT ASSETS</b>		
Advances to Suppliers & Others	40,675.66	69,537.23
Balance with Statutory / Government Authorities	102,007.72	69,427.96
Export Incentive Receivable	22,849.23	21,016.58
Others	15,235.28	15,652.78
	<b>180,767.89</b>	<b>175,634.55</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

NOTE - 16	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED :</b>				
Preference Shares of ₹ 100/- each.	300,000	300,000.00	300,000	300,000.00
Ordinary Shares of ₹ 10/- each.	17,000,000	1,700,000.00	17,000,000	1,700,000.00
		<u>2,000,000.00</u>		<u>2,000,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>				
Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	388,317.50	3,883,175	388,317.50
		<u>388,317.50</u>		<u>388,317.50</u>

16.1 The Company has issued Ordinary shares having a par value of ₹ 10/- per share. Each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees

In the event of liquidation of the Company, the holders of Ordinary shares will be entitled to receive remaining assets of the Company, after payment of Secured, Unsecured Liabilities and Other Creditors. The distribution will be in proportion to the number of Ordinary shares held by the shareholders

16.2 The details of shareholders holding more than 5 % shares.

Name	As at 31st March 2022		As at 31st March 2021	
	% held	No. of Shares	% held	No. of Shares
Kothari Investment & Industries Private Limited	72.83%	2828080	72.83%	2828080
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.57%	216291

16.3 Statement of shareholding of Promoters.

Shares held by promoters	As at 31st March 2022		As at 31st March 2021		% change in shareholding
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Promoter name					
Arun Kumar Kothari	2121	0.05%	2021	0.05%	0.00%
Paramsukhdas Suganchand HUF	19040	0.49%	19040	0.49%	0.00%
Prabhawati Devi Kothari	6500	0.17%	6500	0.17%	0.00%
Anand Vardhan Kothari	13300	0.34%	13300	0.34%	0.00%
Kothari Investment & Industries Private Limited	2828080	72.83%	2828080	72.83%	0.00%
M. D. Kothari & Company Limited	576525	14.85%	576525	14.85%	0.00%
G. Das & Company Private Limited	216291	5.57%	216291	5.57%	0.00%
Albert David Limited	190000	4.89%	190000	4.89%	0.00%
Premier Suppliers Private Limited	8000	0.21%	8000	0.21%	0.00%

Shares held by promoters	As at 31st March 2021		As at 31st March 2020		% change in shareholding
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Promoter name					
Arun Kumar Kothari	2021	0.05%	2021	0.05%	0.00%
Paramsukhdas Suganchand HUF	19040	0.49%	19040	0.49%	0.00%
Prabhawati Devi Kothari	6500	0.17%	6500	0.17%	0.00%
Anand Vardhan Kothari	13300	0.34%	13300	0.34%	0.00%
Kothari Investment & Industries Private Limited	2828080	72.83%	2828080	72.83%	0.00%
M. D. Kothari & Company Limited	576525	14.85%	576525	14.85%	0.00%
G. Das & Company Private Limited	216291	5.57%	216291	5.57%	0.00%
Albert David Limited	190000	4.89%	190000	4.89%	0.00%
Premier Suppliers Private Limited	8000	0.21%	8000	0.21%	0.00%

16.4 The reconciliation of the number of shares outstanding is set out below.

	As at 31st March, 2022	As at 31st March, 2021
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	<u>3,883,175</u>	<u>3,883,175</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 17**

	As at 31st March, 2022	As at 31st March, 2021
<b>OTHER EQUITY</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance at the beginning of the year	91,930.40	91,930.40
<b>Balance at the end of the year</b>	<b>91,930.40</b>	<b>91,930.40</b>
<b>Securities Premium Account</b>		
Balance at the beginning of the year	14,506.57	14,506.57
<b>Balance at the end of the year</b>	<b>14,506.57</b>	<b>14,506.57</b>
<b>General Reserve</b>		
Balance at the beginning of the year	4,837,358.09	4,687,358.09
Add : Transferred from Statement of Profit and Loss	500,000.00	150,000.00
<b>Balance at the end of the year</b>	<b>5,337,358.09</b>	<b>4,837,358.09</b>
<b>Retained Earning</b>		
Balance at the beginning of the year	1,334,457.57	153,651.40
Add : Profit for the year	997,787.36	1,319,438.06
Add : Other Comprehensive Income for the year	2,897.41	11,368.11
<b>Total for the year</b>	<b>2,335,142.34</b>	<b>1,484,457.57</b>
Less : Appropriations :		
Transferred to General Reserve	500,000.00	150,000.00
Dividend Paid	174,742.88	-
<b>Total appropriations</b>	<b>674,742.88</b>	<b>150,000.00</b>
<b>Balance at the end of the year</b>	<b>1,660,399.46</b>	<b>1,334,457.57</b>
	<b>7,104,194.52</b>	<b>6,278,252.63</b>

17.1 The Board of Directors recommended a dividend of ₹ 3.50 per share for the year ended 31st March, 2022 on fully paid ordinary shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is (₹ in '00) 135,911.13

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 18</b>	<b>As at 31st March, 2022</b>			<b>As at 31st March, 2021</b>		
	<b>Current</b>	<b>Non - Current</b>	<b>Total</b>	<b>Current</b>	<b>Non - Current</b>	<b>Total</b>
<b>PROVISIONS</b>						
Employee Benefit Obligation						
Leave Obligations	9,450.52	6,469.96	15,920.48	9,270.48	7,093.31	16,363.79
Gratuity	4,104.68	9,730.28	13,834.96	4,901.53	8,842.89	13,744.42
	<u>13,555.20</u>	<u>16,200.24</u>	<u>29,755.44</u>	<u>14,172.01</u>	<u>15,936.20</u>	<u>30,108.21</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 19</b>	<b>As at 31st March, 2022</b>				<b>As at 31st March, 2021</b>			
	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in Other Comprehensive Income</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in Other Comprehensive Income</b>	<b>Closing Balance</b>
<b>DEFERRED TAX LIABILITIES (NET)</b>								
<b>Deferred Tax Liabilities arising out of :</b>								
Timing Difference on Depreciable Assets	33,752.65	(956.82)	-	32,795.83	35,073.66	(1,321.01)	-	33,752.65
Fair Valuation of Investments	90,800.99	56,926.91	-	147,727.90	11,996.49	78,804.50	-	90,800.99
<b>Total Deferred Tax Liabilities</b>	<b>124,553.64</b>	<b>55,970.09</b>	<b>-</b>	<b>180,523.73</b>	<b>47,070.15</b>	<b>77,483.49</b>	<b>-</b>	<b>124,553.64</b>
<b>Deferred Tax Assets arising out of :</b>								
Provision for Doubtful Receivables	58.24	-	-	58.24	-	58.24	-	58.24
Provision for Diminution in Value of Investments	13,104.00	-	-	13,104.00	12,519.00	585.00	-	13,104.00
Accrued Expenses Deductable on Payment basis	10,493.15	1,108.73	(1,116.73)	10,485.15	15,076.06	87.51	(4,670.42)	10,493.15
<b>Total Deferred Tax Assets</b>	<b>23,655.39</b>	<b>1,108.73</b>	<b>(1,116.73)</b>	<b>23,647.39</b>	<b>27,595.06</b>	<b>730.75</b>	<b>(4,670.42)</b>	<b>23,655.39</b>
	<b>100,898.25</b>	<b>54,861.36</b>	<b>1,116.73</b>	<b>156,876.34</b>	<b>19,475.09</b>	<b>76,752.74</b>	<b>4,670.42</b>	<b>100,898.25</b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : UI5491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 20</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
------------------	---------------------------------------	---------------------------------------

**TRADE PAYABLES**

Dues of Micro & Small Enterprises	-	-
Others	115,733.31	127,006.57
	<u>115,733.31</u>	<u>127,006.57</u>

(As per information available with the Company no amount is due to Micro, Small and Medium Enterprises)

Trade payable ageing Schedule as on 31-March-2022.

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Dues - MSME	-	-	-	-	-	-
Undisputed Dues - Others	-	100,881.31	-	13,570.00	1,282.00	115,733.31
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	-	100,881.31	-	13,570.00	1,282.00	115,733.31

Trade payable ageing Schedule as on 31-March-2021.

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Dues - MSME	-	-	-	-	-	-
Undisputed Dues - Others	-	112,154.57	-	13,570.00	1,282.00	127,006.57
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	-	112,154.57	-	13,570.00	1,282.00	127,006.57

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 21</b>	<b>As at 31st March, 2022 ₹</b>	<b>As at 31st March, 2021 ₹</b>
<b>OTHER FINANCIAL LIABILITIES</b>		
Commission Payable	3,358.65	3,358.65
Employees Dues Payable	17,938.78	17,016.87
Unpaid Dividends	2,184.25	2,364.55
Others	20,940.16	28,617.52
	<b>44,421.84</b>	<b>51,357.59</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 22</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payables	11,429.17	8,911.36
	<u>11,429.17</u>	<u>8,911.36</u>



Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 23****2021-2022****2020-2021****REVENUE FROM OPERATIONS****SALE OF PRODUCTS**

Calcium Sennoside	2,227.50	92,401.50
Brucine & its Salts	58,899.25	104,380.71
Strychnine & its Salts	1,652,877.95	1,479,927.41
Tolbutamide	-	273,021.37
Chlorpropamide	4,500.00	4,595.27
Formaldehyde	17,525.56	22,030.99
Paraformaldehyde	86,821.86	50,868.74
Phenolic Resin	639,238.40	464,837.06
	2,462,090.52	2,492,063.05

**OTHER OPERATING REVENUE**

Export Incentives	20,809.38	46,108.31
Claims Received	362.58	637.54
Sale of Scrap	19,585.24	-
Miscellaneous Receipts	2,633.71	3,531.30
	43,390.91	50,277.15
	<b>2,505,481.43</b>	<b>2,542,340.20</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 24****2021-2022****2020-2021****OTHER INCOME****Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	123,099.78	105,358.98
- Dividend Income from Non - Current Investment	9,655.71	2,613.04
- Net Gain / (Loss) on Sale of Non - Current Investments	50,797.41	-
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	455,537.00	678,474.22
	<u>639,089.90</u>	<u>786,446.24</u>
Exchange Rate Fluctuation (Net)	-	73.52
Liabilities / Provision no longer required, written back	12,283.89	8,814.49
Profit on Sale of Fixed assets	-	2,294.89
	<u>651,373.79</u>	<u>797,629.14</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 25**

**2021-2022**

**2020-2021**

**COST OF MATERIALS CONSUMED**

Raw Materials at the beginning of the year	264,553.21	238,032.69
Add : Purchases	1,070,947.89	885,173.30
Less : Raw Materials at the end of the year	298,152.62	264,553.21
	<u>1,037,348.48</u>	<u>858,652.78</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 26**

2021-2022

2020-2021

**CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK - IN - PROGRESS AND STOCK - IN - TRADE****Finished Goods**

Opening Inventories	37,779.54		28,579.60	
Closing Inventories	25,043.16		37,779.54	
Net (Increase) / Decrease		12,736.38		(9,199.94)

**Materials - in - Process**

Opening Inventories	244,955.37		123,243.10	
Closing Inventories	204,256.81		244,955.37	
Net (Increase) / Decrease		40,698.56		(121,712.27)
		<b>53,434.94</b>		<b>(130,912.21)</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 27****2021-2022****2020-2021****EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus	273,840.25	279,581.34
Contribution to Provident and Other Funds	23,058.22	34,386.16
Workmen and Staff Welfare Expenses	14,050.13	10,182.74
	<u>310,948.60</u>	<u>324,150.24</u>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 28****2021-2022****2020-2021****FINANCE COSTS**

Interest Expenses

-

88.10-88.10

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 29****2021-2022      2020-2021****DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of Property, Plant and Equipment	49,955.13	63,373.10
Amortisation *	127.52	185.39
	<u>50,082.65</u>	<u>63,558.49</u>

\* Includes (₹ in '00) 127.52 (2020 - 2021) (₹ in '00) 127.52) on Leasehold Land under Note - 3.

