

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.****CIN : U15491WB1897PLC001365****DIN**

<b>BOARD OF DIRECTORS</b>	: 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 (ERSTWHILE VIJAYA BANK)

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

**REGISTRAR & SHARE TRANSFER AGENT** : MAHESHWARI DATAMATICS PVT. LTD.  
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 FOURTH Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March 2020.

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

Particulars	2019 – 20 ₹	2018 – 19 ₹
Gross Sales	209,838,066	271,992,654
Other Operating Revenue	4,579,026	8,343,765
Other Income	9,513,924	24,559,616
Total Revenue	223,931,016	304,896,035
<b>Earnings before Depreciation, Amortisation &amp; Taxation</b>	<b>26,626,154</b>	<b>81,613,077</b>
Less : Depreciation and Amortisation	7,539,772	8,872,325
<b>Profit before Taxation</b>	<b>19,086,382</b>	<b>72,740,752</b>
Less : Provision for Taxation		
Current Tax	16,900,000	16,500,000
Deferred Tax (Net)	(4,273,442)	370,811
<b>Profit for the year</b>	<b>6,459,824</b>	<b>55,869,941</b>
Other Comprehensive Income	(56,510)	69,827
<b>Total Comprehensive Income</b>	<b>6,403,314</b>	<b>55,939,768</b>
<b>STATEMENT OF RETAINED EARNINGS</b>		
At the beginning of the year	51,731,440	59,835,792
Add : Profit for the year	6,459,824	55,869,941
Add : Other Comprehensive Income (net of taxes)	(56,510)	69,827
Less : Dividend Paid	13,591,113	11,649,525
Tax on Dividend	2,793,694	2,394,595
Interim Dividend Paid	13,591,113	-
Tax on Interim Dividend	2,793,694	-
Transfer to General Reserve	10,000,000	50,000,000
At the end of the year (Balance)	15,365,140	51,731,440
<b>EPS</b>	<b>1.66</b>	<b>14.39</b>

## **2. DIVIDEND**

The Board of Directors have approved interim dividend of ₹ 3.50 ( 35% ) per share for the year ended 31<sup>st</sup> March, 2020 on fully paid ordinary shares of ₹ 10/- each for the financial year at its meeting held on 4<sup>th</sup> March, 2020. Accordingly, the Company has paid an amount of ₹ 13,591,113/- on account of interim dividend. Tax on such interim dividend has also been paid.

Your Directors do not recommend any further dividend for the year.

## **3. RESERVE**

An amount of ₹ 10,000,000/- has been transferred to the General Reserve for the financial year ended 31<sup>st</sup> March, 2020.

## **4. SHARE CAPITAL**

The Paid – up Share Capital of the Company as on 31st March, 2020 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, 2020 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 and Unclaimed Dividend has been transferred to Investor Education and Protection Fund (IEPF). The details are as under:

No. of Shares	-	315
No. of Shareholders	-	38
Unclaimed Dividend for 2011 – 2012	-	₹ 16,481/-

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

The demand for both Phytochemical products and Resin are not satisfactory, and are on decline.

### **SEGMENTWISE PERFORMANCE**

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

During the year under review the turnover of the division has declined to ₹ 13.76 Crore as compared to ₹ 17.39 Crore in last year. Uncertainty in the Price and Supply of critical raw material such as Nux Vomica seeds are serious cause for concern.

#### **NEW PROJECT**

Our last presentation with Ministry of Environment, Forest and Climate Change was on 17<sup>th</sup> September 2020 and the clearance for the same is awaited.

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

The turnover of this division has also declined to ₹ 7.22 Crore as compared to ₹ 9.81 Crore in last year. Uneconomic size of Claro India and its outdated plant and machineries is a problem area for the division. The Directors do not foresee long term viability of this Division.

### **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.

Increase in the price of Nux Vomica seeds and their non – availability in time, is an area of concern. Present slowdown in Indian economy due to COVID – 19, may also affect Company's performance.

### **OUT LOOK**

The commercial production of New Phyto Products in the coming year may increase the Revenue and Profits. USFDA have inspected our Calcium Sennocide plant and approved the same, which may result in the increase of export of this product in USA.

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 have adverse affect 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 statutes, 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 30 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 follows:-

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.**

**CIN : U15491WB1897PLC001365**

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Nature of Office</b>
1	Premier Suppliers Private Limited	Director
2	Shubh Ananda Advisory Private Limited	Director
3	M. D. Kothari & Company 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, 2020 till 31<sup>st</sup> March, 2021, subject to the approval of shareholders at the ensuing 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 124<sup>th</sup> Annual General Meeting.

Sri M. L. Daga (FCS – 2650) retired as the Secretary of the Company from the close of business hours on 30<sup>th</sup> September, 2020. The Board wishes to record its sincere appreciation for the services rendered by Sri M. L. Daga during his long tenure as Secretary of the Company.

## **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 five Board Meetings were held on 24<sup>th</sup> July, 9<sup>th</sup> August, 27<sup>th</sup> September, 2019, 10<sup>th</sup> January and 4<sup>th</sup> March, 2020.



**KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.****CIN : U15491WB1897PLC001365**

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 27.09.2019</b>
Sri A. V. Kothari	Non – Executive	5	Yes
Smt. V. Kothari	Non – Executive	5	Yes
Sri S. Bagri	Non – Executive	4	No
Sri A. Khandelwal	Non – Executive	5	Yes
Sri A. Agarwal	Non – Executive	2	No
Sri A. K. Toshniwal	Executive – Managing Director	1	No

**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. Vedika Kothari members.

The Committee met once during the year under review, on 4<sup>th</sup> March, 2020.

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, 2020.

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 thrice during the year under review, on 9<sup>th</sup> August, 2019, 10<sup>th</sup> January and 4<sup>th</sup> March, 2020.

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	3
Sri S. Bagri	3
Sri A. V. Kothari	3

**12. AUDITORS**

K. Ray & Company, (Firm Registration No. 312142E) Chartered Accountants, the Statutory Auditors of the Company were appointed in the 121<sup>st</sup> Annual General Meeting to hold office until the conclusion of 126<sup>th</sup> Annual General Meeting.

JKVS & CO. (Formerly: Jitendra K Agarwal & Associates), (Firm Registration No. 318086E) Chartered Accountants, the Branch Auditors of the Company were appointed in the 121<sup>st</sup> Annual General Meeting to hold office until the conclusion of 126<sup>th</sup> Annual General Meeting.

### **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. 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 2019 – 2020, in compliance with Section 135 of the Act, an amount of ₹ 37.36 Lakh (including ₹ 22.94 Lakh of the previous year) was spent by the Company in CSR activities.

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

## **16. 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. However, Related Party Transactions are entered in ordinary course of business and in accordance with Indian Accounting Standard 24. The Related Party Transactions are disclosed under Note No. 37 of the Financial Statement. There were no materially significant Related Party Transactions made by the Company during the year under review, which may have a potential conflict with the interest of the Company. All related party transactions are approved by the Board. Accordingly, the Related Party Transaction as required under the Companies Act, 2013 in Form AOC – 2 is not applicable.

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

During the year under review, the Company has not given any Loans, Guarantees and has not provided Securities to any persons.

## **18. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT – 9 forming part of this report are attached as Annexure ‘II’.

## **19. 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 ‘III’ and forming part of this report.

However, during the year, Commercial House Private Limited, Vishnuhari Investments & Properties Limited and Bhaktwatsal Investment Limited ( Corporate Shareholders of the Company) merged with Kothari Investment & Industries Private Limited (“Acquirer”) and the investment and trading activities of Kothari & Company Private Limited (a Corporate Shareholder of the Company) has demerged and transferred to the Acquirer pursuant to a Scheme of Arrangement under section 230-232 of the Companies Act, 2013 and its allied rules sanctioned by the National Company Law Tribunal (“NCLT”), Kolkata Bench, vide order dated 4<sup>th</sup> November, 2019, as explained in Note no.16.2 to the Financial Statements of the Company. Consequent upon the said Scheme becoming effective on and from 04<sup>th</sup> December, 2019, the Company has become a subsidiary of Kothari Investment & Industries Private Limited, during the year under Report.

## **20. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated financial statements for the financial year ended on 31<sup>st</sup> March, 2020 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.

## **21. 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 ‘IV’ and forming part of this Report.

## **22. 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.

### **23. 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.

### **24. 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.

### **25. 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.

### **26. 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.

### **27. 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.

On behalf of the Board,

Sd/-

**A. V. Kothari**

**Director**

**DIN : 02572346)**

Sd/-

**A. K. Toshniwal**

**Managing Director & CEO**

**(DIN : 06872891)**

Kolkata

Dated: 03 DEC 2020

**ANNEXURE – I**

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31<sup>st</sup> March, 2020**

1.	A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web – link to the CSR policy and projects or programs.	During the year 2017 – 18 the CSR become applicable to the Company. Accordingly a CSR Committee was formed and CSR policy was framed in accordance with the provisions of the Companies Act, 2013 read with schedule VII of the said Act and Rules framed there under. Our CSR Policy covers activities in the field of Environment, Health Care, Education and Community Development.												
2	Composition of the CSR Committee	1. Mr. A. Khandelwal – Chairman 2. Mr. A. V. Kothari – Member 3. Mr. S. Bagri – Member												
3.	Average net profit of the Company for the last three financial years :	<table><tr><td><u>Financial Year</u></td><td><u>Profit (₹ in Lakh)</u></td></tr><tr><td>2016 – 17</td><td>453.36</td></tr><tr><td>2017 – 18</td><td>1,041.42</td></tr><tr><td>2018 – 19</td><td>667.91</td></tr><tr><td><b>Total</b></td><td><b>2,162.69</b></td></tr><tr><td><b>Average of above said profit</b></td><td><b>720.90</b></td></tr></table>	<u>Financial Year</u>	<u>Profit (₹ in Lakh)</u>	2016 – 17	453.36	2017 – 18	1,041.42	2018 – 19	667.91	<b>Total</b>	<b>2,162.69</b>	<b>Average of above said profit</b>	<b>720.90</b>
<u>Financial Year</u>	<u>Profit (₹ in Lakh)</u>													
2016 – 17	453.36													
2017 – 18	1,041.42													
2018 – 19	667.91													
<b>Total</b>	<b>2,162.69</b>													
<b>Average of above said profit</b>	<b>720.90</b>													
4.	Prescribed CSR Expenditure (2 % of the amount as in item 3 above) :	<b>₹14.42 Lakh</b>												
5.	Details of CSR spent for the financial year: (1) Total Amount spent for the Financial Year  (2) Amount unspent if any	<b>₹37.36 Lakh</b>  <b>Nil (Previous year ₹ 22.94 Lakh)</b>												

## 5. Details of CSR spent for the financial year: ..... (Contd.)

(3) Manner in which the amount spent during the financial year is detailed below:

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or program wise (₹)	(6) Amount spent on the projects or programs (₹)	(7) Cumulative expenditure upto to the reporting period (₹)	(8) Amount spent: Direct / through implementing agency
1.	Upgradation of Operation Theatre to the state of art facility providing health care to the society	Preventive Health Care	Bikaner, Rajasthan.	21,27,160	21,27,160	21,27,160	Direct supply of the equipment to Kothari Medical & Research Institute, Bikaner
2.	Prime Minister's National Relief Fund(PMNRF)	Relief to the families of those killed in Natural Calamities and Assistance for Medical Treatment of serious diseases Like Heart Surgery, Cancer etc.	Whole of India	1,66,382	1,66,382	1,66,382	Direct to PMNRF
3.	Undertaking steps and measures to prevent soil erosion by River Ganga at Hooghly District, West Bengal.*	Ensuring environmental sustainability and ecological balance.	Near Company's factory at Kolkata, West Bengal.	14,41,797	14,41,797	14,41,797	Through Implementing Agency – Kothari Group CSR Trust.
	<b>TOTAL</b>				<b>37,35,339</b>		

**\*Note:** During the financial year ended 31<sup>st</sup> March, 2020 the Company has contributed a sum of ₹ 14,41,797 for undertaking the project at serial no. 3 above. The implementing agency will utilise the aforesaid amount in the forthcoming year.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

On behalf of the Board

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. Khandelwal

Chairman – CSR Committee

DIN : 00416445

Place: Kolkata

Dated : 03 DEC 2020



**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED****CIN : U15491WB1897PLC001365****ANNEXURE – II****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	<b>U15491WB1897PLC001365</b>
2.	Registration Date	<b>10/03/1897</b>
3.	Name of the Company	<b>Kothari Phytochemicals &amp; Industries Limited</b>
4.	Category / Sub-category of the Company	<b>Category : Company Limited by Shares Sub Category : Indian Non – Government Company</b>
5.	Address of the Registered office & contact details	<b>C – 4, Gillander House, 8, Netaji Subhas Road, Kolkata – 700 001. Phone No. : 91 – 33 – 2230 – 2331 (6 lines) E. Mail : <a href="mailto:hokothari@yahoo.com">hokothari@yahoo.com</a></b>
6.	Whether listed company	<b>No.</b>
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Maheshwari Datamatics Private Limited. 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata – 700 001. Phone No. : 91 – 33 – 2248 – 2248 / 2243 – 5029 Fax : 91 – 33 – 2248 – 4787 E. Mail : <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a></b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Veterinary preparations: <b>Strychnine &amp; its Salts</b>	21005	56 %
2	Organic and Inorganic Chemical Compounds: <b>Phenolic Resin</b>	20119	32 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1	Kothari Investment & Industries Private Limited.  C – 4, Gillander House, 8, N. S. Road, Kolkata – 700 001.	U45202WB1943PTC011193	Holding	72.83 %	2 (46)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
2	Gillanders Arbuthnot & Company Limited.  C – 4, Gillander House, 8, N. S. Road, Kolkata – 700 001.	L51909WB1935PLC008194	Associate	25.78 %	2 (6)

### i) Category-wise Share Holding

[illegible]

Category of Shareholders	No of Shares held at the end of the year [As on 31-March-2019]				No of Shares held at the end of the year [As on 31-March-2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	242	242	0.0062	0	116	116	0.0030	-0.0032
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1940	9198	11138	0.2868	1904	8245	10149	0.2614	-0.0254
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)									
Non Resident Indians	4	3520	3524	0.0908	4	3520	3524	0.0908	0.0000
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	8314	0	8314	0.2141	8629	0	8629	0.2222	0.0081
<b>Sub-total(B)(2):-</b>	<b>10258</b>	<b>12960</b>	<b>23218</b>	<b>0.5979</b>	<b>10537</b>	<b>11881</b>	<b>22418</b>	<b>0.5774</b>	<b>-0.1097</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10258</b>	<b>12960</b>	<b>23218</b>	<b>0.5979</b>	<b>10537</b>	<b>11881</b>	<b>22418</b>	<b>0.5774</b>	<b>-0.0206</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>3870166</b>	<b>13009</b>	<b>3883175</b>	<b>100.0000</b>	<b>3871294</b>	<b>11881</b>	<b>3883175</b>	<b>100.0000</b>	<b>0.0000</b>

[illegible]

#	Commercial House Private Limited, Vishnuhari Investments & Properties Limited and Bhaktwatsal Investments Limited have been merged with Kothari Investment & Industries Private Limited ("Acquirer") and the investment and trading activities of Kothari & Company Private has demerged and transferred to the Acquirer pursuant to Scheme of Arrangement under section 230 - 232 of the Companies Act, 2013 and its allied rules sanctioned by the National Company Law Tribunal (NCLT), Kolkata Bench, vide order dated 04.11.2019. Consequent upon the said scheme becoming effective on and from 04.12.2019, the Company has become a subsidiary of Kothari Investment & Industries Private Limited during the year.						
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iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BHAKTWATSAL INVESTMENTS LIMITED #				
	At the beginning of the year	214459	5.5228	214459	5.5228
	As on 27/12/2019 - Transfer	(-) 214459	(-) 5.5228	0	0.0000
	At the end of the year			0	0.0000
2	COMMERCIAL HOUSE PRIVATE LIMITED #				
	At the beginning of the year	755414	19.4535	755414	19.4535
	As on 27/12/2019 - Transfer	(-) 755414	(-) 19.4535	0	0.0000
	At the end of the year			0	0.0000
3	KOTHARI CAPITAL & SECURITIES PRIVATE LIMITED #				
	At the beginning of the year	20959	0.5397	20959	0.5397
	As on 10/01/2020 - Transfer	(-) 20959	(-) 0.5397	0	0.0000
	At the end of the year			0	0.0000
4	KOTHARI & COMPANY PRIVATE LIMITED #				
	At the beginning of the year	594960	15.3215	594960	15.3215
	As on 27/12/2019 - Transfer	(-) 594960	(-) 15.3215	0	0.0000
	At the end of the year			0	0.0000
5	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED #				
	At the beginning of the year	491568	12.6589	491568	12.6589
	As on 27/12/2019 - Transfer	(-) 491568	(-) 12.6589	0	0.0000
	At the end of the year			0	0.0000
6	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED #				
	At the beginning of the year	750720	19.3326	750720	19.3326
	As on 27/12/2019 - Transfer	(+) 2056401	(+) 52.9567	2807121	72.2893
	As on 10/01/2020 - Transfer	(+) 20959	(+) 0.5397	2828080	72.8290
	At the end of the year			2828080	72.8290
7	M. D. KOTHARI & COMPANY LIMITED				
	At the beginning of the year	576525	14.8467	576525	14.8467
	At the end of the year			576525	14.8467
8	ARUN KUMAR KOTHARI KARTA OF PARAMSUKHDAS SUGANCHAND HUF				
	At the beginning of the year	19040	0.4903	19040	0.4903
	At the end of the year			19040	0.4903
9	ARUN KUMAR KOTHARI				
	At the beginning of the year	2021	0.0521	2021	0.0521
	At the end of the year			2021	0.0521
10	SATYAM FINANCIAL SERVICES LIMITED				
	At the beginning of the year	1000	0.0258	1000	0.0258
	At the end of the year			1000	0.0258
11	PRABHAWATI DEVI KOTHARI				
	At the beginning of the year	6500	0.1674	6500	0.1674

iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year			6500	0.1674
12	ANAND VARDHAN KOTHARI				
	At the beginning of the year	13300	0.3425	13300	0.3425
	At the end of the year			13300	0.3425
13	PREMIER SUPPLIERS PRIVATE LIMITED				
	At the beginning of the year	8000	0.2060	8000	0.2060
	At the end of the year			8000	0.2060
14	G. DAS & COMPANY PRIVATE LIMITED				
	At the beginning of the year	215491	5.5494	215491	5.5494
	As on 17/05/2019 - Transfer	(+) 3	(+) 0.0001	215494	5.5494
	As on 24/05/2019 - Transfer	(+) 2	(+) 0.0001	215496	5.5495
	As on 19/07/2019 - Transfer	(+) 795	(+) 0.0205	216291	5.5700
	At the end of the year			216291	5.5700
15	ALBERT DAVID LIMITED				
	At the beginning of the year	190000	4.8929	190000	4.8929
	At the end of the year			190000	4.8929
#	Pursuant to the Scheme of Arrangement as referred above.				

iv) Shareholding Pattern of top ten Shareholders					
(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PRINCESS SHOBHANA RANA				
	At the beginning of the year	3520	0.0906	3520	0.0906
	At the end of the year			3520	0.0906
2	VIVEK SJB RANA				
	At the beginning of the year	1600	0.0412	1600	0.0412
	At the end of the year			1600	0.0412
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year	8314	0.2141	8314	0.2141
	As on 22/11/2019 - Transfer	(+) 315	(+) 0.0081	8629	0.2222
	At the end of the year			8629	0.2222
4	PREM MEHTA				
	At the beginning of the year	800	0.0206	800	0.0206
	At the end of the year			800	0.0206
5	MOHAN LALL DAGA #				
	At the beginning of the year	795	0.0205	795	0.0205
	As on 10/05/2019 - Transfer	(-) 795	(-) 0.0205	0	0.0000
	At the end of the year			0	0.0000
6	NRIPAL KRISHNA MAITRA				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
7	BHUPAL KRISHNA MAITRA				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
8	SUMAN KOTHARI				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
9	PANNA LAL KOTHARI				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041
10	SHANTI DEVI BHUWANIA				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041
11	RADHESHYAM BHOOTRA *				



iv) Shareholding Pattern of top ten Shareholders					
(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	150	0.0039	150	0.0039
	At the end of the year			150	0.0039
	# Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.				
	* Not in the list of Top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.				

v) Shareholding of Directors and Key Managerial Personnel					
SI No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANAND VARDHAN KOTHARI				
	At the beginning of the year [As on 01/04/2019]	13300	0.3425	13300	0.3425
	At the end of the year [As on 31/03/2020]			13300	0.3425
2	MADAN LAL DAGA				
	At the beginning of the year [As on 01/04/2019]	25	0.0006	25	0.0006
	At the end of the year [As on 31/03/2020]			25	0.0006

V) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,30,00,000	-	-	1,30,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1,30,00,000	-	-	1,30,00,000
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	1,30,00,000	-	-	1,30,00,000
<b>Net Change</b>	(1,30,00,000)	-	-	(1,30,00,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

### A. Remuneration to Managing Director, Whole – time Directors and / or Manager:

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Sri A. K. Toshniwal Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17 (1) of the Income – tax Act, 1961	24,58,800.00	24,58,800.00
	(b) Value of perquisites u/s 17 (2) Income – tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17 (3) Income – tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	- -	- -
5	Others: Company's Contribution to Provident Fund	1,87,200.00	1,87,200.00
	Total (A)	26,46,000.00	26,46,000.00
	Ceiling as per the Act *		

\* The limit is well within the limits prescribed under the Companies Act, 2013.

## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Sri Surendra Bagri	Sri Ajit Khandelwal	Sri Aniket Agarwal	
	Fee for attending board / committee meetings	16,000.00	18,000.00	4,000.00	38,000.00
	Commission	60,000.00	60,000.00	60,000.00	1,80,000.00
	Others, please specify	-	-	-	-
	Total (1)	76,000.00	78,000.00	64,000.00	2,18,000.00
2	Other Non-Executive Directors	Sri Anand Vardhan Kothari	Smt. Vedika Kothari	---	
	Fee for attending board / committee meetings	16,000.00	12,000.00	-	28,000.00
	Commission	60,000.00	60,000.00	-	1,20,000.00
	Others, please specify	-	-	-	-
	Total (2)	76,000.00	72,000.00	-	1,48,000.00
	Total (B)=(1+2)	1,52,000.00	1,50,000.00	64,000.00	3,66,000.00
	Overall Ceiling as per the Act *				

\* The remuneration is well within the limits prescribed under the Companies Act, 2013.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		COMPANY SECRETARY Sri Madan Lal Daga *	CHIEF FINANCIAL OFFICER Sri Rajiv Gupta	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income – tax Act, 1961	16,99,032.00	9,62,400.00	26,61,432.00
	(b) Value of perquisites u/s 17 (2) Income – tax Act, 1961	13,158.00	43,200.00	56,358.00
	(c) Profits in lieu of salary under section 17 (3) Income – tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others: Company's Contribution to Provident Fund	1,10,160.00	21,600.00	1,31,760.00
	Total	18,22,350.00	10,27,200.00	28,49,550.00

\* Retired on 30/09/2020.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N I L				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	N I L				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	N I L				
Punishment					
Compounding					

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

**ANNEXURE – III**

**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>30<sup>th</sup> June, 2020.</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>₹ 5,513.07 Lakh (25.78 % of ₹ 21,385.05 Lakh)</b>
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	<b>Net Loss ₹ 458.93 Lakh &amp; Other Comprehensive Income (₹ 67.12) 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/-	Sd/-	Sd/-
R. Gupta Chief Financial Officer	A. V. Kothari Director	A. K. Toshniwal Mg. Director
Kolkata Dated: 03 DEC 2020	DIN : 02572346	DIN : 06872891

## ANNEXURE – IV

### 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. Continuing preventive maintenance that was resulted in lesser consumption of power, per unit of Production.
- b. Power saving cables and motors are always installed inside the plant as a power saving measure.

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

We are actively studying Solar Panel System to generate Electricity for future consumption, that is not viable for us at present.

##### 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	2019 – 20	2018 – 19
Earnings (₹)	1313.14 Lakh	1682.66 Lakh
Outgo (₹)	3.17 Lakh	4.60 Lakh



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

**General Shareholders' Information**

<b>Date, time &amp; venue of the Annual General Meeting</b>	The 124 <sup>th</sup> Annual General Meeting of the Company will be held through Video Conferencing / Other Audio – Visual Means on Monday, 28 <sup>th</sup> December, 2020 at 10.00 a.m. (IST).	
<b>Financial Calendar 2020-2021</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 2021</li> </ul>	April to March <ul style="list-style-type: none"> <li>Audited Annual Results will be made out within the time stipulated under the Companies Act, 2013.</li> </ul>
<b>Dividend Payment Date</b>	The Company has paid Interim dividend at Rs. 3.50 per equity share of Rs. 10/- each for the FY 2019 – 2020, which is to be construed as final dividend for the year.	
<b>Book Closure Period</b>	Tuesday 22 <sup>nd</sup> December, 2020 to Monday 28 <sup>th</sup> December, 2020 (both days inclusive)	
<b>E – Voting</b>	Date and Time: From 25 <sup>th</sup> December, 2020 (9.00 a. m.) till 27 <sup>th</sup> December, 2020 (5.00 p. m.)	
<b>NSDL / CDSL – ISIN No.</b>	INE264E01016.	

**Distribution of shareholding as on 31<sup>st</sup> March, 2020**

Ordinary Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 500	1303	98.86	7869	0.20
501 – 1000	2	0.15	1800	0.05
1001 – 5000	3	0.23	7141	0.18
5001 – 10000	3	0.23	23129	0.60
10001 – 50000	2	0.15	32340	0.83
50001 – 100000	-	-	-	-
Above 100000	5	0.38	3810896	98.14
Total	1318	100	3883175	100

**Shareholding pattern as on 31<sup>st</sup> March, 2020**

Category	No. of shares held	% of shares held
Indian Promoters	3860757	99.42
Nationalised Banks & Mutual Funds	-	-
NRI / OCBs	3524	0.09
Public	18894	0.49
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 :** Requests for transfer of shares in physical form are registered and returned within 15 days of lodgement thereof, if the documents are complete in all respects. The Registrars & Share Transfer Agent processes the shares lodged for transfer and the Compliance Officer then monitors and approves the transfer of shares and reports the status of shares transferred to the Company's Board at each of its meetings. The Company also offers the facility of Transfer – cum – Demat to its shareholders. Dematerialisation requests are normally disposed off within a period of 15 Days.

**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 2020, shares representing total Ordinary Share Capital of the Company were held as under:

	No. of Shares	Percentage of Total Capital
In Dematerialised form	38,71,294	99.66 %
In Physical form	11,881	0.34 %
	<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**

Sd/-

**Place : Kolkata**  
**Dated : 03 DEC 2020**

**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 2020 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 2019 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.

#### **Emphasis of Matter**

We draw attention to Note 41 of the Standalone Financial Statements, which describes the extent to which the COVID – 19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain.

Our opinion is not modified in respect of this matter.

## 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 ₹ 25,58,00,063/-.</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 ₹24,22,85,271/- as at 31<sup>st</sup> March 2020 and total revenues of ₹ 21,77,60,457/- 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, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2020 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".



- (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 35.01 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-  
**Supratim Roychoudhury**  
(Partner)  
(Membership No. 066040)  
UDIN : 20066040AAAAGP7051

Kolkata,  
Dated: 03 DEC 2020

## **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 2020 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 2020, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note.

## **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 : 20066040AAAAGP7051

Kolkata,  
Dated: 03 DEC 2020

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

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) The Property, Plant and Equipment of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties of the Company are in the name of the Company.
2. As explained to us, the Inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.
6. The Central Government has not specified the maintenance of cost records under Sub – section (1) of Section 148 of the Act.
7. 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 2020, 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 (₹)	Period of which the amount related	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	3,22,570	1986 – 89	The Tamil Nadu Taxation Special Tribunal as per directions of the High Court at Madras

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company has not taken any loans or borrowings from any Financial Institutions or Government. The Company has not issued any debentures.
9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of Initial Public Offer or further Public Offer (including Debt Instruments) or term loans during the year and hence reporting under clause (ix) of CARO 2016 is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its Directors during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 including amendments thereto.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with its Directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

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

Sd/-  
**Supratim Roychoudhury**  
(Partner)  
(Membership No. 066040)  
UDIN : 20066040AAAAGP7051

Kolkata,  
Dated : 03 DEC 2020

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020**

	Note	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	4,87,48,980	5,45,80,741
Capital Work - in - progress		3,42,00,345	3,28,00,345
Intangible Assets	4	9,442	32,591
Investments in Associates	5	5,17,48,615	5,17,48,615
Financial Assets			
i. Investments	5	20,40,51,448	22,92,37,937
ii. Other Financial Assets	6	21,78,649	23,38,031
Other Non - Current Assets	7	2,97,601	2,79,127
<b>Total Non - Current Assets</b>		<b>34,12,35,080</b>	<b>37,10,17,387</b>
<b>Current Assets</b>			
Inventories	8	4,18,99,756	6,67,36,726
Financial Assets			
i. Trade Receivables	9	97,80,835	1,79,70,550
ii. Cash and Cash Equivalents	10	9,47,52,707	6,15,69,581
iii. Bank Balances other than Cash and Cash Equivalents	11	6,04,16,650	2,27,32,293
iv. Loans	12	-	5,15,00,000
v. Other Financial Assets	13	24,653	22,30,382
Current Tax Assets (Net)	14	3,50,141	16,34,597
Other Current Assets	15	1,04,41,415	91,90,183
<b>Total Current Assets</b>		<b>21,76,66,157</b>	<b>23,35,64,312</b>
<b>Total Assets</b>		<b>55,89,01,237</b>	<b>60,45,81,699</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	3,88,31,750	3,88,31,750
<b>Other Equity</b>			
Reserves and Surplus	17	49,47,44,646	52,11,10,946
<b>Total Equity</b>		<b>53,35,76,396</b>	<b>55,99,42,696</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Provisions	18	27,65,635	22,21,857
Deferred Tax Liabilities (Net)	19	19,47,509	62,42,732
<b>Total Non - Current Liabilities</b>		<b>47,13,144</b>	<b>84,64,589</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	20	-	1,30,00,000
ii. Trade Payables	21	1,13,64,478	1,63,67,665
iii. Other Financial Liabilities	22	62,28,159	46,22,249
Other Current Liabilities	23	10,17,953	5,06,724
Provisions	18	20,01,107	16,77,776
<b>Total Current Liabilities</b>		<b>2,06,11,697</b>	<b>3,61,74,414</b>
<b>Total Liabilities</b>		<b>2,53,24,841</b>	<b>4,46,39,003</b>
<b>Total Equity and Liabilities</b>		<b>55,89,01,237</b>	<b>60,45,81,699</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 & Company  
Chartered Accountants  
Firm Registration No. 312142E  
UDIN : 20066040AAAAGP7051  
Kolkata  
Dated: 03 DEC 2020

Sd/-  
R. Gupta  
Chief Financial Officer

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

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

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

<b>INCOME :</b>	Note	<b>2019-2020</b>	<b>2018-2019</b>
		<b>₹</b>	<b>₹</b>
Revenue from Operations	24	21,44,17,092	28,03,36,419
Other Income	25	95,13,924	2,45,59,616
<b>Total Revenue</b>		<b>22,39,31,016</b>	<b>30,48,96,035</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	26	8,83,73,576	11,45,26,636
Purchases of Stock - in - Trade		2,850	21,369
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	27	(20,03,902)	3,38,42,776
Employee Benefits Expense	28	3,44,43,585	3,40,74,184
Finance Costs	29	3,35,963	4,86,736
Depreciation and Amortisation Expense	30	75,39,772	88,72,325
Power & Fuel	31	1,18,76,573	1,23,42,665
Other Expenses	32	6,42,76,217	2,79,88,592
<b>Total Expenses</b>		<b>20,48,44,634</b>	<b>23,21,55,283</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>1,90,86,382</b>	<b>7,27,40,752</b>
Exceptional Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>1,90,86,382</b>	<b>7,27,40,752</b>
Tax Expense	33		
- Current Tax		1,69,00,000	1,65,00,000
- Deferred Tax (Net)		(42,73,442)	3,70,811
<b>Total Tax Expenses</b>		<b>1,26,26,558</b>	<b>1,68,70,811</b>
<b>PROFIT FOR THE YEAR</b>		<b>64,59,824</b>	<b>5,58,69,941</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Post - Employment benefit obligations		(78,291)	96,740
Tax Expense on the above		21,781	(26,913)
<b>Other Comprehensive Income for the year</b>		<b>(56,510)</b>	<b>69,827</b>
<b>Total Comprehensive Income for the year</b>		<b>64,03,314</b>	<b>5,59,39,768</b>
<b>EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH</b>	34		
Basic and Diluted		1.66	14.39

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 Firm Registration No. 312142E UDIN : 20066040AAAAGP7051	Sd/- R. Gupta Chief Financial Officer	Sd/- A. V. Kothari Director DIN : 02572346	Sd/- A. K. Toshniwal Mg. Director DIN : 06872891
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Kolkata  
Dated: 03 DEC 2020

