



ANNUAL REPORT 2018-2019

THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

CIN : L24231WB1949PLC017664

BOARD OF DIRECTORS

| | |
|--------------------------|--------------------------|
| Shri Binod Khaitan | Non Executive Director |
| Shri Hemant Bangur | Non Executive Director |
| Shri Dilip P Goculdas | Independent Director |
| Shri Suresh Kumar Bangur | Executive Director & CEO |

PRESIDENT & CFO

Shri Ajay Bangur

COMPANY SECRETARY

Shri Shankar Banerjee

STATUTORY AUDITORS

M/s. S. K. Agarwal & Company
Chartered Accountants
Kolkata

BANKERS

State Bank of India, Kolkata
Syndicate Bank, Kolkata

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
CIN : U20221WB1982PTC034886
23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700001
Phone : 033-22482248; Fax : 033-22484787
E-mail : mdpldc@yahoo.com,

REGISTERED OFFICE

14, NETAJI SUBHAS ROAD KOLKATA -700001
Phone : 033-22300771/40351234
E-mail : lakshmiphosphate@gmail.com
Website : www.phosphate.co.in

WORKS

45, Ramkrishna Road, Rishra
Hooghly- 712248 (WB)
Phone : 033-2672 1448/1497
E-mail : phosphaterishra@gmail.com

DIRECTORS REPORT

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2019.

| FINANCIAL RESULTS | (Amount in lakhs Rs.) | | | |
|-----------------------------------|-----------------------|---------------|--------------|---------------|
| | Standalone | | Consolidated | |
| | Current year | Previous year | Current year | Previous year |
| Turnover | 7741 | 7546 | 7741 | 7546 |
| EBIDTA | 898 | 829 | 896 | 828 |
| Finance Cost | 509 | 509 | 509 | 509 |
| Depreciation | 113 | 103 | 113 | 103 |
| Tax Provisions | 132 | 63 | 132 | 63 |
| Profit after tax | 144 | 154 | 142 | 153 |
| Other Comprehensive Income | 3 | (10) | 3 | (10) |
| Total Comprehensive Income | 147 | 143 | 145 | 142 |

BUSINESS PERFORMANCE & AFFAIRS

Your Company achieved a Turnover of Rs.7741 lakhs during Financial Year 2018-19 compared to Rs.7546 lakhs achieved in previous year. Your Company made an Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA) of Rs.898 lakhs during FY 2018-2019. This is higher by approx. 8% when compared to Rs.829 lakhs achieved in FY-2017-18. After more than double the tax provision at Rs. 132 lakhs in FY 2018-19 from Rs.63 lakhs in 2017-18, Total Comprehensive Income after Tax is recorded at Rs.147 lakhs compared to Rs.143 lakhs in previous year on Standalone Basis and Rs.145 lakhs and Rs.142 lakhs for Current Year and Previous year respectively on Consolidated Basis.

Production of Green Super Phosphate during FY2018-19 was at 69,102 MT compared to 65,238 MT in previous year. Sale of Super Phosphate Fertiliser was recorded at 63,970 MT in current year compared to 65,945 MT in previous year.

To facilitate trading in the Shares of the Company, Equity Shares of your Company has been Listed at BSE Ltd. (Bombay Stock Exchange Ltd.) under XT category with Scrip Code : 542123 w.e.f November 2018. Your Company Shares continues to be listed at Calcutta Stock Exchange Ltd.

OUTLOOK

Nutrient Based Subsidy given by Government of India for Single Super Phosphate Fertiliser (SSP) was fixed at Rs.2,734/- during FY 2018-19. Looking to the importance of Sulphur Nutrient in SSP Fertiliser, Government has increased subsidy on Sulphur component from Rs.299/42 pmt to Rs.391/82 pmt, thereby increasing the overall subsidy for SSP Fertiliser to Rs.2,826/- per MT for the year 2019-20 effective 7th August 2019.

Due to Inadequate Infrastructure of Roadways connecting South to North Bengal, the Company has changed movement of Fertiliser to Central and North Bengal from Roadways to Railways. To further ease of movement of goods, your Company has requested the Railway authorities to reopen Rishra Goods Shed for Fertilizer movement. Rishra Station is a stone throw away from your Factory.

Point of Sale (POS) machines installed under Direct Benefit Transfer (DBT) Scheme at the shop of Retailers for identification of Farmers is a success. This has prevented Fertilizers being sold for other purpose. Next phase of DBT scheme wherein Subsidy would be directly paid to farmers in place of Industry will be an advantage to SSP Fertilizer Industry, due to its' low cost and versatile use.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Abhinandan Goods Pvt. Ltd. is the wholly owned subsidiary of your Company. Particulars of subsidiary company is presented in Form AOC-1 as per Annexure – D forming a part of the Directors Report.