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 30**

**2021-2022**

**2020-2021**

**POWER & FUEL**

Power and Fuel

114,335.24

128,057.99

114,335.24

128,057.99



Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 31**

2021-2022

2020-2021

**OTHER EXPENSES****Manufacturing Expenses**

Consumption of stores and spare parts	19,672.06	19,833.33
Repairs to Buildings	1,602.80	1,943.80
Repairs to Machinery	31,435.79	31,379.64
Repairs to Other Assets	4,465.35	3,182.77
	<b>57,176.00</b>	<b>56,339.54</b>

**Selling and Distribution Expenses**

Freight, Shipping, Delivery and Selling Expenses	<b>92,565.19</b>	<b>83,534.47</b>
--	------------------	------------------

**Establishment Expenses**

Rent	5,559.00	5,453.01
Rates and Taxes	9,147.46	8,228.88
Bank Charges	4,243.67	1,954.74
Travelling and Conveyance Expenses	35,044.13	20,515.14
Postage and Telephone	3,310.52	3,486.01
Printing and Stationery	1,810.80	1,970.86
Subscription	449.15	985.83
Insurance	8,374.80	7,587.35
Motor Vehicle Expense	4,164.70	2,581.83
Directors' Sitting Fees	520.00	500.00
Directors' Commission	3,000.00	3,000.00
Managing Directors Remuneration	31,075.60	29,401.00
Legal and Professional Fee	15,808.56	15,580.53
Internal Audit Fees	708.00	708.00
Bad and Sundry Receivables Written off	2.37	4.25
Input GST (RCM)	633.60	630.00
Expected Credit loss on Trade Receivables	-	200.01
Corporate Social Responsibility Expenses	15,207.69	14,983.89
Net Loss on Sale of Non - Current Investments	-	2,124.57
Donation	-	100,000.00
Exchange Rate Fluctuations	237.29	-
Miscellaneous Expenses	10,622.81	12,156.67
	<b>149,920.15</b>	<b>232,052.57</b>

**Payment to Auditors**

Auditor	1,864.75	2,264.75
For Other Services	410.00	756.80
For Reimbursement of Expenses	39.50	52.36
For GST	81.00	182.66
	<b>2,395.25</b>	<b>3,256.57</b>
	<b>302,056.59</b>	<b>375,183.15</b>

Amount (₹ in '00)

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 32****2021-2022****2020-2021****TAX EXPENSE****Current Tax**

Current Tax on Profits for the year

236,000.00325,000.00**Deferred Tax**

Decrease / (Increase) in Deferred Tax Assets

1,108.73

730.75

(Decrease) / Increase in Deferred Tax Liabilities

55,970.0977,483.49**Total Deferred Tax Expense**54,861.3676,752.74290,861.36401,752.74**Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.****2021-2022****2020-2021****Total Profit before Income Tax Expenses****1,288,648.72****1,721,190.80**

Indian Income Tax Rate

29.12%

29.12%

**Estimated Income Tax Expenses on above profit****375,254.51****501,210.76****Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses**

a) Effect of Deferred Tax created at different rates

(180,224.85)

(106,770.70)

b) Expenses that are not deductible in determining taxable income

4,428.48

4,363.31

c) Others

91,403.22

2,949.37

290,861.36401,752.74

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 33****2021-2022****2020-2021****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit for the year (Amount ₹ in '00)	997,787.36	1,319,438.06
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (Amount in ₹)	25.70	33.98

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### NOTE – 34

		Amount (₹ in '00)	
		2021 – 2022	2020 – 2021
34.01	Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
	Claims against the Company not acknowledged as debts:-		
	i) Sales Tax under dispute	3,225.70	3,225.70
	ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	983.17	983.17
34.02	Commitments:		
	Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
	[Net of Advance (Amount ₹ in '00) 8,916.27 (2021 (Amount ₹ in '00) 8,916.27)]	23,216.27	23,216.27
34.03	Total Salaries, Wages and Bonus for the year.	273,840.25	279,581.34

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 35**

**Employee Benefits:**

As per Indian Accounting Standard- 19 "Employee Benefits", the disclosures of Employee Benefits are as follows:

**Defined Contribution Plan:**

Employee Benefits in the form of Provident Fund and Employees' State Insurance Scheme ( ESI) are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution.

The contributions to the defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under:

**Defined Contribution Plan**

	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Employer's Contribution to Provident Fund	16,751.57	15,972.37
Employer's Contribution to Employees' State Insurance Scheme	2,996.97	3,592.34

**Post employment defined benefit plan - Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed continuously atleast five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The approved gratuity fund is in the form of a trust and is governed by the Board of Trustees who are responsible for administration of investment of the plan assets. The trust has taken an insurance policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The present value of defined benefits obligations, fair value of defined plan assets, actuarial gain/ (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information are given in the succeeding tables.

**Net defined benefit liabilities**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Present value of defined benefit obligations	64,007.66	60,634.79
Fair value of plan assets	50,172.70	46,890.37
<b>Net defined benefit liabilities</b>	<b>(13,834.96)</b>	<b>(13,744.42)</b>

**Reconciliation of the net defined benefit liabilities:**

<b>Description</b>	<b>Gratuity (Funded)</b>	
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the Beginning of the year	60,634.79	68,493.64
(b) Current service cost	3,142.57	3,231.99
(c) Interest Cost	4,244.44	4,595.92
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	-
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	(729.60)	(1.34)
- due to experience changes	(3,284.54)	(15,685.42)
<b>Balance at the end of the year</b>	<b>64,007.66</b>	<b>60,634.79</b>

<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the Beginning of the year	46,890.37	43,612.22
(b) Actual return on plan assets	-	351.77
(c) Interest income	3,282.33	2,926.38
(d) Benefits paid	-	-
<b>Balance at the end of the year</b>	<b>50,172.70</b>	<b>46,890.37</b>
<b>(iii) Expense recognised in Statement of Profit and Loss</b>		
(a) Current service cost	3,142.57	3,231.99
(b) Net Interest cost	962.11	1,669.54
(c) Past Service Cost- plan amendments	-	-
<b>Amount charged to Profit and Loss</b>	<b>4,104.68</b>	<b>4,901.53</b>
<b>(iv) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial gain/ (loss) on defined benefit obligations	4,014.14	16,038.53
(b) Actuarial gain/ (loss) on plan assets	-	-
<b>Actuarial gain/ (loss) on plan assets</b>	<b>4,014.14</b>	<b>16,038.53</b>
<b>(v) Category of Plan assets</b>		
Insurer Managed Fund	100.00%	100.00%

The Employee's Gratuity Fund Scheme, a Defined Benefit Plan, is administered by Life Insurance Corporation of India (LIC). Life Insurance Corporation of India (LIC) makes payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed.

<b>(vi) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
(a) Discount rate %	7.00%	6.71%
(b) Expected Return on Plan Assets %	7.00%	6.71%
(c) Expected Rate of Salary increase %	6.00%	6.00%
	IALM 2012-	IALM 2012-
(d) Mortality Rates	2014Ultimate	2014Ultimate
(e) Withdrawal rates	6.00%	6.00%

**(vii) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	<b>As at 31 March 2022</b>				<b>As at 31 March 2021</b>			
	<b>Increase</b>		<b>Decrease</b>		<b>Increase</b>		<b>Decrease</b>	
(a) Discount rate (0.50% movement)	-2.06%	62689.74	2.18%	65403.67	-2.29%	59248.68	2.42%	62102.76
(b) Salary growth (0.50% movement)	2.18%	65402.39	-2.08%	62678.86	2.41%	62097.91	-2.30%	59240.80
(c) Attrition Rate (0.50% movement)	0.00%	64005.74	0.00%	64009.58	0.00%	60632.36	0.00%	60637.22
(d) Mortality Rate (10% movement)	0.00%	64009.58	0.00%	64005.74	0.00%	60634.79	0.00%	60634.79

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown

**Risk Exposure**

The company is exposed to a number of risks in respect of the defined benefit plan. In particular, the Company is exposed to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets and change in the discount rate.

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**NOTE – 36 Information in accordance with the requirements of Related Party Disclosures.**

## A) LIST OF RELATED PARTIES

**Holding Company (w. e. f. 04<sup>th</sup> December, 2019):-**

Kothari Investment & Industries Private Limited

**Enterprises in which the Company is having substantial interest – Associate:-**

Gillanders Arbuthnot & Company Limited

**Names of the Key Management Personnel of the Company:-**

### Key Management Personnel

Sri A. V. Kothari	Non – Executive Director
Smt. V. Kothari	Non – Executive Director
Sri S. Bagri	Non – Executive, Independent Director
Sri A. Khandelwal	Non – Executive, Independent Director
Sri A. Agarwal	Non – Executive, Independent Director

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Sri A. K. Toshniwal	Executive – Managing Director
Sri M. L. Daga *	Company Secretary (Upto 30.09.2020)
Sri R. Gupta	Chief Financial Officer

\* Retired from the close of Business hours on 30<sup>th</sup> September, 2020.

### **Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:-**

Albert David Limited

Bharat Fritz Werner Limited



## KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

### NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:-

**Amount (₹ in '00)**

Nature of Transactions	Holding Company ( w.e.f. 04 <sup>th</sup> December,2019)		Enterprises in which the Company is having substantial interest – Associate		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Key Management Personnel of the Company	
	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021
<b>Rent &amp; Electricity Paid :</b>								
Gillanders Arbuthnot & Company Limited	-	-	1,410.22	1,410.24	-	-	-	-
<b>Dividend Received :</b>								
Albert David Limited	-	-	3,935.34	-	-	-	-	-
<b>Directors' Sitting Fees :</b>								
Sri A. V. Kothari	-	-	-	-	-	-	120.00	120.00
Smt. V. Kothari	-	-	-	-	-	-	100.00	80.00
Sri S. Bagri	-	-	-	-	-	-	140.00	140.00
Sri A. Khandelwal	-	-	-	-	-	-	120.00	140.00
Sri A. Agarwal	-	-	-	-	-	-	40.00	20.00

## KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

### NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**Amount (₹ in '00)**

Nature of Transactions	Holding Company ( w.e.f. 04 <sup>th</sup> December,2019)		Enterprises in which the Company is having substantial interest – Associate		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Key Management Personnel of the Company	
	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021	2021 – 2022	2020 – 2021
<b>Directors' Commission :</b>								
Sri A. V. Kothari	-	-	-	-	-	-	600.00	600.00
Smt. V. Kothari	-	-	-	-	-	-	600.00	600.00
Sri S. Bagri	-	-	-	-	-	-	600.00	600.00
Sri A. Khandelwal	-	-	-	-	-	-	600.00	600.00
Sri A. Agarwal	-	-	-	-	-	-	600.00	600.00
<b>Remuneration Paid :</b>								
Sri A. K. Toshniwal – Managing Director	-	-	-	-	-	-	31,075.60	29,401.00
Sri M. L. Daga –Company Secretary * (Upto 30.09.2020)	-	-	-	-	-	-	-	17,729.38
Sri R. Gupta – Chief Financial Officer	-	-	-	-	-	-	10,790.00	9,444.00

\* Retired from the close of business hours on 30<sup>th</sup> September, 2020.