On behalf of the Board



**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities :</b>				
<b>Profit before Tax</b>		<b>1,90,86,382</b>		<b>7,27,40,752</b>
Adjustments for :				
Depreciation and Amortisation Expense	75,39,772		88,72,325	
Dividend Income from Non-Current Investment	(18,66,373)		(5,56,541)	
Net (Gain)/Loss on sale of Non-Current Investments	(5,39,745)		(34,26,611)	
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FV	3,48,95,035		(61,41,581)	
Expected Credit Loss on Trade Receivables Written Back	-		(1,567)	
Bad & Sundry Receivables written off	142		105	
Interest (Net)	(65,72,817)		(1,34,34,209)	
Liabilities & Provisions no longer required written back	(1,22,179)	3,33,33,835	(4,66,227)	(1,51,54,306)
Operating Profit before Working Capital Changes		5,24,20,217		5,75,86,446
Adjustments for :				
Trade and Other Receivables	70,79,249		(83,19,023)	
Inventories	2,48,36,970		(48,37,800)	
Trade and Other Payables	(19,86,351)	2,99,29,868	(5,01,118)	(1,36,57,941)
Cash Generated from Operations		8,23,50,085		4,39,28,505
Direct Taxes - (Payments)/Refunds (Net)	(1,56,15,544)	(1,56,15,544)	(1,37,66,205)	(1,37,66,205)
<b>Net Cash ( Used in ) / From Operating Activities</b>		<b>6,67,34,541</b>		<b>3,01,62,300</b>
<b>B. Cash Flow From Investing Activities :</b>				
Purchase of Property, Plant and Equipment/ Intangible Assets	(30,84,862)		(51,33,954)	
Dividend Received	18,66,373		5,56,541	
Purchase of Non- Current Investments	(4,70,80,405)		(15,04,44,892)	
(Increase) / Decrease in Loans Given	5,15,00,000		4,85,00,000	
Proceeds from Sale of Non- Current Investments	3,79,11,604		5,42,23,280	
Interest Received	91,14,509		1,44,35,548	
<b>Net Cash ( Used in ) / From Investing Activities</b>		<b>5,02,27,219</b>		<b>(3,78,63,477)</b>

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

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>C. Cash Flow from Financing Activities</b>				
Repayment of Short Term Borrowings from Bank	(1,30,00,000)		1,30,00,000	
Interest Paid	(3,35,963)		(4,86,736)	
Dividends Paid	(2,71,70,926)		(1,18,74,407)	
Tax on Dividend Paid	(55,87,388)		(23,94,595)	
<b>Net Cash ( Used in ) / From Financing Activities</b>		<b>(4,60,94,277)</b>		<b>(17,55,738)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>7,08,67,483</b>		<b>(94,56,915)</b>
<b>Cash and Cash Equivalents (Note No. 10 &amp; 11)</b>				
Opening	8,43,01,874		9,37,58,789	
Closing	<b>15,51,69,357</b>	<b>7,08,67,483</b>	<b>8,43,01,874</b>	<b>(94,56,915)</b>

**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	Chief Financial Officer	Director	Mg. Director
Dated: 03 DEC 2020	UDIN : 20066040AAAAGP7051	DIN : 02572346	DIN : 06872891

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020****A) EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>A) EQUITY SHARE CAPITAL</b>		
Opening Balance	3,88,31,750	3,88,31,750
Add/(Less): Changes in Equity Share Capital during the year	-	-
Closing Balance	<b>3,88,31,750</b>	<b>3,88,31,750</b>

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

Particulars	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>Capital Reserve</b>		
Balance at the beginning of the year	91,93,040	91,93,040
<b>Balance at the end of the year</b>	<b>91,93,040</b>	<b>91,93,040</b>
<b>Securities Premium Account</b>		
Balance at the beginning of the year	14,50,657	14,50,657
<b>Balance at the end of the year</b>	<b>14,50,657</b>	<b>14,50,657</b>
<b>General Reserve</b>		
Balance at the beginning of the year	45,87,35,809	40,87,35,809
Add : Transferred from Statement of Profit and Loss	1,00,00,000	5,00,00,000
<b>Balance at the end of the year</b>	<b>46,87,35,809</b>	<b>45,87,35,809</b>
<b>Retained Earning</b>		
Balance at the beginning of the year	5,17,31,440	5,98,35,792
Add : Profit for the year	64,59,824	5,58,69,941
Add : Other Comprehensive Income for the year	(56,510)	69,827
<b>Total for the year</b>	<b>5,81,34,754</b>	<b>11,57,75,560</b>
Less : Appropriations :		
Transferred to General Reserve	1,00,00,000	5,00,00,000
Dividend Paid	1,35,91,113	1,16,49,525
Tax on Dividend	27,93,694	23,94,595
Interim Dividend Paid	1,35,91,113	-
Tax on Interim Dividend	27,93,694	-
<b>Total appropriations</b>	<b>4,27,69,614</b>	<b>6,40,44,120</b>
<b>Balance at the end of the year</b>	<b>1,53,65,140</b>	<b>5,17,31,440</b>
<b>Total</b>	<b>49,47,44,646</b>	<b>52,11,10,946</b>

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray &amp; Company

Chartered Accountants

Kolkata

Firm Registration No. 312142E

Dated: 03 DEC 2020

UDIN : 20066040AAAAGP7051

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### 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 3<sup>rd</sup> December, 2020.

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 40 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 : U15491WBI897PLC001365**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH, 2020**

**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, 2020

### NOTE - 3

#### PROPERTY, PLANT AND EQUIPMENT

##### Year ended 31st March, 2020

	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	12,62,400	19,85,283	4,03,01,082	13,15,53,065	57,02,662	12,13,966	33,33,911	5,10,307	36,80,113	5,19,916	19,00,62,705
Additions during the year	-	-	-	16,34,619	19,368	3,475	-	27,400	-	-	16,84,862
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,62,400</u>	<u>19,85,283</u>	<u>4,03,01,082</u>	<u>13,31,87,684</u>	<u>57,22,030</u>	<u>12,17,441</u>	<u>33,33,911</u>	<u>5,37,707</u>	<u>36,80,113</u>	<u>5,19,916</u>	<u>19,17,47,567</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2019	3,44,306	-	1,97,28,511	10,42,10,957	52,85,815	10,99,860	15,66,427	4,39,930	26,16,867	1,89,291	13,54,81,964
Depreciation charge during the year	12,752	-	9,72,301	60,11,373	31,119	57,826	62,910	11,878	2,57,680	98,784	75,16,623
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,57,058</u>	<u>-</u>	<u>2,07,00,812</u>	<u>11,02,22,330</u>	<u>53,16,934</u>	<u>11,57,686</u>	<u>16,29,337</u>	<u>4,51,808</u>	<u>28,74,547</u>	<u>2,88,075</u>	<u>14,29,98,587</u>
<b>Net Carrying Amount</b>	<u>9,05,342</u>	<u>19,85,283</u>	<u>1,96,00,270</u>	<u>2,29,65,354</u>	<u>4,05,096</u>	<u>59,755</u>	<u>17,04,574</u>	<u>85,899</u>	<u>8,05,566</u>	<u>2,31,841</u>	<u>4,87,48,980</u>

##### Year ended 31st March, 2019

	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, 2018	12,62,400	19,85,283	4,03,01,082	12,86,06,251	56,93,662	11,77,466	32,94,771	5,10,307	36,80,113	5,19,916	18,70,31,251
Additions during the year	-	-	-	29,46,814	9,000	36,500	39,140	-	-	-	30,31,454
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,62,400</u>	<u>19,85,283</u>	<u>4,03,01,082</u>	<u>13,15,53,065</u>	<u>57,02,662</u>	<u>12,13,966</u>	<u>33,33,911</u>	<u>5,10,307</u>	<u>36,80,113</u>	<u>5,19,916</u>	<u>19,00,62,705</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2018	3,31,554	-	1,87,50,297	9,69,77,194	52,55,521	10,34,355	14,80,808	4,28,268	22,84,283	90,507	12,66,32,787
Depreciation charge during the year	12,752	-	9,78,214	72,33,763	30,294	65,505	85,619	11,662	3,32,584	98,784	88,49,177
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,44,306</u>	<u>-</u>	<u>1,97,28,511</u>	<u>10,42,10,957</u>	<u>52,85,815</u>	<u>10,99,860</u>	<u>15,66,427</u>	<u>4,39,930</u>	<u>26,16,867</u>	<u>1,89,291</u>	<u>13,54,81,964</u>
<b>Net Carrying Amount</b>	<u>9,18,094</u>	<u>19,85,283</u>	<u>2,05,72,571</u>	<u>2,73,42,108</u>	<u>4,16,847</u>	<u>1,14,106</u>	<u>17,67,484</u>	<u>70,377</u>	<u>10,63,246</u>	<u>3,30,625</u>	<u>5,45,80,741</u>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 4****INTANGIBLE ASSETS****Year ended 31st March, 2020**

	<b>Software ₹</b>	<b>Total ₹</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<b>73,100</b>	<b>73,100</b>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	40,509	40,509
Amortisation charge for the year	23,149	23,149
Disposals	-	-
Closing Accumulated Amortisation	<b>63,658</b>	<b>63,658</b>
<b>Closing Net Carrying Amount</b>	<b>9,442</b>	<b>9,442</b>

**Year ended 31st March, 2019**

	<b>Software ₹</b>	<b>Total ₹</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<b>73,100</b>	<b>73,100</b>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	17,361	17,361
Amortisation charge for the year	23,148	23,148
Disposals	-	-
Closing Accumulated Amortisation	<b>40,509</b>	<b>40,509</b>
<b>Closing Net Carrying Amount</b>	<b>32,591</b>	<b>32,591</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE - 5

	Face Value ₹	Number of Shares / Units	As at 31st March, 2020 ₹	As at 31st March, 2019 Number of Shares / Units	₹
<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	55,01,078	5,17,48,615	55,01,078	5,17,48,615
<b>TOTAL A</b>			<b>5,17,48,615</b>		<b>5,17,48,615</b>
<b>B. INVESTMENT IN OTHERS:</b>					
<b>(i) In Equity Instruments - Quoted, fully paid up at FVTPL</b>					
Welspun Corporation Limited	5	5,500	3,41,275	6,000	8,17,200
Kesoram Textile Mills Limited.	2	104	-	104	-
Vijaya Bank Limited	10	-	-	500	23,025
Xpro India Limited	10	-	-	195	6,708
Albert David Limited	10	61,589	1,96,19,176	61,589	2,40,72,060
Balmer Lawrie & Company Limited	10	1,050	83,422	700	1,29,570
Electrosteel Castings Limited.	1	11,000	1,02,300	11,000	2,18,900
GMR Infrastructure Limited	1	6,000	98,100	6,000	1,18,800
Deccan Cements Limited	5	450	88,267	500	2,07,475
Jai Prakash Associates Limited	2	-	-	3,800	20,710
Graphite India Limited	2	4,000	5,09,000	2,500	11,17,250
Inox Leisure Limited	10	500	1,31,350	500	1,64,700
Larsen and Toubro Limited	2	1,800	14,55,300	1,800	24,93,540
Tata Steel Limited	10	2,600	7,00,960	2,600	13,54,600
Pilani Investments & Industries Corporation Limited.	10	2,929	32,94,246	2,929	63,09,652
Cimmco Limited	10	-	-	60	1,980
Tata Steel Limited (Partly Paid)	10	200	-	200	-
The West Coast Paper Mills Limited	2	1,000	1,30,950	1,000	2,67,150
Kajaria Ceramics Limited	1	200	75,170	300	1,76,955
Infosys Limited	5	2,500	16,03,750	-	-
Kansai Nerolac Paints Limited	1	5,587	21,64,683	-	-
Suven Life Sciences Limited	1	6,760	1,44,664	-	-
Suven Pharmaceuticals Limited	1	6,760	13,59,098	-	-
Trent Limited	1	7,000	33,90,450	-	-
<b>TOTAL B (i)</b>			<b>3,52,92,161</b>		<b>3,75,00,275</b>
<b>(ii) In Equity Instruments - Unquoted, fully paid up at FVTPL</b>					
Tulip Tea Company Limited	25	1,160	9,110	1,160	9,110
Aaham Printers Private Limited (in Liquidation)	100	15	1	15	1
Satyam Financial Services Limited	10	2,50,000	36,75,000	2,50,000	37,50,000