The annual financial statements of the subsidiary and related detailed information are kept at the Registered Office of the Company and also at the Registered Office of the subsidiary company and will be available to investors seeking information at any time during business hours.

CREDIT RATING

The Company's Bank Loan Rating has improved consistently as follows :

| Rating Issued in | July 2019 | May 2018 | Jan 2017 | Nov 2015 |
|-------------------|-----------|----------|----------|----------|
| Long Term Rating | BB+ | BB | BB- | B |
| Short term Rating | A4+ | A4+ | A4+ | A4 |

DIVIDEND

To conserve resources, no dividend is proposed by the Company.

TRANSFER TO GENERAL RESERVES

The Company has transferred a sum of Rs.10 lacs to General Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis, comprising details of the overview, industry structure and development of the Company is appended and forms an integral part of the Director's Report.

SHARE CAPITAL

There has been no alteration of share capital during the year.

The paid-up Equity Share Capital as on 31st March, 2019 was Rs.360.75 lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with Differential Voting Rights. It has neither issued Employee Stock Options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

SEGMENT WISE PERFORMANCE

Your Company deals in a single business segment of FARM inputs and all its business revolves around the same.

DIRECTORS

There has been no change in the composition of the Board of Directors during the year under review. However, Mrs Vijaya Mohan, Independent Director of the Company, has resigned on 30th May 2019 due to disqualification under section 164(2) of the Companies Act 2013.

Shri Hemant Bangur (DIN : 00040903) retires by rotation and is eligible for re-appointment.

Shri Dilip P Goculdas (DIN : 00367409) was appointed as an independent director to hold office for 5 years from the conclusion of the Annual General Meeting held on 26th September 2014. Approval of the members is being sought to re-appoint Shri Goculdas for a further period of 5 years through a special resolution at the ensuing Annual General Meeting. Proposal for his appointment has also been received from a member of the Company.

WOMAN DIRECTOR

Nomination & Remuneration Committee is seeking out for a suitable Independent Lady Director in place of Mrs. Vijaya Mohan (DIN : 02474421) who has resigned from the Board on 30th May 2019 due to disqualification u/s 164(2) of the Companies Act 2013.

Particulars of the Directors seeking appointment/reappointment forms a part of the Notice calling the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

Shri Suresh Kumar Bangur, Executive Director/CEO (DIN : 00040862), Shri Ajay Bangur, President/CFO (PAN : ADRPB5699N) and Shri Shankar Banerjee (ACS 45073) Dy. Company Secretary of the Company are the Key Managerial Personnel of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Your Board of Directors met 5 times during the financial year 2018-19. The dates are 22nd May 2018, 8th August 2018, 20th September 2018, 14th November 2018 and 14th February 2019. Intervening gap between two meetings is within the time limit prescribed under the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.

- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

Independent Directors hold office for a fixed period of five years and are not liable to retire by rotation. The Company has received declarations from Independent Director of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations. The terms of appointment of Independent Directors are available in the Company's web site.

APPOINTMENT AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of your Company in its Meeting held on 15th May, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are –

Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing / Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure –C and forms part of this Report.

FORMAL ANNUAL EVALUATION

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

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

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

INTERNAL CONTROL SYSTEM & ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board for its direction.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company has not entered into any transactions within the purview of Section 186 of the Companies Act 2013.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

HUMAN RESOURCES

As on March 31, 2019 your company had 41 permanent employees. The company acknowledges the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company maintained cordial relationship with workers and staff during the year. Particulars of employees required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of Companies (Management and Administration) Rules 2014 is annexed in Annexure G and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflicting interest with your company at large. A statement of all Related Party Transactions is placed before the Audit Committee for its review, specifying the nature, value and terms and conditions of the transactions. The policy on related party transaction, as approved by the Board, is uploaded on the Company's website. Details of the transactions with Related Parties are provided in the accompanying financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary, which forms a part of the Annual Financial Statements, have been prepared in accordance with the provisions of section 129(3) of the Companies Act 2013. The salient features of the Financial Statement including details of performance and financial position of the Subsidiary Company is presented in the prescribed format in Form AOC-1 as per Annexure-D forming a part of the Director's Report.

CODE OF CONDUCT

The Code of Conduct, adopted by your Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers commitment to responsibility and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

Your Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's whistle blower policy to deal with fraud or mismanagement, if any. The Policy ensures that strict confidentiality be maintained whilst dealing with concerns and that no discrimination will be meted out to any person for a genuinely raised concern.