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### NOTE – 37 Information on Segment Reporting

The Company has two primary business segments viz: Bulk Drugs and Chemicals

Bulk Drugs comprises of manufacture, Job Work and sale of Bulk Drugs and related products.

Chemicals comprises of manufacture and sale of Formaldehyde and Phenolic Resin etc.

Others represent all unallocable items not included in the segments.

There are no intersegment transactions during the year.

#### Information about Business Segments

Revenue External	Amount (₹ in '00)			
	Bulk Drugs	Chemicals	Others	Total
(Net Sales and other incomes)				
2021 – 2022	1,756,379.38	747,955.60	652,520.24	3,156,855.22
2020 – 2021	2,003,443.16	538,897.04	797,629.14	3,339,969.34

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Amount (₹ in '00)

### Profit / (Loss) before Tax

2021 – 2022	702,580.13	(3,038.60)	589,107.19	1,288,648.72
2020 – 2021	1,060,697.82	43,118.18	617,374.80	1,721,190.80

### Depreciation and Amortization

2021 – 2022	41,332.78	5,131.01	3,618.86	50,082.65
2020 – 2021	53,191.04	5,219.82	5,147.63	63,558.49

### Capital Expenditure

2021 – 2022	8,514.89	-	-	8,514.89
2020 – 2021	29,027.96	-	-	29,027.96

### Assets

2021 – 2022	2,005,160.73	420,857.79	5,424,709.60	7,850,728.12
2020 – 2021	2,115,743.86	459,179.18	4,409,929.07	6,984,852.11

### Liabilities \*

2021 – 2022	76,231.21	85,235.99	196,748.90	358,216.10
2020 – 2021	72,445.84	106,157.31	139,678.85	318,281.98

\* Excluding Shareholders' Funds

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : UI5491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Information about Secondary Segments

#### Segment Revenue (External) by Geographical Location of Customers

	Amount (₹ in '00)		
	Within India	Outside India	Total
2021 – 2022	786,363.42	1,717,971.56	2,504,334.98
2020 – 2021	666,517.20	1,875,823.00	2,542,340.20

#### Segment Assets by Geographical Locations

2021 – 2022	2,426,018.52	-	2,426,018.52
2020 – 2021	2,574,923.04	-	2,574,923.04

#### Segment Capital Expenditure

2021 – 2022	8,514.89	-	8,514.89
2020 – 2021	29,027.96	-	29,027.96

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### NOTE – 38

Derivative Instruments and Unhedged Foreign Currency Exposure:

- (i) The Company has not entered into any forward contract during the year.
- (ii) There is no unhedged foreign currency exposure as at 31<sup>st</sup> March 2022.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 39**

**FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Amount (₹ in '00)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
Investments	3,777,978.10	3,777,978.10	2,834,885.93	2,834,885.93
Trade receivables	144,586.47	144,586.47	110,370.79	110,370.79
Cash and cash equivalents	342,632.35	342,632.35	926,748.49	926,748.49
Bank balances other than cash and cash equivalents above	512,705.52	512,705.52	598,457.53	598,457.53
Loans	1,000,000.00	1,000,000.00	400,000.00	400,000.00
Other financial assets	22,719.04	22,719.04	36,465.01	36,465.01
	<b>5,800,621.48</b>	<b>5,800,621.48</b>	<b>4,906,927.75</b>	<b>4,906,927.75</b>
<b>Financial liabilities</b>				
Trade Payables	115,733.31	115,733.31	127,006.57	127,006.57
Other financial liabilities	44,421.84	44,421.84	51,357.59	51,357.59
	<b>160,155.15</b>	<b>160,155.15</b>	<b>178,364.16</b>	<b>178,364.16</b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI549IWBI897PLC001365**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – 39 (Contd...)**

**B. Measurement of Fair Values**

**Valuation Techniques and Significant Unobservable Inputs**

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Government Securities, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short – term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximates fair value.

**C. Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Risk Management Framework**

The Company's principal financial liabilities include borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.



**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. 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 credit loss allowance for trade receivables.

The movements of Trade Receivables and Expected Credit Loss are as follows:

**Amount (₹ in '00)**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Trade Receivable (Gross)	144,786.48	110,570.80
Less : Expected Credit Loss	200.01	200.01
Trade Receivables (Net)	144,586.47	110,370.79

**(ii) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due.

### (iii) Market Risk

Market risk is the risk that changes in market prices – foreign exchange rates and interest rates etc. that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### NOTE – 40

#### Capital Management

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

### NOTE – 41

#### Disclosures in accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities:

Amount (₹ in '00)

Particulars	2021 - 2022	2020 - 2021
Gross Amount required to be spent by the Company during the year	15,207.69	14,983.89
Amount of expenditure incurred	15,207.69	14,983.89
Shortfall at the end of the year	Nil	Nil

Amount spent during the year on :

Amount (₹ in '00)

Particulars	2021 - 2022			2020 - 2021		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Construction / Acquisition of any asset	-	-	-	11,482.01	-	11,482.01

On purpose other than above	15,207.69	-	15,207.69	3,501.88	-	3,501.88
Total	15,207.69	-	15,207.69	14,983.89	-	14,983.89

The Company has spent on its CSR activities in respect of ensuring environment sustainability & ecological balance, promoting education & livelihood.

#### **NOTE – 42**

#### **Disclosure pursuant to section 186 (4) of Companies Act, 2013**

Amount (₹ in '00)

Nature of Facility granted	To whom / in whose favour granted	Paid during the year	Amount outstanding at year end	Purpose	Rate of Interest
Loan payable on demand	Satyam Financial Services Limited	600,000.00	1,000,000.00	Need based working capital support	9.50 %

#### **NOTE – 43**

#### **Effect of Covid - 19**

During Financial Year 2021 – 2022, the impact of pandemic has progressively declined but not completely eliminated. With mass vaccination, normalcy is expected soon.

#### **NOTE – 44**

#### **Additional regulatory information pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (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.
- (v) The Company have not advanced or loaned or invested funds, during the year, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (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
- (vi) The Company have not received any fund, during the year, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have 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).
- (viii) The Company has utilized the Borrowings from Banks and Financial Institutions for the purpose for which it was taken.
- (ix) The Company has not been declared as willfull defaulter by any Bank or Financial Institutions.

**NOTE – 45**

**Ratio Analysis and its Elements**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>	<b>% change</b>	<b>Reason for variance</b>
Current Ratio	Current Assets	Current Liabilities	15.01	13.97	7.40	-

Debt – Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	-
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non – cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	-
Return on Equity Ratio	Net Profits after Taxes – Preference Dividend	Average Shareholder's Equity	2.57	3.40	(24.38)	Due to lower earnings
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.72	0.65	10.76	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	19.31	23.94	(19.33)	Due to realization of debtors
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases – purchase return	Average Trade Payables	8.82	7.36	19.95	Due to Uncertainty in the price and supply of raw materials
Net Capital Turnover Ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	0.95	0.95	(0.44)	-
Net Profit Ratio	Net Profit	Net sales = Total sales – sales return	0.41	0.53	(23.46)	Due to lower earnings
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	1.42	1.92	(26.32)	Due to lower earnings

Return on Investment							
a) Return on Investment on Fixed Deposit	Interest on Fixed Deposits	Average Daily Deposit	0.05	0.12	(56.06)		Premature withdrawal of Term Deposits vis – a – vis Reduction in Interest Rate has impacted effective Interest Rate
b) Return on Investment on Quoted Investments	Income from Quoted Investments	Average Quoted Investments	0.03	0.00	-		Due to better dividend & better realization on sales
c) Return on Investment on Mutual Fund Investments	Income from Mutual Fund Investments	Average Mutual Fund Investments	-	-	-		

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 46**

Previous Year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021 as well as current and previous year's amounts (in Indian Rupees) have been rounded off to the nearest hundreds up to two places of decimal, unless otherwise stated.

Signature to Note '1' to '46'

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 22066040ARNLUG6155

On behalf of the Board

Sd/-

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

Kolkata

Dated: 29th August, 2022

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of ***KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED*** ("the Company"), and its associate company, (Refer Notes 1(a) and 1(b) to the attached consolidated financial statements) which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) consolidated cash flows and changes in equity in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

### **Auditors' Responsibility**

3. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs as at 31<sup>st</sup> March, 2022, consolidated profit and Loss, consolidated cash flows and statement of changes in equity for the year ended on that date.

### **Other Matter**

8. We have not audited the financial statements of the associate company included in the financial statements which constitute Profit [Including other comprehensive Income of (₹ in '00) 34,094.05 of (₹ in '00) 392,601.04 for the year ended 31<sup>st</sup> March, 2022. This financial statement and other financial information have been audited by

other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the associate company's auditors. Our opinion is not qualified in respect of this matter.