Vidyasagar Industries Private Limited	10	4,50,000	45,00,000	4,50,000	45,00,000
Bharat Fritz Werner Limited	2	7,71,504	10,13,98,771	7,71,504	9,95,24,016
Bharat Fritz Werner Limited DVR	2	2,000	2,62,860	2,000	2,58,000
<b>TOTAL</b>			<b>10,98,45,742</b>		<b>10,80,41,127</b>
Less: Provision for Diminution in carrying amount of Investments			45,00,000		45,00,000
<b>TOTAL B (ii)</b>			<b>10,53,45,742</b>		<b>10,35,41,127</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	73,26,090	41,630.2400	99,99,583
Nippon India Large Cap Fund - Direct Growth Plan - Growth Option (Erstwhile: Reliance Large Cap Fund - Direct Growth Plan Growth Option)	10	2,66,702.9380	68,74,375	2,66,702.9380	99,99,520
IDFC Core Equity Fund - Growth - (Regular Plan)	10	2,76,386.8070	88,25,031	2,19,828.5340	99,97,802
Mirae Asset Large Cap Fund - Direct Plan - Growth (Erstwhile: Mirae Asset India Equity Fund - Direct Plan - Growth Growth)	10	2,39,486.5890	99,27,198	1,85,120.0500	99,99,630
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	1,01,202.8310	29,41,865	2,09,535.7130	57,00,000
Kotak Standard Multicap Fund - Direct Plan - Growth (Alloted on 01.04.2019)	10	2,64,515.2760	76,69,356	2,64,515.2760	1,00,00,000
Reliance Liquid Fund - Growth Plan - Growth Option (Alloted on 01.04.2019)	10	-	-	3,303.8800	1,50,00,000
IDFC Cash Fund - Growth - (Regular Plan) (Alloted on 01.04.2019)	10	-	-	1,107.2340	25,00,000
HDFC Liquid Fund - Regular Plan - Growth (Alloted on 01.04.2019)	10	-	-	2,731.4830	1,00,00,000
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan (Alloted on 01.04.2019)	10	-	-	16,718.8410	50,00,000
Aditya Birla Sun Life Frontline Equity Fund - Growth - Regular Plan	10	22,441.7150	37,04,005	-	-
HDFC Small Cap Fund - Regular Plan - Growth Plan	10	2,32,655.4750	60,47,181	-	-
Nippon India Large Cap Fund - Growth Plan - Growth Option	10	1,42,985.8560	34,55,396	-	-
Nippon India Multi Cap Fund - Growth Plan - Growth Option	10	1,02,655.7460	66,43,048	-	-
<b>TOTAL B (iii)</b>			<b>6,34,13,545</b>		<b>8,81,96,535</b>
<b>TOTAL B (i to iii)</b>			<b>20,40,51,448</b>		<b>22,92,37,937</b>
<b>TOTAL (A + B)</b>			<b>25,58,00,063</b>		<b>28,09,86,552</b>
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)			15,04,54,321		17,74,45,425
Aggregate carrying amount of unquoted investments			10,53,45,742		10,35,41,127
			<b>25,58,00,063</b>		<b>28,09,86,552</b>
Aggregate Market Value of Quoted Investments in Associates			11,00,21,560		26,29,51,528
Aggregate Market Value of Quoted Investments other than Associates			3,52,92,161		3,75,00,275
Aggregate Book Value of Unquoted Investments			10,98,45,742		10,80,41,127
Aggregate Repurchase price of Mutual Funds			6,34,13,545		8,81,96,535



**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 6</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL ASSETS (NON - CURRENT)</b>		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	21,78,649	23,38,031
	<u>21,78,649</u>	<u>23,38,031</u>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 7</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER NON - CURRENT ASSETS</b>		
Capital Advances	2,64,127	2,64,127
Others	85,995	67,521
	<hr/> 3,50,122	<hr/> 3,31,648
Less: Provision for Doubtful Advances	52,521	52,521
	<hr/> <b>2,97,601</b>	<hr/> <b>2,79,127</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>NOTE - 8</b>		
<b>INVENTORIES</b>		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	2,38,03,269	5,00,67,950
Materials - in - Process	1,23,24,310	1,20,69,310
Finished Goods	28,57,960	11,09,058
Stores and Spare Parts	29,14,217	34,90,408
	<b>4,18,99,756</b>	<b>6,67,36,726</b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 9</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Considered Good	97,80,835	1,79,70,550
Considered Doubtful	-	-
	<u>97,80,835</u>	<u>1,79,70,550</u>
Less : Allowances for Doubtful Receivables	-	-
	<u>97,80,835</u>	<u>1,79,70,550</u>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 10</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	7,47,01,785	3,15,25,222
Fixed Deposits of Maturity of Less than 3 Months	2,00,00,000	3,00,00,000
Cash in Hand	50,922	44,359
	<b>9,47,52,707</b>	<b>6,15,69,581</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - II</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</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	6,01,73,057	2,25,00,000
Balances with Banks		
- Unpaid Dividend Account	2,43,593	2,32,293
	<b><u>6,04,16,650</u></b>	<b><u>2,27,32,293</u></b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 12</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>LOANS</b>		
Loans to Bodies Corporates	-	5,15,00,000
	-	<b>5,15,00,000</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 13</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL ASSETS (CURRENT)</b>		
Interest accrued on Loans and Deposits	24,653	22,30,382
	<u>24,653</u>	<u>22,30,382</u>



**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 14</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax (Net of Provisions)	3,50,141	16,34,597
	<u>3,50,141</u>	<u>16,34,597</u>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 15</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER CURRENT ASSETS</b>		
Advances to Suppliers & Others	17,57,783	11,94,300
Balance with Statutory / Government Authorities	45,18,466	53,79,812
Export Incentive Receivable	25,06,865	14,86,037
Others	16,58,301	11,30,034
	<b><u>1,04,41,415</u></b>	<b><u>91,90,183</u></b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 16</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>No. of Shares</b>	<b>₹</b>	<b>No. of Shares</b>	<b>₹</b>
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED :</b>				
Preference Shares of ₹ 100/- each.	3,00,000	3,00,00,000	3,00,000	3,00,00,000
Ordinary Shares of ₹ 10/- each.	1,70,00,000	17,00,00,000	1,70,00,000	17,00,00,000
		<b>20,00,00,000</b>		<b>20,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>				
Ordinary Shares of ₹ 10/- each fully paid-up.	38,83,175	3,88,31,750	38,83,175	3,88,31,750
		<b>3,88,31,750</b>		<b>3,88,31,750</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.

<b>Name</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>
Kothari Investment & Industries Private Limited **	72.83%	2828080	19.33%	750720
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.55%	215491
Commercial House Private Limited *	-	-	19.45%	755414
Kothari & Company Private Limited *	-	-	15.32%	594960
Vishnuhari Investments & Properties Limited *	-	-	12.66%	491568
Bhaktwatsal Investments Limited *	-	-	5.52%	214459

\* Commercial House Private Limited, Vishnuhari Investments & Properties Limited and Bhaktwatsal Investments Limited have been merged with Kothari Investment & Industries Private Limited ("Acquirer") and the investment and trading activities of Kothari & Company Private Limited has demerged and transferred to the Acquirer pursuant to scheme of arrangement under section 230 - 232 of the Company's Act, 2013 and its allied rules sanctioned by the National Company Law Tribunal (NCLT), Kolkata Bench, vide order dated 04.11.2019.

\*\* Consequent upon the said scheme becoming effective on and from 04.12.2019, the Company has become a subsidiary of Kothari Investment & Industries Private Limited during the year.

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

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Ordinary Shares at the beginning of the year	38,83,175	38,83,175
Ordinary Shares at the end of the year	<b>38,83,175</b>	<b>38,83,175</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 17**

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>OTHER EQUITY</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance at the beginning of the year	91,93,040	91,93,040
<b>Balance at the end of the year</b>	<b>91,93,040</b>	<b>91,93,040</b>
<b>Securities Premium Account</b>		
Balance at the beginning of the year	14,50,657	14,50,657
<b>Balance at the end of the year</b>	<b>14,50,657</b>	<b>14,50,657</b>
<b>General Reserve</b>		
Balance at the beginning of the year	45,87,35,809	40,87,35,809
Add : Transferred from Statement of Profit and Loss	1,00,00,000	5,00,00,000
<b>Balance at the end of the year</b>	<b>46,87,35,809</b>	<b>45,87,35,809</b>
<b>Retained Earning</b>		
Balance at the beginning of the year	5,17,31,440	5,98,35,792
Add : Profit for the year	64,59,824	5,58,69,941
Add : Other Comprehensive Income for the year	(56,510)	69,827
<b>Total for the year</b>	<b>5,81,34,754</b>	<b>11,57,75,560</b>
Less : Appropriations :		
Transferred to General Reserve	1,00,00,000	5,00,00,000
Dividend Paid	1,35,91,113	1,16,49,525
Tax on Dividend	27,93,694	23,94,595
Interim Dividend Paid	1,35,91,113	-
Tax on Interim Dividend	27,93,694	-
<b>Total appropriations</b>	<b>4,27,69,614</b>	<b>6,40,44,120</b>
<b>Balance at the end of the year</b>	<b>1,53,65,140</b>	<b>5,17,31,440</b>
	<b>49,47,44,646</b>	<b>52,11,10,946</b>

17.1 The Board of Directors have approved interim dividend of Rs. 3.50 per share for the year ended 31st March, 2020 on fully paid ordinary shares of Rs. 10/- each for the financial year during its meeting held on 4th March, 2020. Accordingly, the Company has paid an amount of Rs.1,35,91,113/- on account of interim dividend. Tax on such interim dividend has also been paid.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 18**

	As at 31st March, 2020			As at 31st March, 2019		
	Current ₹	Non - Current ₹	Total ₹	Current ₹	Non - Current ₹	Total ₹
<b>PROVISIONS</b>						
Employee Benefit Obligation						
Leave Obligations	14,07,358	8,71,242	22,78,600	13,24,396	6,80,844	20,05,240
Gratuity	5,93,749	18,94,393	24,88,142	3,53,380	15,41,013	18,94,393
	<u>20,01,107</u>	<u>27,65,635</u>	<u>47,66,742</u>	<u>16,77,776</u>	<u>22,21,857</u>	<u>38,99,633</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 19**