PREVENTION OF INSIDER TRADING

Your Company's Code of Conduct for Prevention of Insider Trading 2015, approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN : INE398C01016.

SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 has made transfer of securities compulsorily in dematerialised form w.e.f. 1st April 2019. As on March 31, 2019, 94.15% of the share capital stands dematerialized.

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility Committee and its obligations are not applicable to your Company as it is neither having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One Thousand Crore or more or a net profit of Rupees Five Crore or more during any financial year.

INSURANCE

All the properties of your Company are adequately insured.

STATUTORY AUDITOR & AUDIT REPORT

M/s. S. K. Agrawal & Co., Chartered Accountants (F.R.No.305158E), were appointed as the Statutory Auditors of the Company at the 69th AGM of the Company. The appointment was for a term of 5 (five) consecutive years from the conclusion of 69th AGM till the conclusion of 74th AGM of the Company subject to ratification by the members at each Annual General Meeting. It is to be noted that the Companies (Amendment) Act, 2017 has omitted the provision for seeking ratification of such appointment at every intervening AGM.

The Notes on financial statements referred to in Auditors Report are self-explanatory and do not call for any further comments.

COST AUDITOR & COST AUDIT

Pursuant to the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, your Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of M/s. S Gupta & Co., Cost Accountants (F.RNo.000020) as the Cost Auditors of the Company for the Financial Year ending March 31, 2020. Pursuant to Section 148 of the Act, read with Rule 14(a)(ii) of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration of Cost Auditors is being sought from the Members of the Company at the ensuing AGM. The details of the same are provided in the Notice convening the AGM

INTERNAL AUDITORS

Your Directors have appointed M/s. Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), as Internal Auditor for the financial year ending 31st March, 2020.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

In compliance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of CS Ajay Kumar Agarwal, Proprietor of M/s Agarwal A & Associates, Company Secretaries in Whole-time-Practice [C.P. No. 13493 (FCS-7604)], as the Secretarial Auditor of the Company for the Financial Year ending March 31, 2020. The Secretarial Audit Report for the financial year ended March 31, 2019, in Form MR-3, forms an integral part of this report and is annexed herewith as an annexure.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company during the year under review, comprised of 3 (Three) Members, namely Smt. Vijaya Mohan, Shri Dilip P Goculdas and Shri Suresh Kumar Bangur, two of them are Independent Directors and one is a Non-Independent Executive Director. The Committee met four times in the financial year 2018-19. The Board accepted all the recommendations of the Audit Committee during the year.

Due to disqualification u/s 164(2) of the Companies Act 2013, Smt. Vijaya Mohan has resigned from the Directorship of the Company w.e.f. 30-05-2019. Till the time a new Independent Director is appointed, Shri Hemant Bangur has been co-opted.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has a duly constituted stakeholder's relationship committee. One meeting of the Committee was held during the year.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form No. MGT-9 forms part of the Board's Report and is annexed herewith as Annexure - F.

BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the company regularly evaluates its associated business risks. It has an elaborate risk management procedure in place and systematic approach to mitigate risk associated with accomplishment of objectives and operations. At present it has not identified any element of risk threatening existence of the company in dealing with agro input products.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Internal Audit Department is responsible for facilitating coordination with the heads of various Departments, with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors and recommending corrective action.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

There was no amount lying unclaimed/ unpaid with the Company for transfer to the Investor Education and Protection Fund pursuant to the provisions of 124(5) of the Companies Act 2013.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND PARTICULARS OF EMPLOYEES**Energy Conservation**

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation of energy is achieved.
- No specific investment has been made towards reduction in energy consumption.

Technology Absorption

Company's products are manufactured by adopting the available contemporary technology. The Company constantly strives for maintaining quality of its products.

Foreign Exchange Earnings & Outgo

| Particulars | 2018-19 | 2017-18 |
|-----------------------------|-----------------|-----------------|
| Foreign Exchange Earnings | Nil | Nil |
| Foreign Exchange Outgo | | |
| - Purchase of Raw materials | Rs.27,64,14,877 | Rs.28,72,04,717 |
| - Others | Rs. 1,67,606 | - |

Particulars of Employees

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided by way of Annexure G.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

The Company has filed a writ-petition with Honorable High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act, 2012. Consequently, Court has granted stay for payment and/or recovery of such Tax.

The Company has preferred an appeal before Honorable High Court at Kolkata against dismissal of writ petition earlier filed by the Company for recovery of Freight Rebate.

CORPORATE GOVERNANCE

In terms of Reg.15 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 your Company has been exempted from the applicability of corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21,22, 23, 24, 13[24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2019 affecting the financial position of the Company requiring disclosure.