**For K. RAY & CO.**  
Chartered Accountants  
(Firm Registration No. 312142E)

Sd/-

**Supratim Roychoudhury**

(Partner)

(Membership No. 066040)

UDIN : 22066040ARNMGY6085

Kolkata, 29<sup>th</sup> August, 2022

Amount (₹ in '00)

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022**

	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	407,394.27	448,962.03
Capital Work - in - progress	3A	344,503.45	344,503.45
Intangible Assets	4	36.55	36.55
Investments in Associate (accounted for using Equity Method)	5	6,455,919.47	6,063,318.43
Financial Assets			
i. Investments	5	3,777,978.10	2,834,885.93
ii. Other Financial Assets	6	22,277.58	21,623.79
Other Non - Current Assets	7	2,976.01	2,976.01
<b>Total Non - Current Assets</b>		<u>11,011,085.43</u>	<u>9,716,306.19</u>
<b>Current Assets</b>			
Inventories	8	589,133.04	586,146.46
Financial Assets			
i. Trade Receivables	9	144,586.47	110,370.79
ii. Cash and Cash Equivalents	10	342,632.35	926,748.49
iii. Bank Balances other than Cash and Cash Equivalents	11	512,705.52	598,457.53
iv. Loans	12	1,000,000.00	400,000.00
v. Other Financial Assets	13	441.46	14,841.22
Current Tax Assets (Net)	14	7,809.28	2,179.16
Other Current Assets	15	180,767.89	175,634.55
<b>Total Current Assets</b>		<u>2,778,076.01</u>	<u>2,814,378.20</u>
<b>Total Assets</b>		<u><b>13,789,161.44</b></u>	<u><b>12,530,684.39</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	388,317.50	388,317.50
<b>Other Equity</b>			
Reserves and Surplus	17	13,042,627.84	11,824,084.91
<b>Total Equity</b>		<u>13,430,945.34</u>	<u>12,212,402.41</u>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Provisions	18	16,200.24	15,936.20
Deferred Tax Liabilities (Net)	19	156,876.34	100,898.25
<b>Total Non - Current Liabilities</b>		<u>173,076.58</u>	<u>116,834.45</u>
<b>Current Liabilities</b>			
Financial Liabilities			
ii. Trade Payables	20	115,733.31	127,006.57
iii. Other Financial Liabilities	21	44,421.84	51,357.59
Other Current Liabilities	22	11,429.17	8,911.36
Provisions	18	13,555.20	14,172.01
<b>Total Current Liabilities</b>		<u>185,139.52</u>	<u>201,447.53</u>
<b>Total Liabilities</b>		<u>358,216.10</u>	<u>318,281.98</u>
<b>Total Equity and Liabilities</b>		<u><b>13,789,161.44</b></u>	<u><b>12,530,684.39</b></u>

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the consolidated financial statements

On behalf of the Board

Sd/-  
Supratim Roychoudhury  
Partner  
Membership No. 066040  
For and on behalf of  
K. Ray & Company  
Chartered Accountants  
Kolkata Firm Registration No. 312142E  
Dated: 29th August, 2022 UDIN : 22066040ARNMGY6085

Sd/-  
R. Gupta  
Chief Financial Officer

Sd/-  
A. V. Kothari  
Director  
DIN : 02572346

Sd/-  
A. K. Toshniwal  
Mg. Director  
DIN : 06872891

Amount (₹ in '00)

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>INCOME :</b>	Note	<b>2021-2022</b>	<b>2020-2021</b>
Revenue from Operations	23	2,505,481.43	2,542,340.20
Other Income	24	651,373.79	797,629.14
<b>Total Revenue</b>		<u>3,156,855.22</u>	<u>3,339,969.34</u>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	25	1,037,348.48	858,652.78
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	26	53,434.94	(130,912.21)
Employee Benefits Expense	27	310,948.60	324,150.24
Finance Costs	28	-	88.10
Depreciation and Amortisation Expense	29	50,082.65	63,558.49
Power & Fuel	30	114,335.24	128,057.99
Other Expenses	31	302,056.59	375,183.15
<b>Total Expenses</b>		<u>1,868,206.50</u>	<u>1,618,778.54</u>
<b>Profit before Exceptional items, Share of profits of Associate and Tax</b>		1,288,648.72	1,721,190.80
<b>Share of Profit / (Loss) of Associates</b>		358,506.99	(251,210.63)
<b>Profit / (Loss) before Exceptional Items and Tax</b>		<b>1,647,155.71</b>	<b>1,469,980.17</b>
Exceptional Items		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		1,647,155.71	1,469,980.17
Tax Expense	32		
- Current Tax		236,000.00	325,000.00
- Deferred Tax (Net)		54,861.36	76,752.74
<b>Total Tax Expenses</b>		<b>290,861.36</b>	<b>401,752.74</b>
<b>PROFIT FOR THE YEAR</b>		<u>1,356,294.35</u>	<u>1,068,227.43</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Post - Employment benefit obligations		4,014.14	16,038.53
Tax Expense on the above		(1,116.73)	(4,670.42)
Share of Other comprehensive Income of Associate		34,094.05	(44,279.73)
<b>Other Comprehensive Income for the year</b>		36,991.46	(32,911.62)
<b>Total Comprehensive Income for the year</b>		1,393,285.81	1,035,315.81
<b>EARNINGS PER ORDINARY SHARE OF ₹ 10/- EACH</b>	33		
Basic and Diluted (Amount in ₹)		34.93	27.51

This is the Statement of Profit and Loss referred to in our report of even date.

The Notes referred to above form an integral part of the consolidated financial statements

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray &amp; Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 22066040ARNMGY6085

Kolkata

Dated: 29th August, 2022

Sd/-

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

On behalf of the Board

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022</b>			
	<b>2021-2022</b>		<b>2020-2021</b>
<b>A. Cash Flow from Operating Activities :</b>			
<b>Profit before Tax</b>		<b>1,647,155.71</b>	<b>1,469,980.17</b>
Adjustments for :			
Depreciation and Amortisation Expense	50,082.65		63,558.49
Dividend Income from Non-Current Investment	(9,655.71)		(2,613.04)
Net (Gain)/Loss on sale of Non-Current Investments	(50,797.41)		2,124.57
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FVTPL	(455,537.00)		(678,474.22)
Share of (Profit) / Loss of Associates	(358,506.99)		251,210.63
Expected Credit Loss on Trade Receivables	-		200.01
Bad & Sundry Receivables written off	2.37		4.25
Profit on Sales of Fixed Assets	-		(2,294.89)
Interest (Net)	(123,099.78)		(105,270.88)
Liabilities & Provisions no longer required written back	(12,283.89)	(959,795.76)	(8,814.49)
Operating Profit before Working Capital Changes		<u>687,359.95</u>	<u>989,610.60</u>
Adjustments for :			
Trade and Other Receivables	(40,005.18)		(83,824.40)
Inventories	(2,986.58)		(167,148.90)
Trade and Other Payables	434.36	(42,557.40)	8,534.81
		<u>(42,557.40)</u>	<u>(242,438.49)</u>
Cash Generated from Operations		644,802.55	747,172.11
Direct Taxes - (Payments)/Refunds (Net)	(241,630.12)	(241,630.12)	(323,677.75)
<b>Net Cash ( Used in ) / From Operating Activities:</b>		<u><b>403,172.43</b></u>	<u><b>423,494.36</b></u>
<b>B. Cash Flow From Investing Activities :</b>			
Purchase of Property, Plant and Equipment/ Intangible Assets	(8,514.89)		(29,027.96)
Proceeds From Sales of Fixed Assets	-		3,850.00
Dividend Received	9,655.71		2,613.04
Purchase of Non- Current Investments	(794,527.54)		(500,662.31)
(Increase) / Decrease in Loans Given	(600,000.00)		(400,000.00)
Proceeds from Sale of Non- Current Investments	357,769.78		382,640.51
Interest Received	137,499.54		90,764.29
<b>Net Cash ( Used in ) / From Investing Activities</b>		<u><b>(898,117.40)</b></u>	<u><b>(449,822.43)</b></u>

**CONSOLIDATED CASH FLOW STATEMENT (Contd.)**

	2021-2022	2020-2021
<b>C. Cash Flow from Financing Activities</b>		
Interest Paid	-	(88.10)
Dividends Paid	(174,923.18)	(71.38)
<b>Net Cash ( Used in ) / From Financing Activities:</b>	<b>(174,923.18)</b>	<b>(159.48)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(669,868.15)</b>	<b>(26,487.55)</b>
<b>Cash and Cash Equivalents (Note No. 10 &amp; 11)</b>		
Opening	1,525,206.02	1,551,693.57
Closing	855,337.87	1,525,206.02

NOTES :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on Cash Flow Statement.

2. Previous year's figures have been regrouped / re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

	Sd/-			
	Supratim Roychoudhury			On behalf of the Board
	Partner			
	Membership No. 066040			
	For and on behalf of			
	K. Ray & Company	Sd/-	Sd/-	Sd/-
	Chartered Accountants	R. Gupta	A. V. Kothari	A. K. Toshniwal
Kolkata	Firm Registration No. 312142E	Chief Financial Officer	Director	Mg. Director
Dated: 29th August, 2022	UDIN : 22066040ARNMGY6085		DIN : 02572346	DIN : 06872891

Amount (₹ in '00)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

Particulars						As at	As at
						31st March, 2022	31st March, 2021
<b>A) EQUITY SHARE CAPITAL</b>							
Opening Balance						388,317.50	388,317.50
Add/(Less):Changes in Equity Share Capital during the year						-	-
Closing Balance						<b>388,317.50</b>	<b>388,317.50</b>
<b>B) OTHER EQUITY</b>							
<b>RESERVES AND SURPLUS</b>							
	<b>Capital Reserve</b>	<b>Securities Premium Account</b>	<b>General Reserve</b>	<b>Retained Earning</b>	<b>Retained Earnings in Associate</b>	<b>Total</b>	
	₹	₹	₹	₹	₹	₹	
<b>Balance as at 1st April 2021</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,334,457.57</b>	<b>5,545,832.28</b>	<b>11,824,084.91</b>	
Add: Profit / (Loss) for the year	-	-	-	997,787.36	358,506.99	1,356,294.35	
Add: Other Comprehensive Income for the year	-	-	-	2,897.41	34,094.05	36,991.46	
Add : Transferred from Statement of Profit and Loss	-	-	500,000.00	-	-	500,000.00	
	<b>91,930.40</b>	<b>14,506.57</b>	<b>5,337,358.09</b>	<b>2,335,142.34</b>	<b>5,938,433.32</b>	<b>13,717,370.72</b>	
<b>Less: Appropriations</b>							
Transfer to General Reserve	-	-	-	500,000.00	-	500,000.00	
Dividend Paid	-	-	-	174,742.88	-	174,742.88	
Tax on Dividends	-	-	-	-	-	-	
Interim Dividend Paid	-	-	-	-	-	-	
Tax on Interim Dividends	-	-	-	-	-	-	
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>674,742.88</b>	<b>-</b>	<b>674,742.88</b>	
<b>Balance as at 31st March 2022</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>5,337,358.09</b>	<b>1,660,399.46</b>	<b>5,938,433.32</b>	<b>13,042,627.84</b>	
<b>Balance as at 1st April 2020</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,687,358.09</b>	<b>153,651.40</b>	<b>5,841,322.64</b>	<b>10,788,769.10</b>	
Add: Profit / (Loss) for the year	-	-	-	1,319,438.06	(251,210.63)	1,068,227.43	
Add: Other Comprehensive Income for the year	-	-	-	11,368.11	(44,279.73)	(32,911.62)	
Add : Transferred from Statement of Profit and Loss	-	-	150,000.00	-	-	150,000.00	
	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,484,457.57</b>	<b>5,545,832.28</b>	<b>11,974,084.91</b>	
<b>Less: Appropriations</b>							
Transfer to General Reserve	-	-	-	150,000.00	-	150,000.00	
Dividend Paid	-	-	-	-	-	-	
Tax on Dividends	-	-	-	-	-	-	
Interim Dividend Paid	-	-	-	-	-	-	
Tax on Interim Dividends	-	-	-	-	-	-	
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000.00</b>	<b>-</b>	<b>150,000.00</b>	
<b>Balance as at 31st March 2021</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,334,457.57</b>	<b>5,545,832.28</b>	<b>11,824,084.91</b>	

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Kolkata

Firm Registration No. 312142E

Dated: 29th August, 2022

UDIN : 22066040ARNMGY6085

Sd/-

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

On behalf of the Board

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI5491WBI897PLC001365**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – I**

**BASIS OF PREPARATION:**

**(a) General Information:**

The Consolidated Financial Statements present the consolidated Accounts of Kothari Phytochemicals & Industries Limited and its associate.