	As at 31st March, 2020				As at 31st March, 2019			
	Opening Balance	Recognised in Profit or Loss	Recognise d in Other Comprehe nsive Income	Closing Balance	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehe nsive Income	Closing Balance
	₹	₹	₹	₹	₹	₹	₹	₹
<b>DEFERRED TAX LIABILITIES (NET)</b>								
<b>Deferred Tax Liabilities arising out of :</b>								
Timing Difference on Depreciable Assets	38,80,319	(3,72,953)	-	35,07,366	54,89,918	(16,09,599)	-	38,80,319
Fair Valuation of Investments	48,81,952	(36,82,303)	-	11,99,649	31,78,930	17,03,022	-	48,81,952
<b>Total Deferred Tax Liabilities</b>	<b>87,62,271</b>	<b>(40,55,256)</b>	<b>-</b>	<b>47,07,015</b>	<b>86,68,848</b>	<b>93,423</b>	<b>-</b>	<b>87,62,271</b>
<b>Deferred Tax Assets arising out of :</b>								
Provision for Doubtful Receivables	-	-	-	-	523	(523)	-	-
Provision for Dimunition in Value of Investments	12,51,900	-	-	12,51,900	15,02,280	(2,50,380)	-	12,51,900
Accrued Expenses Deductable on Payment basis	12,67,639	2,18,186	21,781	15,07,606	13,21,037	(26,485)	(26,913)	12,67,639
<b>Total Deferred Tax Assets</b>	<b>25,19,539</b>	<b>2,18,186</b>	<b>21,781</b>	<b>27,59,506</b>	<b>28,23,840</b>	<b>(2,77,388)</b>	<b>(26,913)</b>	<b>25,19,539</b>
	<b>62,42,732</b>	<b>(42,73,442)</b>	<b>(21,781)</b>	<b>19,47,509</b>	<b>58,45,008</b>	<b>3,70,811</b>	<b>26,913</b>	<b>62,42,732</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 20</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>BORROWINGS</b>		
<b>Loans repayable on demand</b>		
<b>Secured</b>		
<b>PHYTOCHEMICALS DIVISION</b>		
- From Vijaya Bank		
Packing Credit	-	1,30,00,000
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods and further secured by deposit of Title Deeds of 23.24 acres Land situated at Nagari and the entire Fixed Assets of the Division. Stock against Packing Credit Limit facility shall be backed by firm Export Orders.		
	<u>-</u>	<u>1,30,00,000</u>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 21</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>TRADE PAYABLES</b>		
Dues of Micro & Small Enterprises	-	-
Others	1,13,64,478	1,63,67,665
	<u>1,13,64,478</u>	<u>1,63,67,665</u>

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



**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 22</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL LIABILITIES</b>		
Commission Payable	3,35,865	3,35,865
Employees Dues Payable	21,94,198	20,00,427
Unpaid Dividends	2,43,593	2,32,293
Others	34,54,503	20,53,664
	<b>62,28,159</b>	<b>46,22,249</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 23</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payables	10,17,953	5,06,724
	<b>10,17,953</b>	<b>5,06,724</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 24**

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>REVENUE FROM OPERATIONS</b>				
<b>SALE OF PRODUCTS</b>				
Calcium Sennoside	64,780		27,03,500	
Brucine & its Salts	37,91,541		10,47,950	
Strychnine & its Salts	11,84,42,292		14,14,71,260	
Tolbutamide	1,52,88,495		2,28,23,452	
Chlorpropamide	-		58,18,706	
Formaldehyde	23,50,050		24,99,282	
Paraformaldehyde	29,87,816		1,00,02,496	
Phenolic Resin	6,69,07,092		8,55,76,258	
Crude Drugs *	6,000		49,750	
		20,98,38,066		27,19,92,654
<b>OTHER OPERATING REVENUE</b>				
Export Incentives	43,36,303		52,17,941	
Claims Received	45,633		31,611	
Sale of Scrap	1,72,740		30,65,913	
Miscellaneous Receipts	24,350		28,300	
		45,79,026		83,43,765
		<b>21,44,17,092</b>		<b>28,03,36,419</b>

\* Represents Sale of Traded Goods (2019 - ₹ 49,750/-).

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 25****2019-2020****2018-2019**

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**OTHER INCOME****Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	69,08,780		1,39,20,945	
- Dividend Income from Non - Current Investment	18,66,373		5,56,541	
- Net Gain / (Loss) on Sale of Non - Current Investments	5,39,745		34,26,611	
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	-		61,41,581	
		93,14,898		2,40,45,678
Exchange Rate Fluctuation (Net)		76,847		46,064
Liabilities / Provision no longer required, written back		1,22,179		4,66,227
Expected Credit Loss on Trade Receivables Written Back		-		1,567
Miscellaneous Income		-		80
		<b>95,13,924</b>		<b>2,45,59,616</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 26****2019-2020****2018-2019**

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**COST OF MATERIALS CONSUMED**

Raw Materials at the beginning of the year	5,00,67,950	1,21,73,650
Add : Purchases	6,21,08,895	15,24,20,936
Less : Raw Materials at the end of the year	2,38,03,269	5,00,67,950
	<b>8,83,73,576</b>	<b>11,45,26,636</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 27****2019-2020****2018-2019**

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

Opening Inventories	11,09,058		23,93,251	
Closing Inventories	28,57,960		11,09,058	
Net (Increase) / Decrease		(17,48,902)		12,84,193

**Materials - in - Process**

Opening Inventories	1,20,69,310		4,46,27,893	
Closing Inventories	1,23,24,310		1,20,69,310	
Net (Increase) / Decrease		(2,55,000)		3,25,58,583
		<b>(20,03,902)</b>		<b>3,38,42,776</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 28****2019-2020****2018-2019**

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**EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus

3,07,87,850

3,02,54,066

Contribution to Provident and Other Funds

25,63,650

25,04,258

Workmen and Staff Welfare Expenses

10,92,085

13,15,860

**3,44,43,585****3,40,74,184**

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 29****2019-2020****2018-2019**

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**FINANCE COSTS**

Interest Expenses

3,35,963

4,86,736

3,35,9634,86,736



**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 30****2019-202****2018-2019****₹****₹****DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of Property, Plant and Equipment

75,03,871

88,36,425

Amortisation \*

35,901

35,900

**75,39,772****88,72,325**

\* Includes ₹ 12,752/- (2018 - 2019 ₹ 12,752/-) on Leasehold Land under Note - 3.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 31****2019-2020****2018-2019**

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**POWER & FUEL**

Power and Fuel

1,18,76,573

1,23,42,665

1,18,76,5731,23,42,665

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 32****2019-2020****2018-2019**

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

Consumption of stores and spare parts	23,97,702		19,27,965	
Repairs to Buildings	2,79,435		11,05,625	
Repairs to Machinery	28,53,795		31,90,956	
Repairs to Other Assets	17,98,224		7,35,650	
		<b>73,29,156</b>		<b>69,60,196</b>

**Selling and Distribution Expenses**

Freight, Shipping, Delivery and Selling Expenses	53,50,313		78,98,425	
Sales Promotion Expenses	8,319		36,080	
		<b>53,58,632</b>		<b>79,34,505</b>

**Establishment Expenses**

Rent	5,37,252		6,16,452	
Rates and Taxes	8,04,056		7,58,130	
Bank Charges	82,802		1,23,323	
Travelling and Conveyance Expenses	19,29,622		29,17,783	
Postage and Telephone	3,60,033		4,88,637	
Printing and Stationery	3,67,823		4,27,737	
Subscription	1,00,910		99,108	
Insurance	9,28,453		9,52,331	
Motor Vehicle Expense	3,85,116		6,33,205	
Directors' Sitting Fees	66,000		58,000	
Directors' Commission	3,00,000		3,00,000	
Managing Directors Remuneration	26,46,000		25,26,000	
Legal and Professional Fee	25,78,145		14,13,933	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	142		105	
Input GST (RCM)	1,55,880		64,440	
Net Fair Value (Gain) / Loss on Non-Current Investments measured at FVTPL	3,48,95,035		-	
Corporate Social Responsibility Expenses	37,35,339		-	
Miscellaneous Expenses	13,45,830		12,88,667	
		<b>5,12,89,238</b>		<b>1,27,38,651</b>

**Payment to Auditors**

Auditor	1,86,475		1,86,475	
For Other Services	56,000		86,000	
For Reimbursement of Expenses	45,916		58,694	
For GST	10,800		24,071	
		<b>2,99,191</b>		<b>3,55,240</b>
		<b>6,42,76,217</b>		<b>2,79,88,592</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 33****2019-2020****2018-2019**

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**TAX EXPENSE****Current Tax**

Current Tax on Profits for the year

1,69,00,0001,65,00,000**Deferred Tax**

Decrease / (Increase) in Deferred Tax Assets

2,18,186

(2,77,388)

(Decrease) / Increase in Deferred Tax Liabilities

(40,55,256)

93,423

**Total Deferred Tax Expense**(42,73,442)3,70,8111,26,26,5581,68,70,811**Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.****2019-2020****2018-2019**

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**Total Profit before Income Tax Expenses****1,90,86,382****7,27,40,752**

Indian Income Tax Rate

27.82%

27.82%

**Estimated Income Tax Expenses on above profit****53,09,831****2,02,36,477****Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses**

a) Impact of decrease in tax rate due to MAT

(13,79,945)

(52,59,156)

b) Income exempted from tax

(5,19,225)

(1,54,830)

c) Expenses that are not deductible in determining taxable income

17,43,132

3,77,926

d) Others

74,72,765

16,70,394

1,26,26,5581,68,70,811

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 34****2019-2020****2018-2019****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit for the year (₹)	64,59,824	5,58,69,941
Number of Ordinary Shares at the beginning of the year	38,83,175	38,83,175
Number of Ordinary Shares at the end of the year	38,83,175	38,83,175
Weighted average number of Ordinary Shares outstanding during the year	38,83,175	38,83,175
Basic and diluted earnings per Ordinary share (₹)	1.66	14.39

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### NOTE – 35

	2019 – 2020	2018 – 2019
	₹	₹
35.01		
Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
Claims against the Company not acknowledged as debts:-		
i) Sales Tax under dispute	322,570	322,570
ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	98,317	98,317
iii) Corporate Guarantee given by the Company for Loans taken by other Bodies Corporate	Nil	250,000,000
35.02		
Commitments:		
Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
[Net of Advance ₹ 891,627/- (2019 ₹ 891,627/-)]	2,321,627	1,876,627
35.03		
Total Salaries, Wages and Bonus for the year.	30,787,850	30,254,066

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 36**

**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 2020 ₹	Year ended 31 March 2019 ₹
Employer's Contribution to Provident Fund	16,86,491	17,06,778
Employer's Contribution to Employees' State Insurance Scheme	3,40,827	3,27,154

**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 2020 ₹	As at 31 March 2019 ₹
Present value of defined benefit obligations	68,49,364	59,99,845
Fair value of plan assets	43,61,222	41,05,452
<b>Net defined benefit liabilities</b>	<b>(24,88,142)</b>	<b>(18,94,393)</b>

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

Description	Gratuity (Funded) As at 31 March 2020 ₹	As at 31 March 2019 ₹
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the Beginning of the year	59,99,845	56,18,507
(b) Current service cost	3,97,437	3,50,194
(c) Interest Cost	3,73,790	3,90,244
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	(2,75,106)
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	2,69,397	1,49,087
- due to experience changes	(1,91,105)	(2,33,081)
<b>Balance at the end of the year</b>	<b>68,49,364</b>	<b>59,99,845</b>
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the Beginning of the year	41,05,452	40,77,494
(b) Actual return on plan assets	-	12,746
(c) Interest income	2,55,770	2,90,318
(d) Benefits paid	-	(2,75,106)
<b>Balance at the end of the year</b>	<b>43,61,222</b>	<b>41,05,452</b>

**(iii) Expense recognised in Statement of Profit and Loss**

(a) Current service cost	3,97,437	3,50,194
(b) Net Interest cost	1,18,021	99,926
(c) Past Service Cost- plan amendments	-	-
<b>Amount charged to Profit and Loss</b>	<b>5,15,458</b>	<b>4,50,120</b>

**(iv) Remeasurement recognised in Other Comprehensive Income**

(a) Actuarial gain/ (loss) on defined benefit obligations	(78,291)	83,994
(b) Actuarial gain/ (loss) on plan assets	-	12,746
<b>Actuarial gain/ (loss) on plan assets</b>	<b>(78,291)</b>	<b>96,740</b>

**(v) Category of Plan assets**

Insurer Managed Fund	100.00%	100.00%
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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.