SEXUAL HARASSMENT

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. During the year 2018-19, no case of Sexual Harassment was reported.

REPORTING OF FRAUDS :

There have been no instances of fraud reported by the Statutory Auditors under Section 143 of the Act read with relevant Rules framed thereunder either to the Company or to the Central Government.

OTHER DISCLOSURES

The Company has proper and adequate systems and processes in place to ensure compliance with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

The Board places on record its appreciation for the sustained co-operation and support bestowed to your Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, advisors, consultants, associates, State and Central Government at all levels and all the employees for their helping hand, cooperation and dedicated work. The Board deeply acknowledges the trust and confidence placed on the Company and all its shareholders.

On behalf of the Board of Directors
For The Phosphate Co. Ltd.

Kolkata
Dated : 8th August 2019

(Suresh Kumar Bangur)
Executive Director
DIN : 00040862

(Binod Khaitan)
Director
DIN : 00128502

CAUTIONARY STATEMENT :

Statement in the Directors' Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may vary materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS

Industry review :

Nutrients of Single Super Phosphate (SSP) Fertiliser are Phosphorous (P_2O_5) and Sulphur (S). Accordingly, to latest estimates, share of phosphorous (P_2O_5), supplied to Indian Soil through SSP route is at over 14%, whereas for Sulphur (S) it is over 80%. Sulphur is essential nutrient for growth of Oilseeds, Pulses, Potato, Tobacco, Rice etc. Since SSP is the main source of Sulphur nutrient, use and growth of this fertiliser is presumed.

West Bengal Government is advising farmers to diversify their crop pattern by adding more of Oilseeds and Pulses besides Paddy, Jute and Potato. This should be beneficial for your Company.

Government Policy

Government has introduced Goods & Service Tax (GST) since July 2017 replacing all indirect tax. Under the regime, Fertiliser is taxed at 5% whereas most inputs of Goods & Services are Taxed at 18%. Thus, Fertiliser Sector is eligible for GST Refund, due to above Inverted Tax Structure.

Review of the Company

The Company produced 69102 MTs of Green Super Phosphate fertiliser during the year compared to 65328 MTs in previous year. Company sold 63972 MTs of Single Super Phosphate (Powder + Granulated) Fertiliser during the year compared to 65946 MTs in previous year.

The Company earned a Total Comprehensive Income after tax at Rs.147 lacs after making all provisions and tax, compared to Total Comprehensive Income of Rs.143 lacs in previous year on Standalone basis.

Opportunities & Risks

Opportunities

Government's vision to double Farmers Income by 2022 is likely to increase agro-input consumption.

Direct Benefit Transfer (DBT) in fertiliser to improve buyers traceability across the channel and provide opportunities to leverage datagenerated for improvement.

Risk

General Risks of Operation, Environment, Human Resource etc. as applicable to every business.

Internal Control Systems and their adequacy :

The Company has proper and adequate system of internal controls commensurate with its size and scale of operation to protect all its assets against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles. Internal Controls are also reviewed by the Internal Auditor.

Disclosure of Accounting Treatment :

The Financial Statements have been prepared as per IND-AS in conformity with the applicable accounting standards with proper explanations justifying the cause of any deviation wherever occurred. The notes to the financial statements read with the auditors reports both stand-alone and consolidated give the necessary disclosure of all the relevant accounting treatments in the financial statements appended with the Director's Report.

Annexure B

Disclosure Pursuant to Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015

A. Related Party Disclosures

Compliance of Accounting Standards :

| Sl. No. | In the Accounts of | Particulars | Year-end balance | Maximum amount outstanding during the year |
|---------|--------------------|---|------------------|--|
| 1 | Holding Company | Loans and Advance to Subsidiary Company | Nil | Nil |
| 2 | Subsidiary Company | Loans and Advance to Holding Company | Nil | Nil |
| 3 | Holding Company | Specified investments | Rs.24 lacs | Rs.24 lacs |

N.B. There is a due and maximum due of Rs.419.35 lacs from subsidiary co against sale.

Management Discussion and Analysis

Management discussion and analysis is presented in Annexure A forming a part of the Board's Report.

B. Disclosure of Accounting Treatment

Financial Statements have been prepared in consonance with the applicable Indian Accounting Standards (Ind AS).

C. Disclosures with respect to demat suspense account/ unclaimed suspense account

| | | |
|---|--|-----|
| 1 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | Nil |
| 2 | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | Nil |
| 3 | Number of shareholders to whom shares were transferred from suspense account during the year; | Nil |
| 4 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | Nil |
| 5 | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. | Nil |