<u>Name of Associate</u>	<u>Percentage of holding by the Company</u>
Gillanders Arbuthnot and Company Limited, India	25.78 %

- (b)** Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such policies and Notes from the individual financial statements, which fairly present the needed disclosures.

**(c) Principals of Consolidation and Equity Accounting:**

**Associates**

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

**Equity Method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post – acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized an addition in the carrying amount of the investment. When the Group's share of losses in an equity –



accounted investment equals or exceeds its interest in the entity, including any other unsecured long – term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

**(d) Statement of Compliance:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The Company had prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention.

The financial statements are approved by the Board of Directors of the Company at their meeting held on 29<sup>th</sup> August, 2022.

Details of the Company's accounting policies are included in Note 2.

**(e) Functional and Presentation Currency**

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

**(f) The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:**

	<b>Items</b>	<b>Measurement basis</b>
(i)	Certain financial assets and financial liabilities	Fair value
(ii)	Employee's defined benefit plan	As per actuarial valuation
(iii)	Assets held for sale	Lower of its carrying amount and fair value costs to sale

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**(g) Use of Estimates and Judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**Assumptions and Estimation Uncertainties**

In the process of applying the Company's accounting policies, management has made the following judgments, which have most effect on the amounts recognized in the financial statements.

- Estimation of Useful life and residual value of property, plant and equipment;
- Determining the fair values of investments, in particular of the unlisted securities;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Recognition of deferred tax assets; availability of future taxable profit against which carried forward tax losses can be used;
- Estimation of defined benefit obligations: key actuarial assumptions;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

**(h) Measurement of Fair Values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 39 B.

### **Determination of Fair Values**

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Financial Assets**

The fair value of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques.

#### **(ii) Trade and Other Receivables**

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short – term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

**(iii) Financial Liabilities**

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

**(i) Current and Non – Current Classification**

All assets and liabilities are classified as current or Non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realized within 12 months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non – current financial assets.

All other assets are classified as non – current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (i) It is expected to be settled in the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is due to be settled within 12 months after the reporting date; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non – current financial liabilities.

All other liabilities are classified as non – current.

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

### **Operating Cycle**

For the purpose of current / non – current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI5491WBI897PLC001365**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – 2**

**SIGNIFICANT ACCOUNTING POLICIES:**

**(a) Property, Plant and Equipment**

**(i) Recognition and Measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection / commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work – in – progress.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as on 1<sup>st</sup> April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment [See Note 3].

**(iii) Subsequent Expenditure**

Subsequent costs are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

**(iv) Depreciation**

Depreciation for the year is recognized in the Statement of Profit and loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets.

The useful lives have been determined based on technical evaluation done by the management and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013. The residual values are not more than 5 % of the original cost of the asset.

Depreciation on additions / (disposals) is provided on a pro – rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Freehold land is not depreciated.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each financial year – end and adjusted prospectively, if appropriate.

**(v) Capital work – in – Progress (CWIP)**

Capital work – in – progress (CWIP) includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated Pre – operative expenses pending location to the asset and are shown under CWIP.

**(b) Intangible Assets**

**(i) Computer Software**

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization.

**(ii) Amortisation**

Amortisation is calculated to write off the cost of Intangible assets over their estimated useful lives using the straight – line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

<b>Class of assets</b>	<b>Management estimate of useful life (in years)</b>
Computer Software	3

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted, if appropriate.

**(iii) Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

**(c) Inventories**

Inventories are valued as under:

Raw Materials	-	At cost on weighted average method / FIFO
Stores and Spare Parts-		At cost on weighted average method / FIFO
Materials in Process	-	At estimated Cost
Finished Goods	-	At cost on weighted average method or Net Realizable Value, whichever is lower

Cost of Inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**(d) Foreign Currency Transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non – monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non – monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.



**(e) Impairment**

**(i) Impairment of Financial Instruments: Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Impairment of Non – Financial Assets**

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

**(f) Financial Instruments**

**(i) Recognition and Initial Measurement**

Financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are initially recognized at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs are attributable to the acquisition of the financial assets.

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balance and derivative financial instruments.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft, derivative financial instruments etc.

**(ii) Classification and Subsequent Measurement of Financial Assets**

On initial recognition, a financial asset is classified and measured at:

- amortised cost; or
- fair value through other comprehensive income (FVOCI) - Equity Investment; or
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**Financial Assets at Amortised Cost**

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

## **Financial Assets at Fair Value through other Comprehensive Income (FVOCI)**

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment – by – investment basis.

Financial assets are measured at the FVOCI if both the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

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

All financial assets which do not meet the criteria for categorization as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial Assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.
Financial assets at amortised cost	<p>These assets are subsequently measured at amortised cost using the effective interest method (EIR).</p> <p>The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss</p>

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.
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### **Financial Liabilities: Classification, Subsequent Measurement and Gains and Losses**

Financial liabilities are classified as measured at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held – for – trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

#### **(iii) Derecognition**

##### **Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

##### **Financial Liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and loss.

#### **(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(g) Employee Benefits**

**(i) Short – Term Employee Benefits**

Short – term employee benefit obligations are measured on an undiscounted basis and are expected as the related service is provided. A liability is recognized for the amount expected to be paid, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Defined Contribution Plans**

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when contributions are made to the related schemes.

**(iii) Defined Benefit Plans**

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

**(iv) Compensated Absences**

The employees of the company are entitled to compensated absences which are both accumulating and non – accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognized in profit or loss in the period in which they arise.

**(h) Provision (other than for Employee Benefits)**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**(i) Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

**(j) Recognition of Revenue**

Revenue is recognized to the extent it is probable that economic benefits would flow to the company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of products is passed to the buyer as per terms of contract which usually happens on delivery of goods.

**(k) Expenses**

All expenses are accounted for on accrual basis.

**(l) Leases**

**(i) Assets held under Leases**

Lease of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as Finance Leases.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

**(ii) Lease Payments**

Payments made under operating leases are generally recognized in Statement of Profit and Loss on straight – line basis over the term of Lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

**(m) Income Tax**

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of profit and Loss.

**(i) Current Tax**

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable Tax rates and the provisions of the Income Tax Act, 1961 and other applicable Tax Laws.

**(ii) Deferred Tax**

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

**(n) Segment Accounting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision – maker (CODM).

The chief operating decision – maker, who is responsible for allocation of resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realizable value in case of by – products.

- (ii) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and / or on a reasonable basis, have been disclosed as “Unallocable”.

**(o) Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a Substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(p) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cash – on – deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(q) Cash Flow Statement**

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.

**(r) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**(s) Interest in Associate**

Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 3**

**PROPERTY, PLANT AND EQUIPMENT**

**Year ended 31st March, 2022**

	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Tubewell and Water Works	Total
<b>Gross Carrying Amount</b>											
Opening Gross Carrying Amount	12,624.00	19,852.83	403,010.82	1,340,100.19	57,517.18	13,404.83	33,484.11	5,432.15	42,595.72	5,199.16	1,933,220.99
Additions during the year	-	-	-	7,540.81	39.84	754.24	180.00	-	-	-	8,514.89
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,624.00</u>	<u>19,852.83</u>	<u>403,010.82</u>	<u>1,347,641.00</u>	<u>57,557.02</u>	<u>14,159.07</u>	<u>33,664.11</u>	<u>5,432.15</u>	<u>42,595.72</u>	<u>5,199.16</u>	<u>1,941,735.88</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2021	3,698.10	-	216,675.59	1,147,169.48	53,514.20	11,900.04	16,760.31	4,635.55	26,037.10	3,868.59	1,484,258.96
Depreciation charge during the year	127.52	-	9,595.41	33,401.75	352.09	199.03	375.21	121.84	4,990.39	919.41	50,082.65
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,825.62</u>	<u>-</u>	<u>226,271.00</u>	<u>1,180,571.23</u>	<u>53,866.29</u>	<u>12,099.07</u>	<u>17,135.52</u>	<u>4,757.39</u>	<u>31,027.49</u>	<u>4,788.00</u>	<u>1,534,341.61</u>
<b>Net Carrying Amount</b>	<u>8,798.38</u>	<u>19,852.83</u>	<u>176,739.82</u>	<u>167,069.77</u>	<u>3,690.73</u>	<u>2,060.00</u>	<u>16,528.59</u>	<u>674.76</u>	<u>11,568.23</u>	<u>411.16</u>	<u>407,394.27</u>

**Year ended 31st March, 2021**

	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Tubewell and Water Works	Total
<b>Gross Carrying Amount</b>											
Deemed Cost as at 1st April, 2020	12,624.00	19,852.83	403,010.82	1,331,876.84	57,220.30	12,174.41	33,339.11	5,377.07	36,801.13	5,199.16	1,917,475.67
Additions during the year	-	-	-	8,223.35	296.88	1,230.42	145.00	55.08	16,577.23	-	26,527.96
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	10,782.64	-	10,782.64
Closing Gross Carrying Amount	<u>12,624.00</u>	<u>19,852.83</u>	<u>403,010.82</u>	<u>1,340,100.19</u>	<u>57,517.18</u>	<u>13,404.83</u>	<u>33,484.11</u>	<u>5,432.15</u>	<u>42,595.72</u>	<u>5,199.16</u>	<u>1,933,220.99</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2020	3,570.58	-	207,008.12	1,102,223.30	53,169.34	11,576.86	16,293.37	4,518.08	28,745.47	2,880.75	1,429,985.87
Depreciation charge during the year	127.52	-	9,667.47	44,946.18	344.86	323.18	466.94	117.47	6,519.16	987.84	63,500.62
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	9,227.53	-	9,227.53
Closing Accumulated Depreciation	<u>3,698.10</u>	<u>-</u>	<u>216,675.59</u>	<u>1,147,169.48</u>	<u>53,514.20</u>	<u>11,900.04</u>	<u>16,760.31</u>	<u>4,635.55</u>	<u>26,037.10</u>	<u>3,868.59</u>	<u>1,484,258.96</u>
<b>Net Carrying Amount</b>	<u>8,925.90</u>	<u>19,852.83</u>	<u>186,335.23</u>	<u>192,930.71</u>	<u>4,002.98</u>	<u>1,504.79</u>	<u>16,723.80</u>	<u>796.60</u>	<u>16,558.62</u>	<u>1,330.57</u>	<u>448,962.03</u>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 3A</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
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**CAPITAL WORK IN PROGRESS**

Capital work in Progress	344,503.45	344,503.45
	<u>344,503.45</u>	<u>344,503.45</u>

Capital work in Progress ageing Schedule as at 31st March, 2022

Particulars	Amount in Capital work in Progress for a period of				As at 31st March, 2022
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	344,503.45	344,503.45
Projects temporarily Suspended	-	-	-	-	-
	-	-	-	344,503.45	344,503.45

Capital work in Progress ageing Schedule as at 31st March, 2021

Particulars	Amount in Capital work in Progress for a period of				As at 31st March, 2021
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	344,503.45	344,503.45
Projects temporarily Suspended	-	-	-	-	-
	-	-	-	344,503.45	344,503.45

For Capital work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan, Capital work in Progress completion schedule are as below :

As at March 31, 2022

Particulars	To be completed in				As at 31st March, 2022
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects completion overdue	-	-	-	-	-
New Phytochemical Project	-	-	-	344,503.45	344,503.45
	-	-	-	344,503.45	344,503.45

As at March 31, 2021

Particulars	To be completed in				As at 31st March, 2021
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects completion overdue	-	-	-	-	-
New Phytochemical Project	-	-	-	344,503.45	344,503.45
	-	-	-	344,503.45	344,503.45

Reasons for delay in Project Implementation (For both Financial Year 2020 - 2021 and 2021 - 2022).