**(vi) Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages)	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
(a) Discount rate %	6.23%	7.12%
(b) Expected Return on Plan Assets %	6.23%	7.12%
(c) Expected Rate of Salary increase %	6.00%	6.00%
	IALM 2006-	IALM 2006-
(d) Mortality Rates	2008 Ultimate	2008 Ultimate
(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 2020</b>				<b>As at 31 March 2019</b>			
	<b>Increase</b>		<b>Decrease</b>		<b>Increase</b>		<b>Decrease</b>	
(a) Discount rate (0.50% movement)	-2.26%	6694431	2.41%	7014228	-2.15%	5870668	2.29%	6137301
(b) Salary growth (0.50% movement)	2.39%	7012927	-2.27%	6694226	2.29%	6137301	-2.17%	5869528
(c) Attrition Rate (0.50% movement)	0.01%	6848474	0.01%	6850323	0.00%	5999845	0.00%	5999845
(d) Mortality Rate (10% movement)	0.01%	6849022	0.01%	6849706	0.00%	6000385	0.00%	5999305

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 : UI5491WBI897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### NOTE – 37 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 : UI5491WBI897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Sri A. K. Toshniwal	Executive – Managing Director
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Sri M. L. Daga	Company Secretary
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Sri R. Gupta	Chief Financial Officer
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**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 : UI5491WBI897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

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
	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹
<b>Rent &amp; Electricity Paid :</b>				
Gillanders Arbuthnot & Company Limited	-	-	122,628	122,628
<b>Dividend Received :</b>				
Albert David Limited	-	-	800,657	338,740
<b>Acquisition of Investment : (In Equity Shares)</b>				
Bharat Fritz Werner Limited	-	-	-	61,275,000

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WBI897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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	
	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹
<b>Directors’ Sitting Fees :</b>								
Sri A. V. Kothari	-	-	-	-	-	-	16,000	16,000
Smt. V. Kothari	-	-	-	-	-	-	12,000	8,000
Sri S. Bagri	-	-	-	-	-	-	16,000	20,000
Sri A. Khandelwal	-	-	-	-	-	-	18,000	14,000
Sri A. Agarwal	-	-	-	-	-	-	4,000	-

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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	
	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹	2019 – 2020 ₹	2018 – 2019 ₹
<b>Directors' Commission :</b>								
Sri A. V. Kothari	-	-	-	-	-	-	60,000	60,000
Smt. V. Kothari	-	-	-	-	-	-	60,000	60,000
Sri S. Bagri	-	-	-	-	-	-	60,000	60,000
Sri A. Khandelwal	-	-	-	-	-	-	60,000	60,000
Sri A. Agarwal	-	-	-	-	-	-	60,000	60,000
<b>Remuneration Paid :</b>								
Sri A. K. Toshniwal –Managing Director	-	-	-	-	-	-	2,646,000	2,526,000
Sri M. L. Daga – Company Secretary	-	-	-	-	-	-	1,822,350	1,705,500
Sri R. Gupta – Chief Financial Officer	-	-	-	-	-	-	1,027,200	966,600

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### NOTE – 38 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	Bulk Drugs	Chemicals	Others	Total
	₹	₹	₹	₹
(Net Sales and other incomes)				
2019 – 2020	141,937,693	72,479,399	9,513,924	223,931,016
2018 – 2019	182,096,478	98,239,941	24,559,616	304,896,035

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Profit / (Loss) before Tax

2019 – 2020	47,552,111	7,066,605	(35,532,334)	19,086,382
2018 – 2019	47,870,183	6,895,379	17,975,190	72,740,752

### Depreciation and Amortization

2019 – 2020	6,802,641	660,994	76,137	7,539,772
2018 – 2019	8,100,415	660,994	110,916	8,872,325

### Capital Expenditure

2019 – 2020	3,084,862	-	-	3,084,862
2018 – 2019	5,088,454	45,500	-	5,133,954

### Assets

2019 – 2020	197,268,815	45,016,456	316,615,966	558,901,237
2018 – 2019	201,964,398	52,458,892	350,158,409	604,581,699

### Liabilities \*

2019 – 2020	7,585,215	9,677,537	8,062,089	25,324,841
2018 – 2019	19,212,181	14,449,376	10,977,446	44,639,003

\* Excluding Shareholders' Funds

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Information about Secondary Segments

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

	Within India	Outside India	Total
2019 – 2020	79,721,624	134,695,468	214,417,092
2018 – 2019	106,551,935	173,784,484	280,336,419

#### Segment Assets by Geographical Locations

2019 – 2020	242,285,271	-	242,285,271
2018 – 2019	253,462,037	961,253	254,423,290

#### Segment Capital Expenditure

2019 – 2020	3,084,862	-	3,084,862
2018 – 2019	5,133,954	-	5,133,954



## KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

### NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

#### NOTE – 39

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 2020.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 40**

**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.

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	₹	₹	₹	₹
<b>Financial assets</b>				
Investments	20,40,51,448	20,40,51,448	22,92,37,937	22,92,37,937
Trade receivables	97,80,835	97,80,835	1,79,70,550	1,79,70,550
Cash and cash equivalents	9,47,52,707	9,47,52,707	6,15,69,581	6,15,69,581
Bank balances other than cash and cash equivalents above	6,04,16,650	6,04,16,650	2,27,32,293	2,27,32,293
Loans	-	-	5,15,00,000	5,15,00,000
Other financial assets	22,03,302	22,03,302	45,68,413	45,68,413
	<b>37,12,04,942</b>	<b>37,12,04,942</b>	<b>38,75,78,774</b>	<b>38,75,78,774</b>
<b>Financial liabilities</b>				
Borrowing	-	-	1,30,00,000	1,30,00,000
Trade Payables	1,13,64,478	1,13,64,478	1,63,67,665	1,63,67,665
Other financial liabilities	62,28,159	62,28,159	46,22,249	46,22,249
	<b>1,75,92,637</b>	<b>1,75,92,637</b>	<b>3,39,89,914</b>	<b>3,39,89,914</b>

# **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

## **CIN : UI5491WBI897PLC001365**

### **NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

#### **NOTE – 40 (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:

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2020 ₹</b>	<b>As at 31<sup>st</sup> March 2019 ₹</b>
Trade Receivable (Gross)	9,780,835	17,970,550
Less : Expected Credit Loss	-	-
Trade Receivables (Net)	9,780,835	17,970,550

**(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 – 41**

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

In view of nationwide lock down due to COVID – 19, operations of the Company were temporarily suspended in compliance of Government Orders w. e. f. March 24, 2020. The operations gradually restarted from mid May, 2020 onwards. As per the current assessment of the Company, no material impact is expected due to COVID – 19 on the carrying amounts of Property, Plant and Equipment and current assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID – 19 which may be different from that estimated as at the date of approval of these financial statements.

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

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH, 2020**

**NOTE – 42**

**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.

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 43**

Previous Year's figures have been regrouped / rearranged wherever necessary.

Signature to Note 'I' to '43'

Sd/-

Supratim Roychoudhury  
Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 20066040AAAAGP7051

Kolkata

Dated: 03 DEC 2020

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

# **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, 2020, 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, 2020, consolidated profit and Loss, consolidated cash flows and statement of changes in equity for the year ended on that date.
8. We draw attention to Note 41 of the Consolidated Financial Statements, which describes the extent to which the COVID – 19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain.

Our opinion is not modified in respect of this matter.

**Other Matter**

9. We have not audited the financial statements of the associate company included in the financial statements which constitute Loss [Net of other comprehensive Income of (₹ 67,11,565/-) of ₹ 5,26,04,863/- (Rupees Five crore twenty six lakh four thousand eight hundred sixty three only) for the year ended 31<sup>st</sup> March, 2020. 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 : 20066040AAAAGQ1671

Kolkata,

Dated : 03 DEC 2020

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

	Note	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	4,87,48,980	5,45,80,741
Capital Work - in - progress		3,42,00,345	3,28,00,345
Intangible Assets	4	9,442	32,591
Investments in Associate (accounted for using Equity Method)	5	63,58,80,879	68,84,85,742
Financial Assets			
i. Investments	5	20,40,51,448	22,92,37,937
ii. Other Financial Assets	6	21,78,649	23,38,031
Other Non - Current Assets	7	2,97,601	2,79,127
<b>Total Non - Current Assets</b>		<b>92,53,67,344</b>	<b>1,00,77,54,514</b>
<b>Current Assets</b>			
Inventories	8	4,18,99,756	6,67,36,726
Financial Assets			
i. Trade Receivables	9	97,80,835	1,79,70,550
ii. Cash and Cash Equivalents	10	9,47,52,707	6,15,69,581
iii. Bank Balances other than Cash and Cash Equivalents	11	6,04,16,650	2,27,32,293
iv. Loans	12	-	5,15,00,000
v. Other Financial Assets	13	24,653	22,30,382
Current Tax Assets (Net)	14	3,50,141	16,34,597
Other Current Assets	15	1,04,41,415	91,90,183
<b>Total Current Assets</b>		<b>21,76,66,157</b>	<b>23,35,64,312</b>
<b>Total Assets</b>		<b>1,14,30,33,501</b>	<b>1,24,13,18,826</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	3,88,31,750	3,88,31,750
<b>Other Equity</b>			
Reserves and Surplus	17	1,07,88,76,910	1,15,78,48,073
<b>Total Equity</b>		<b>1,11,77,08,660</b>	<b>1,19,66,79,823</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Provisions	18	27,65,635	22,21,857
Deferred Tax Liabilities (Net)	19	19,47,509	62,42,732
<b>Total Non - Current Liabilities</b>		<b>47,13,144</b>	<b>84,64,589</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	20	-	1,30,00,000
ii. Trade Payables	21	1,13,64,478	1,63,67,665
iii. Other Financial Liabilities	22	62,28,159	46,22,249
Other Current Liabilities	23	10,17,953	5,06,724
Provisions	18	20,01,107	16,77,776
<b>Total Current Liabilities</b>		<b>2,06,11,697</b>	<b>3,61,74,414</b>
<b>Total Liabilities</b>		<b>2,53,24,841</b>	<b>4,46,39,003</b>
<b>Total Equity and Liabilities</b>		<b>1,14,30,33,501</b>	<b>1,24,13,18,826</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 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: 03 DEC 2020 UDIN : 20066040AAAAGQ1671