The Company has obtained Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change (MoEF&CC), New Delhi and applied for GO - Relaxation and CTE - Expansion with Tamil Nadu Pollution Control Board where the matter is under process. Also, due to Covid - 19 disruption, the project implementation got delayed.

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : UI5491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 4****INTANGIBLE ASSETS****Year ended 31st March, 2022**

	<b>Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	731.00	731.00
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>731.00</u>	<u>731.00</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	694.45	694.45
Amortisation charge for the year	-	-
Disposals	-	-
Closing Accumulated Amortisation	<u>694.45</u>	<u>694.45</u>
<b>Closing Net Carrying Amount</b>	<u>36.55</u>	<u>36.55</u>

**Year ended 31st March, 2021**

	<b>Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	731.00	731.00
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>731.00</u>	<u>731.00</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	636.58	636.58
Amortisation charge for the year	57.87	57.87
Disposals	-	-
Closing Accumulated Amortisation	<u>694.45</u>	<u>694.45</u>
<b>Closing Net Carrying Amount</b>	<u>36.55</u>	<u>36.55</u>

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : UI5491WB1897PLC001365

Amount (₹ in '00)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

<b>NOTE - 5</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Non-Current Investments</b>		
<b>A. Investment in Associates</b>		
<b>(Accounted for using Equity Method)</b>		
In Equity Instruments - Quoted, fully paid up		
Gillanders Arbuthnot & Company Limited *	6,455,919.47	6,063,318.43
* Refer Note No. 46		
<b>TOTAL A</b>	<b>6,455,919.47</b>	<b>6,063,318.43</b>
<b>B. Investment in others</b>		
<b>Quoted</b>		
<b>Fair Value Through Profit &amp; Loss</b>		
Investment in Equity Shares	892,799.42	581,143.88
Investment in Mutual Funds	1,705,494.63	1,207,155.78
	<b>2,598,294.05</b>	<b>1,788,299.66</b>
<b>Un-Quoted</b>		
<b>Fair Value Through Profit &amp; Loss</b>		
Investment in Equity Shares	1,224,684.05	1,091,586.27
Less: Provision for Diminution in carrying amount of Investments	45,000.00	45,000.00
	<b>1,179,684.05</b>	<b>1,046,586.27</b>
<b>TOTAL B</b>	<b>3,777,978.10</b>	<b>2,834,885.93</b>
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)	9,054,213.52	7,851,618.09
Aggregate carrying amount of unquoted investments	1,179,684.05	1,046,586.27
	<b>10,233,897.57</b>	<b>8,898,204.36</b>
Aggregate Market Value of Quoted Investments in Associates	3,663,717.95	2,263,693.60
Aggregate Market Value of Quoted Investments other than Associates	892,799.42	581,143.88
Aggregate Book Value of Unquoted Investments	1,224,684.05	1,091,586.27
Aggregate Repurchase price of Mutual Funds	1,705,494.63	1,207,155.78

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 6</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER FINANCIAL ASSETS</b>		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	22,277.58	21,623.79
	<u>22,277.58</u>	<u>21,623.79</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 7</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER NON - CURRENT ASSETS</b>		
Capital Advances	2,641.27	2,641.27
Others	859.95	859.95
	<hr/>	<hr/>
	3,501.22	3,501.22
Less: Provision for Doubtful Advances	525.21	525.21
	<hr/>	<hr/>
	<b>2,976.01</b>	<b>2,976.01</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>NOTE - 8</b>		
<b>INVENTORIES</b>		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	303,439.66	264,553.21
Materials - in - Process	204,256.81	244,955.37
Finished Goods	25,043.16	37,779.54
Stores and Spare Parts	56,393.41	38,858.34
	<b><u>589,133.04</u></b>	<b><u>586,146.46</u></b>



**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 9</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Considered Good	144,586.47	110,370.79
Considered Doubtful	200.01	200.01
	<u>144,786.48</u>	<u>110,570.80</u>
Less : Allowances for Doubtful Receivables	200.01	200.01
	<u>144,586.47</u>	<u>110,370.79</u>

Trade Receivable ageing Schedule as on 31-March-2022.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Trade Receivables - considered good	144,586.47	-	-	-	-	144,586.47
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	200.01	200.01
	144,586.47	-	-	-	200.01	144,786.48
Less : Expected Credit Loss Allowance	-	-	-	-	200.01	200.01
<b>Total</b>	144,586.47	-	-	-	-	144,586.47

Trade Receivable ageing Schedule as on 31-March-2021.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Trade Receivables - considered good	110,370.79	-	-	-	-	110,370.79
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	200.01	-	200.01
	110,370.79	-	-	200.01	-	110,570.80
Less : Expected Credit Loss Allowance	-	-	-	200.01	-	200.01
<b>Total</b>	110,370.79	-	-	-	-	110,370.79

Amount (₹ in 00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 10**

	As at 31st March, 2022	As at 31st March, 2021
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**CASH AND CASH EQUIVALENTS**

Balances with Banks		
- In Current Accounts	342,125.62	801,295.75
Fixed Deposits of Maturity of Less than 3 Months	-	125,000.00
Cash in Hand	506.73	452.74
	<u>342,632.35</u>	<u>926,748.49</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - II</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
<b>Other Bank Balances</b>		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	510,521.27	596,092.98
Balances with Banks		
- Unpaid Dividend Account	2,184.25	2,364.55
	<b><u>512,705.52</u></b>	<b><u>598,457.53</u></b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 12</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>LOANS</b>		
Loans to Bodies Corporates	1,000,000.00	400,000.00
	<u>1,000,000.00</u>	<u>400,000.00</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 13</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER FINANCIAL ASSETS</b>		
Interest accrued on Loans and Deposits	441.46	14,841.22
	<u>441.46</u>	<u>14,841.22</u>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : UI5491WB1897PLC001365

Amount (₹ in '00)

**NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 14</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax (Net of Provisions)	7,809.28	2,179.16
	<u>7,809.28</u>	<u>2,179.16</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 15</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER CURRENT ASSETS</b>		
Advances to Suppliers & Others	40,675.66	69,537.23
Balance with Statutory / Government Authorities	102,007.72	69,427.96
Export Incentive Receivable	22,849.23	21,016.58
Others	15,235.28	15,652.78
	<b>180,767.89</b>	<b>175,634.55</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

NOTE - 16	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED :</b>				
Preference Shares of ₹ 100/- each.	300,000	300,000.00	300,000	300,000.00
Ordinary Shares of ₹ 10/- each.	17,000,000	1,700,000.00	17,000,000	1,700,000.00
		<b>2,000,000.00</b>		<b>2,000,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>				
Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	388,317.50	3,883,175	388,317.50
		<b>388,317.50</b>		<b>388,317.50</b>

16.1 The Company has issued Ordinary shares having a par value of ₹ 10/- per share. Each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees

In the event of liquidation of the Company, the holders of Ordinary shares will be entitled to receive remaining assets of the Company, after payment of Secured, Unsecured Liabilities and Other Creditors. The distribution will be in proportion to the number of Ordinary shares held by the shareholders

16.2 The details of shareholders holding more than 5 % shares.

Name	As at 31st March 2022		As at 31st March 2021	
	% held	No. of Shares	% held	No. of Shares
Kothari Investment & Industries Private Limited	72.83%	2828080	72.83%	2828080
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.57%	216291

16.3 Statement of shareholding of Promoters.

Shares held by promoters	As at 31st March 2022		As at 31st March 2021		% change in shareholding
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Arun Kumar Kothari	2121	0.05%	2021	0.05%	0.00%
Paramsukhdas Suganchand HUF	19040	0.49%	19040	0.49%	0.00%
Prabhawati Devi Kothari	6500	0.17%	6500	0.17%	0.00%
Anand Vardhan Kothari	13300	0.34%	13300	0.34%	0.00%
Kothari Investment & Industries Private Limited	2828080	72.83%	2828080	72.83%	0.00%
M. D. Kothari & Company Limited	576525	14.85%	576525	14.85%	0.00%
G. Das & Company Private Limited	216291	5.57%	216291	5.57%	0.00%
Albert David Limited	190000	4.89%	190000	4.89%	0.00%
Premier Suppliers Private Limited	8000	0.21%	8000	0.21%	0.00%

Shares held by promoters	As at 31st March 2021		As at 31st March 2020		% change in shareholding
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Arun Kumar Kothari	2021	0.05%	2021	0.05%	0.00%
Paramsukhdas Suganchand HUF	19040	0.49%	19040	0.49%	0.00%
Prabhawati Devi Kothari	6500	0.17%	6500	0.17%	0.00%
Anand Vardhan Kothari	13300	0.34%	13300	0.34%	0.00%
Kothari Investment & Industries Private Limited	2828080	72.83%	2828080	72.83%	0.00%
M. D. Kothari & Company Limited	576525	14.85%	576525	14.85%	0.00%
G. Das & Company Private Limited	216291	5.57%	216291	5.57%	0.00%
Albert David Limited	190000	4.89%	190000	4.89%	0.00%
Premier Suppliers Private Limited	8000	0.21%	8000	0.21%	0.00%

16.4 The reconciliation of the number of shares outstanding is set out below.

	As at 31st March, 2022	As at 31st March, 2021
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	<b>3,883,175</b>	<b>3,883,175</b>



Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 17****OTHER EQUITY****RESERVES AND SURPLUS**

	Capital Reserve	Securities Premium Account	General Reserve	Retained Earning	Retained Earnings in Associate	Total
<b>Balance as at 1st April 2021</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,334,457.57</b>	<b>5,545,832.28</b>	<b>11,824,084.91</b>
Add: Profit / (Loss) for the year	-	-	-	997,787.36	358,506.99	1,356,294.35
Add: Other Comprehensive Income for the year	-	-	-	2,897.41	34,094.05	36,991.46
Add : Transferred from Statement of Profit and Loss	-	-	500,000.00	-	-	500,000.00
	<b>91,930.40</b>	<b>14,506.57</b>	<b>5,337,358.09</b>	<b>2,335,142.34</b>	<b>5,938,433.32</b>	<b>13,717,370.72</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	500,000.00	-	500,000.00
Dividend Paid	-	-	-	174,742.88	-	174,742.88
Tax on Dividends	-	-	-	-	-	-
Interim Dividend Paid	-	-	-	-	-	-
Tax on Interim Dividends	-	-	-	-	-	-
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>674,742.88</b>	<b>-</b>	<b>674,742.88</b>
<b>Balance as at 31st March 2022</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>5,337,358.09</b>	<b>1,660,399.46</b>	<b>5,938,433.32</b>	<b>13,042,627.84</b>
<b>Balance as at 1st April 2020</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,687,358.09</b>	<b>153,651.40</b>	<b>5,841,322.64</b>	<b>10,788,769.10</b>
Add: Profit / (Loss) for the year	-	-	-	1,319,438.06	(251,210.63)	1,068,227.43
Add: Other Comprehensive Income for the year	-	-	-	11,368.11	(44,279.73)	(32,911.62)
Add : Transferred from Statement of Profit and Loss	-	-	150,000.00	-	-	150,000.00
	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,484,457.57</b>	<b>5,545,832.28</b>	<b>11,974,084.91</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	150,000.00	-	150,000.00
Dividend Paid	-	-	-	-	-	-
Tax on Dividends	-	-	-	-	-	-
Interim Dividend Paid	-	-	-	-	-	-
Tax on Interim Dividends	-	-	-	-	-	-
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000.00</b>	<b>-</b>	<b>150,000.00</b>
<b>Balance as at 31st March 2021</b>	<b>91,930.40</b>	<b>14,506.57</b>	<b>4,837,358.09</b>	<b>1,334,457.57</b>	<b>5,545,832.28</b>	<b>11,824,084.91</b>

17.1 The Board of Directors recommended a dividend of ₹ 3.50 per share for the year ended 31st March, 2022 on fully paid ordinary shares. This dividend is subject to approval by share at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is (₹ in '00) 135,911.13

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 18</b>	<b>As at 31st March, 2022</b>			<b>As at 31st March, 2021</b>		
	<b>Current</b>	<b>Non - Current</b>	<b>Total</b>	<b>Current</b>	<b>Non - Current</b>	<b>Total</b>
<b>PROVISIONS</b>						
Employee Benefit Obligation						
Leave Obligations	9,450.52	6,469.96	15,920.48	9,270.48	7,093.31	16,363.79
Gratuity	4,104.68	9,730.28	13,834.96	4,901.53	8,842.89	13,744.42
	<b>13,555.20</b>	<b>16,200.24</b>	<b>29,755.44</b>	<b>14,172.01</b>	<b>15,936.20</b>	<b>30,108.21</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 19**As at  
31st March,  
2022As at  
31st March,  
2021

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
<b>DEFERRED TAX LIABILITIES (NET)</b>								
<b>Deferred Tax Liabilities arising out of :</b>								
Timing Difference on Depreciable Assets	33,752.65	(956.82)	-	32,795.83	35,073.66	(1,321.01)	-	33,752.65
Fair Valuation of Investments	90,800.99	56,926.91	-	147,727.90	11,996.49	78,804.50	-	90,800.99
<b>Total Deferred Tax Liabilities</b>	<b>124,553.64</b>	<b>55,970.09</b>	-	<b>180,523.73</b>	<b>47,070.15</b>	<b>77,483.49</b>	-	<b>124,553.64</b>
<b>Deferred Tax Assets arising out of :</b>								
Provision for Doubtful Receivables	58.24	-	-	58.24	-	58.24	-	58.24
Provision for Diminution in Value of Investments	13,104.00	-	-	13,104.00	12,519.00	585.00	-	13,104.00
Accrued Expenses Deductible on Payment basis	10,493.15	1,108.73	(1,116.73)	10,485.15	15,076.06	87.51	(4,670.42)	10,493.15
<b>Total Deferred Tax Assets</b>	<b>23,655.39</b>	<b>1,108.73</b>	<b>(1,116.73)</b>	<b>23,647.39</b>	<b>27,595.06</b>	<b>730.75</b>	<b>(4,670.42)</b>	<b>23,655.39</b>
	<b>100,898.25</b>	<b>54,861.36</b>	<b>1,116.73</b>	<b>156,876.34</b>	<b>19,475.09</b>	<b>76,752.74</b>	<b>4,670.42</b>	<b>100,898.25</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 20</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
------------------	---------------------------------------	---------------------------------------

**TRADE PAYABLES**

Dues of Micro & Small Enterprises	-	-
Others	115,733.31	127,006.57
	<u>115,733.31</u>	<u>127,006.57</u>

(As per information available with the Company no amount is due to Micro, Small and Medium Enterprises)

Trade payable ageing Schedule as on 31-March-2022.

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Dues - MSME	-	-	-	-	-	-
Undisputed Dues - Others	-	100,881.31	-	13,570.00	1,282.00	115,733.31
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	-	100,881.31	-	13,570.00	1,282.00	115,733.31

Trade payable ageing Schedule as on 31-March-2021.

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
Undisputed Dues - MSME	-	-	-	-	-	-
Undisputed Dues - Others	-	112,154.57	-	13,570.00	1,282.00	127,006.57
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	-	112,154.57	-	13,570.00	1,282.00	127,006.57

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 21</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER FINANCIAL LIABILITIES</b>		
Commission Payable	3,358.65	3,358.65
Employees Dues Payable	17,938.78	17,016.87
Unpaid Dividends	2,184.25	2,364.55
Others	20,940.16	28,617.52
	<b>44,421.84</b>	<b>51,357.59</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 22</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payables	11,429.17	8,911.36
	<u>11,429.17</u>	<u>8,911.36</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 23****2021-2022****2020-2021****REVENUE FROM OPERATIONS****SALE OF PRODUCTS**

Calcium Sennoside	2,227.50	92,401.50
Brucine & its Salts	58,899.25	104,380.71
Strychnine & its Salts	1,652,877.95	1,479,927.41
Tolbutamide	-	273,021.37
Chlorpropamide	4,500.00	4,595.27
Formaldehyde	17,525.56	22,030.99
Paraformaldehyde	86,821.86	50,868.74
Phenolic Resin	639,238.40	464,837.06
	2,462,090.52	2,492,063.05

**OTHER OPERATING REVENUE**

Export Incentives	20,809.38	46,108.31
Claims Received	362.58	637.54
Sale of Scrap	19,585.24	-
Miscellaneous Receipts	2,633.71	3,531.30
	43,390.91	50,277.15
	<b>2,505,481.43</b>	<b>2,542,340.20</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 24****2021-2022****2020-2021****OTHER INCOME****Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	123,099.78	105,358.98
- Dividend Income from Non - Current Investment	9,655.71	2,613.04
- Net Gain / (Loss) on Sale of Non - Current Investments	50,797.41	-
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	455,537.00	678,474.22
	639,089.90	786,446.24
Exchange Rate Fluctuation (Net)	-	73.52
Liabilities / Provision no longer required, written back	12,283.89	8,814.49
Profit on Sales of Fixed Assets	-	2,294.89
	<b>651,373.79</b>	<b>797,629.14</b>



Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 25****2021-2022****2020-2021****COST OF MATERIALS CONSUMED**

Raw Materials at the beginning of the year

264,553.21

238,032.69

Add : Purchases

1,070,947.89

885,173.30

Less : Raw Materials at the end of the year

298,152.62

264,553.21

**1,037,348.48****858,652.78**

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 26</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE</b>		
<b>Finished Goods</b>		
Opening Inventories	37,779.54	28,579.60
Closing Inventories	<u>25,043.16</u>	<u>37,779.54</u>
Net (Increase) / Decrease	12,736.38	(9,199.94)
<b>Materials - in - Process</b>		
Opening Inventories	244,955.37	123,243.10
Closing Inventories	<u>204,256.81</u>	<u>244,955.37</u>
Net (Increase) / Decrease	40,698.56	(121,712.27)
	<b><u>53,434.94</u></b>	<b><u>(130,912.21)</u></b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 27****2021-2022****2020-2021****EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus	273,840.25	279,581.34
Contribution to Provident and Other Funds	23,058.22	34,386.16
Workmen and Staff Welfare Expenses	14,050.13	10,182.74
	<u>310,948.60</u>	<u>324,150.24</u>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 28**

**2021-2022**

**2020-2021**

**FINANCE COSTS**

Interest Expenses

-

88.10

-

88.10

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 29****2021-2022****2020-2021****DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of Property, Plant and Equipment

49,955.13

63,373.10

Amortisation \*

127.52

185.39

50,082.6563,558.49

\* Includes (₹ in '00) 127.52 (2020 - 2021 (₹ in '00) 127.52) on Leasehold Land under Note - 3.

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 30**

**2021-2022**

**2020-2021**

**POWER & FUEL**

Power and Fuel

114,335.24

128,057.99

**114,335.24**

**128,057.99**

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>NOTE - 3 I</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of stores and spare parts	19,672.06	19,833.33
Repairs to Buildings	1,602.80	1,943.80
Repairs to Machinery	31,435.79	31,379.64
Repairs to Other Assets	4,465.35	3,182.77
	<b>57,176.00</b>	<b>56,339.54</b>
<b>Selling and Distribution Expenses</b>		
Freight, Shipping, Delivery and Selling Expenses	<b>92,565.19</b>	<b>83,534.47</b>
<b>Establishment Expenses</b>		
Rent	5,559.00	5,453.01
Rates and Taxes	9,147.46	8,228.88
Bank Charges	4,243.67	1,954.74
Travelling and Conveyance Expenses	35,044.13	20,515.14
Postage and Telephone	3,310.52	3,486.01
Printing and Stationery	1,810.80	1,970.86
Subscription	449.15	985.83
Insurance	8,374.80	7,587.35
Motor Vehicle Expense	4,164.70	2,581.83
Directors' Sitting Fees	520.00	500.00
Directors' Commission	3,000.00	3,000.00
Managing Directors Remuneration	31,075.60	29,401.00
Legal and Professional Fee	15,808.56	15,580.53
Internal Audit Fees	708.00	708.00
Bad and Sundry Receivables Written off	2.37	4.25
Input GST (RCM)	633.60	630.00
Expected Credit Loss on Trade Receivables	-	200.01
Corporate Social Responsibility Expenses	15,207.69	14,983.89
Net Loss on Sale of Non-Current Investments	-	2,124.57
Donation	-	100,000.00
Exchange Rate Fluctuations	237.29	-
Miscellaneous Expenses	10,622.81	12,156.67
	<b>149,920.15</b>	<b>232,052.57</b>
<b>Payment to Auditors</b>		
Auditor	1,864.75	2,264.75
For Other Services	410.00	756.80
For Reimbursement of Expenses	39.50	52.36
For GST	81.00	182.66
	<b>2,395.25</b>	<b>3,256.57</b>
	<b>302,056.59</b>	<b>375,183.15</b>

Amount (₹ in '00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 32****2021-2022****2020-2021****TAX EXPENSE****Current Tax**

Current Tax on Profits for the year

236,000.00

325,000.00

**Deferred Tax**

Decrease / (Increase) in Deferred Tax Assets

1,108.73

730.75

(Decrease) / Increase in Deferred Tax Liabilities

55,970.09

77,483.49

**Total Deferred Tax Expense**

54,861.36

76,752.74

290,861.36

401,752.74

**Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.****2021-2022****2020-2021****Total Profit before Income Tax Expenses**

1,647,155.71

1,469,980.17

Indian Income Tax Rate

29.12%

29.12%

**Estimated Income Tax Expenses on above profit**

479,651.74

428,058.23

**Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses**

a) Effect of Deferred Tax Created at Different Rates

(180,224.85)

(106,770.70)

b) Expenses that are not deductible in determining taxable income

4,428.48

4,363.31

c) Tax on Profit / Loss of Associates

(104,397.24)

73,152.54

d) Others

91,403.22

2,949.37

290,861.36

401,752.74



**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****NOTE - 33****2021-2022****2020-2021****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit / (Loss) for the year (Amount ₹ in '00)	1,356,294.35	1,068,227.43
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (Amount in ₹)	34.93	27.51

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### NOTE – 34

		Amount (₹ in '00)	
		2021 – 2022	2020 – 2021
		₹	₹
34.01	Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
	Claims against the Company not acknowledged as debts:-		
	i) Sales Tax under dispute	3,225.70	3,225.70
	ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	983.17	983.17
	iii) Share of Contingent Liabilities of Associate	282,414.74	311,035.70
34.02	Commitments:		
	i) Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
	[Net of Advance (Amount ₹ in '00) 8,916.27 (2021 (Amount ₹ in '00) 8,916.27)]	23,216.27	23,216.27
	ii) Share of Commitments in Associate	12,322.84	12,322.84
34.03	Total Salaries, Wages and Bonus for the year	273,840.25	279,581.34

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 35**

**Employee Benefits:**

As per Indian Accounting Standard- 19 "Employee Benefits", the disclosures of Employee Benefits are as follows

**Defined Contribution Plan:**

Employee Benefits in the form of Provident Fund and Employees' State Insurance Scheme ( ESI) are considered as defined contribution plan

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution.

The contributions to the defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under

**Defined Contribution Plan**

	Year ended 31 March 2022	Year ended 31 March 2021
Employer's Contribution to Provident Fund	16,751.57	15,972.37
Employer's Contribution to Employees' State Insurance Scheme	2,996.97	3,592.34

**Post employment defined benefit plan - Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed continuously atleast five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The approved gratuity fund is in the form of a trust and is governed by the Board of Trustees who are responsible for administration of investment of the plan assets. The trust has taken an insurance policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The present value of defined benefits obligations, fair value of defined plan assets, actuarial gain/ (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information are given in the succeeding tables.

**Net defined benefit liabilities**

	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligations	64,007.66	60,634.79
Fair value of plan assets	50,172.70	46,890.37
<b>Net defined benefit liabilities</b>	<b>(13,834.96)</b>	<b>(13,744.42)</b>

**Reconciliation of the net defined benefit liabilities:**

Description	Gratuity (Funded)	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the Beginning of the year	60,634.79	68,493.64
(b) Current service cost	3,142.57	3,231.99
(c) Interest Cost	4,244.44	4,595.92
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	-
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	(729.60)	(1.34)
- due to experience changes	(3,284.54)	(15,685.42)
<b>Balance at the end of the year</b>	<b>64,007.66</b>	<b>60,634.79</b>
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the Beginning of the year	46,890.37	43,612.22
(b) Actual return on plan assets	-	351.77
(c) Interest income	3,282.33	2,926.38
(d) Benefits paid	-	-
<b>Balance at the end of the year</b>	<b>50,172.70</b>	<b>46,890.37</b>

<b>(iii) Expense recognised in Statement of Profit and Loss</b>		
(a) Current service cost	3,142.57	3,231.99
(b) Net Interest cost	962.11	1,669.54
(c) Past Service Cost- plan amendments	-	-
<b>Amount charged to Profit and Loss</b>	<b>4,104.68</b>	<b>4,901.53</b>

<b>(iv) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial gain/ (loss) on defined benefit obligations	4,014.14	16,038.53
(b) Actuarial gain/ (loss) on plan assets	-	-
<b>Actuarial gain/ (loss) on plan assets</b>	<b>4,014.14</b>	<b>16,038.53</b>

<b>(v) Category of Plan assets</b>		
Insurer Managed Fund	100.00%	100.00%

The Employee's Gratuity Fund Scheme, a Defined Benefit Plan, is administered by Life Insurance Corporation of India (LIC). Life Insurance Corporation of India (LIC) makes payments to vested employees or their nominees upon retirement, death incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed.

<b>(vi) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
(a) Discount rate %	7.00%	6.71%
(b) Expected Return on Plan Assets %	7.00%	6.71%
(c) Expected Rate of Salary increase %	6.00%	6.00%
(d) Mortality Rates	IALM 2012- 2014Ultimate	IALM 2012- 2014Ultimate
(e) Withdrawal rates	6.00%	6.00%

**(vii) Sensitivity analysis**  
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	As at 31 March 2022				As at 31 March 2021			
	Increase		Decrease		Increase		Decrease	
(a) Discount rate (0.50% movement)	-2.06%	62689.74	2.18%	65403.67	-2.29%	59248.68	2.42%	62102.76
(b) Salary growth (0.50% movement)	2.18%	65402.39	-2.08%	62678.86	2.41%	62097.91	-2.30%	59240.80
(c) Attrition Rate (0.50% movement)	0.00%	64005.74	0.00%	64009.58	0.00%	60632.36	0.00%	60637.22
(d) Mortality Rate (10% movement)	0.00%	64009.58	0.00%	64005.74	0.00%	60634.79	0.00%	60634.79

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown

#### Risk Exposure

The company is exposed to a number of risks in respect of the defined benefit plan. In particular, the Company is exposed to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets and change in the discount rate.

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### NOTE – 36

**Information in accordance with the requirements of Related Party Disclosures – Refer Note 36 of Standalone Financial Statements.**

### NOTE – 37

**Information on Segment Reporting – Refer Note 37 of Standalone Financial Statements.**

### NOTE – 38

Derivative Instruments and Unhedged Foreign Currency Exposure:

- (i) The Company has not entered into any forward contract during the year.
- (ii) There is no unhedged foreign currency exposure as at 31<sup>st</sup> March 2022.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 39**

**FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Amount (₹ in '00)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
Investments	3,777,978.10	3,777,978.10	2,834,885.93	2,834,885.93
Trade receivables	144,586.47	144,586.47	110,370.79	110,370.79
Cash and cash equivalents	342,632.35	342,632.35	926,748.49	926,748.49
Bank balances other than cash and cash equivalents above	512,705.52	512,705.52	598,457.53	598,457.53
Loans	1,000,000.00	1,000,000.00	400,000.00	400,000.00
Other financial assets	22,719.04	22,719.04	36,465.01	36,465.01
	<b>5,800,621.48</b>	<b>5,800,621.48</b>	<b>4,906,927.75</b>	<b>4,906,927.75</b>
<b>Financial liabilities</b>				
Trade Payables	115,733.31	115,733.31	127,006.57	127,006.57
Other financial liabilities	44,421.84	44,421.84	51,357.59	51,357.59
	<b>160,155.15</b>	<b>160,155.15</b>	<b>178,364.16</b>	<b>178,364.16</b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
**CIN : UI549IWBI897PLC001365**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE – 39 (Contd...)**

**B. Measurement of Fair Values**

**Valuation Techniques and Significant Unobservable Inputs**

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Government Securities, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short – term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximates fair value.

**C. Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Risk Management Framework**

The Company's principal financial liabilities include borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis.

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. 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 credit loss allowance for trade receivables.

The movements of Trade Receivables and Expected Credit Loss are as follows:

**Amount (₹ in 00)**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
Trade Receivable (Gross)	144,786.48	110,570.80
Less : Expected Credit Loss	200.01	200.01
Trade Receivables (Net)	144,586.47	110,370.79

**(ii) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due.



**(iii) Market Risk**

Market risk is the risk that changes in market prices – foreign exchange rates and interest rates etc. that will affect the Company’s income of the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**NOTE – 40**

**Capital Management**

The company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Company’s capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

**NOTE – 41**

**Disclosures in accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities:**

**Amount (₹ in '00)**

<b>Particulars</b>	<b>2021 - 2022</b>	<b>2020 - 2021</b>
Gross Amount required to be spent by the Company during the year	15,207.69	14,983.89
Amount of expenditure incurred	15,207.69	14,983.89
Shortfall at the end of the year	Nil	Nil

Amount spent during the year on :

**Amount (₹ in '00)**

<b>Particulars</b>	<b>2021 - 2022</b>			<b>2020 - 2021</b>		
	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
Construction / Acquisition of any asset	-	-	-	11,482.01	-	11,482.01

On purpose other than above	15,207.69	-	15,207.69	3,501.88	-	3,501.88
Total	15,207.69	-	15,207.69	14,983.89	-	14,983.89

The Company has spent on its CSR activities in respect of ensuring environment sustainability & ecological balance, promoting education & livelihood.

## NOTE – 42

### Disclosure pursuant to section 186 (4) of Companies Act, 2013

Amount (₹ in '00)

Nature of Facility granted	To whom / in whose favour granted	Paid during the year	Amount outstanding at year end	Purpose	Rate of Interest
Loan payable on demand	Satyam Financial Services Limited	600,000.00	1,000,000.00	Need based working capital support	9.50 %

## NOTE – 43

### Effect of Covid - 19

During Financial Year 2021 – 2022, the impact of pandemic has progressively declined but not completely eliminated. With mass vaccination, normalcy is expected soon.

## NOTE – 44

### Additional regulatory information pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (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.
- (v) The Company have not advanced or loaned or invested funds, during the year, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (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
- (vi) The Company have not received any fund, during the year, from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have 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).
- (viii) The Company has utilized the Borrowings from Banks and Financial Institutions for the purpose for which it was taken.
- (ix) The Company has not been declared as willfull defaulter by any Bank or Financial Institutions.

**NOTE – 45**

**Information in accordance with the requirements of Ratio Analysis and its Elements – Refer Note 45 of Standalone Financial Statements.**

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
CIN : LI5491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE - 46**

**Disclosure of Interest in Associate**

Amount (₹ in '00)

**Interest in Associates**

	As at 31st March, 2022	As at 31st March, 2021
<b>Gillanders Arbuthnot and Company Limited</b>		
Interest as at 1st April	6,063,318.43	6,358,808.79
Add : Share of Profit for the period	358,506.99	(251,210.63)
Add : Share of OCI for the period	34,094.05	(44,279.73)
<b>Balance as at 31st March</b>	<b>6,455,919.47</b>	<b>6,063,318.43</b>

**NOTE - 47**

**Note for Disclosure mandated by Schedule III of Companies Act 2013, by way of Additional Information:**

Amount (₹ in '00)

Name of the Entity	% of Interest	Share of Net Assets, i. e., total Assets minus Total Liabilities		Share of Profit / Loss		Share of OCI	
		31st March, 2022	31st March, 2021	2021 - 2022 ₹	2020 - 2021 ₹	2021 - 2022 ₹	2020 - 2021 ₹
Gillanders Arbuthnot & Company Limited	25.78%	7,850,742.15	7,517,502.14	358,506.99	(251,210.63)	34,094.05	(44,279.73)

**NOTE - 48**

Previous Year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021 as well as current and previous year's amounts (in Indian Rupees) have been rounded off to the nearest hundreds up to two places of decimal, unless otherwise stated.

Signature to Note 'I' to '48'

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 22066040ARNMGY6085

Kolkata

Dated: 29th August, 2022

Sd/-

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

On behalf of the Board