Sd/-  
R. Gupta  
Chief Financial Officer

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

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

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

<b>INCOME :</b>	Note	<b>2019-2020</b>	<b>2018-2019</b>
		<b>₹</b>	<b>₹</b>
Revenue from Operations	24	21,44,17,092	28,03,36,419
Other Income	25	95,13,924	2,45,59,616
<b>Total Revenue</b>		22,39,31,016	30,48,96,035
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	26	8,83,73,576	11,45,26,636
Purchases of Stock - in - Trade		2,850	21,369
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	27	(20,03,902)	3,38,42,776
Employee Benefits Expense	28	3,44,43,585	3,40,74,184
Finance Costs	29	3,35,963	4,86,736
Depreciation and Amortisation Expense	30	75,39,772	88,72,325
Power & Fuel	31	1,18,76,573	1,23,42,665
Other Expenses	32	6,42,76,217	2,79,88,592
<b>Total Expenses</b>		20,48,44,634	23,21,55,283
<b>Profit before Exceptional items, Share of profits of Associate and Tax</b>		1,90,86,382	7,27,40,752
<b>Share of Profit / (Loss) of Associates</b>		(4,58,93,298)	(2,26,78,408)
<b>Profit / (Loss) before Exceptional Items and Tax</b>		<b>(2,68,06,916)</b>	<b>5,00,62,344</b>
Exceptional Items		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		(2,68,06,916)	5,00,62,344
Tax Expense	33		
- Current Tax		1,69,00,000	1,65,00,000
- Deferred Tax (Net)		(42,73,442)	3,70,811
<b>Total Tax Expenses</b>		<b>1,26,26,558</b>	<b>1,68,70,811</b>
<b>PROFIT FOR THE YEAR</b>		(3,94,33,474)	3,31,91,533
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Post - Employment benefit obligations		(78,291)	96,740
Tax Expense on the above		21,781	(26,913)
Share of Other comprehensive Income of Associate		(67,11,565)	(14,29,243)
<b>Other Comprehensive Income for the year</b>		(67,68,075)	(13,59,416)
<b>Total Comprehensive Income for the year</b>		(4,62,01,549)	3,18,32,117
<b>EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH</b>	34		
Basic and Diluted		(10.15)	8.55

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

<p style="text-align: center;">Sd/- Supratim Roychoudhury Partner Membership No. 066040 For and on behalf of K. Ray &amp; Company Chartered Accountants Firm Registration No. 312142E UDIN : 20066040AAAAGQ1671</p>	<p style="text-align: center;">Sd/- R. Gupta Chief Financial Officer</p>	<p style="text-align: center;">Sd/- A. V. Kothari Director DIN: 02572346</p>
<p>Kolkata Dated: 03 DEC 2020</p>	<p style="text-align: center;">On behalf of the Board  Sd/- A. K. Toshniwal Mg. Director DIN: 06872891</p>	

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities :</b>				
Profit/(Loss) before Tax		(2,68,06,916)		5,00,62,344
Adjustments for :				
Depreciation and Amortisation Expense	75,39,772		88,72,325	
Dividend Income from Non-Current Investment	(18,66,373)		(5,56,541)	
Net (Gain)/Loss on sale of Non-Current Investments	(5,39,745)		(34,26,611)	
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FVTPL	3,48,95,035		(61,41,581)	
Share of (Profit)/Loss of Associate	4,58,93,298		2,26,78,408	
Expected Credit Loss on Trade Receivables Written Back	-		(1,567)	
Bad & Sundry Receivables written off	142		105	
Interest (Net)	(65,72,817)		(1,34,34,209)	
Liabilities & Provisions no longer required written back	(1,22,179)	7,92,27,133	(4,66,227)	75,24,102
Operating Profit before Working Capital Changes		5,24,20,217		5,75,86,446
Adjustments for :				
Trade and Other Receivables	70,79,249		(83,19,023)	
Inventories	2,48,36,970		(48,37,800)	
Trade and Other Payables	(19,86,351)	2,99,29,868	(5,01,118)	(1,36,57,941)
Cash Generated from Operations		8,23,50,085		4,39,28,505
Direct Taxes - (Payments)/Refunds (Net)	(1,56,15,544)	(1,56,15,544)	(1,37,66,205)	(1,37,66,205)
<b>Net Cash ( Used in ) / From Operating Activities</b>		<b>6,67,34,541</b>		<b>3,01,62,300</b>
<b>B. Cash Flow From Investing Activities :</b>				
Purchase of Property, Plant and Equipment/ Intangible Assets	(30,84,862)		(51,33,954)	
Dividend Received	18,66,373		5,56,541	
Purchase of Non- Current Investments	(4,70,80,405)		(15,04,44,892)	
(Increase) / Decrease in Loans Given	5,15,00,000		4,85,00,000	
Proceeds from Sale of Non- Current Investments	3,79,11,604		5,42,23,280	
Interest Received	91,14,509		1,44,35,548	
<b>Net Cash ( Used in ) / From Investing Activities</b>		<b>5,02,27,219</b>		<b>(3,78,63,477)</b>

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

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>C. Cash Flow from Financing Activities</b>				
Repayment of Short Term Borrowings from Bank	(1,30,00,000)		1,30,00,000	
Interest Paid	(3,35,963)		(4,86,736)	
Dividends Paid	(2,71,70,926)		(1,18,74,407)	
Tax on Dividend Paid	(55,87,388)		(23,94,595)	
<b>Net Cash ( Used in ) / From Financing Activities</b>		<b>(4,60,94,277)</b>		<b>(17,55,738)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>7,08,67,483</b>		<b>(94,56,915)</b>
<b>Cash and Cash Equivalents (Note No. 10 &amp; 11)</b>				
Opening	8,43,01,874		9,37,58,789	
Closing	15,51,69,357	7,08,67,483	8,43,01,874	(94,56,915)

**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 Kolkata Dated: 03 DEC 2020		Sd/- R. Gupta Chief Financial Officer		Sd/- A. V. Kothari Director DIN : 02572346		Sd/- A. K. Toshniwal Mg. Director DIN : 06872891	
Firm Registration No. 312142E UDIN : 20066040AAAAGQ1671						On behalf of the Board	

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

Particulars	As at 31st March, 2020					As at 31st March, 2019
<b>A) EQUITY SHARE CAPITAL</b>						
Opening Balance	3831750					38831750
Add/(Less):Changes in Equity Share Capital during the year	-					-
Closing Balance	<b>38,31,750</b>					<b>3,88,31,750</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 2019</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>5,17,31,440</b>	<b>63,67,37,127</b>	<b>1,15,78,48,073</b>
Add: Profit / (Loss) for the year	-	-	-	64,59,824	(4,58,93,298)	(3,94,33,474)
Add: Other Comprehensive Income for the year	-	-	-	(56,510)	(67,11,565)	(67,68,075)
Add : Transferred from Statement of Profit and Loss	-	-	1,00,00,000	-	-	1,00,00,000
	<b>91,93,040</b>	<b>14,50,657</b>	<b>46,87,35,809</b>	<b>5,81,34,754</b>	<b>58,41,32,264</b>	<b>1,12,16,46,524</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	1,00,00,000	-	1,00,00,000
Dividend Paid	-	-	-	1,35,91,113	-	1,35,91,113
Tax on Dividends	-	-	-	27,93,694	-	27,93,694
Interim Dividend Paid	-	-	-	1,35,91,113	-	1,35,91,113
Tax on Interim Dividends	-	-	-	27,93,694	-	27,93,694
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,27,69,614</b>	<b>-</b>	<b>4,27,69,614</b>
<b>Balance as at 31st March 2020</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>46,87,35,809</b>	<b>1,53,65,140</b>	<b>58,41,32,264</b>	<b>1,07,88,76,910</b>
<b>Balance as at 1st April 2018</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>40,87,35,809</b>	<b>5,98,35,792</b>	<b>66,08,44,778</b>	<b>1,14,00,60,076</b>
Add: Profit / (Loss) for the year	-	-	-	5,58,69,941	(2,26,78,408)	3,31,91,533
Add: Other Comprehensive Income for the year	-	-	-	69,827	(14,29,243)	(13,59,416)
Add : Transferred from Statement of Profit and Loss	-	-	5,00,00,000	-	-	5,00,00,000
	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>11,57,75,560</b>	<b>63,67,37,127</b>	<b>1,22,18,92,193</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	5,00,00,000	-	5,00,00,000
Dividend Paid	-	-	-	1,16,49,525	-	1,16,49,525
Tax on Dividends	-	-	-	23,94,595	-	23,94,595
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,40,44,120</b>	<b>-</b>	<b>6,40,44,120</b>
<b>Balance as at 31st March 2019</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>5,17,31,440</b>	<b>63,67,37,127</b>	<b>1,15,78,48,073</b>

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Kolkata

Dated: 03 DEC 2020

Firm Registration No. 312142E

UDIN : 20066040AAAAGQ1671

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, 2020

#### 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 3<sup>rd</sup> December, 2020.

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 40 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, 2020**

**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, 2020

### NOTE - 3

#### PROPERTY, PLANT AND EQUIPMENT

##### Year ended 31st March, 2020

	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	12,62,400	19,85,283	4,03,01,082	13,15,53,065	57,02,662	12,13,966	33,33,911	5,10,307	36,80,113	5,19,916	19,00,62,705
Additions during the year	-	-	-	16,34,619	19,368	3,475	-	27,400	-	-	16,84,862
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,62,400</u>	<u>19,85,283</u>	<u>4,03,01,082</u>	<u>13,31,87,684</u>	<u>57,22,030</u>	<u>12,17,441</u>	<u>33,33,911</u>	<u>5,37,707</u>	<u>36,80,113</u>	<u>5,19,916</u>	<u>19,17,47,567</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2019	3,44,306	-	1,97,28,511	10,42,10,957	52,85,815	10,99,860	15,66,427	4,39,930	26,16,867	1,89,291	13,54,81,964
Depreciation charge during the year	12,752	-	9,72,301	60,11,373	31,119	57,826	62,910	11,878	2,57,680	98,784	75,16,623
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,57,058</u>	<u>-</u>	<u>2,07,00,812</u>	<u>11,02,22,330</u>	<u>53,16,934</u>	<u>11,57,686</u>	<u>16,29,337</u>	<u>4,51,808</u>	<u>28,74,547</u>	<u>2,88,075</u>	<u>14,29,98,587</u>
<b>Net Carrying Amount</b>	<u>9,05,342</u>	<u>19,85,283</u>	<u>1,96,00,270</u>	<u>2,29,65,354</u>	<u>4,05,096</u>	<u>59,755</u>	<u>17,04,574</u>	<u>85,899</u>	<u>8,05,566</u>	<u>2,31,841</u>	<u>4,87,48,980</u>

##### Year ended 31st March, 2019

	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, 2018	12,62,400	19,85,283	4,03,01,082	12,86,06,251	56,93,662	11,77,466	32,94,771	5,10,307	36,80,113	5,19,916	18,70,31,251
Additions during the year	-	-	-	29,46,814	9,000	36,500	39,140	-	-	-	30,31,454
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>12,62,400</u>	<u>19,85,283</u>	<u>4,03,01,082</u>	<u>13,15,53,065</u>	<u>57,02,662</u>	<u>12,13,966</u>	<u>33,33,911</u>	<u>5,10,307</u>	<u>36,80,113</u>	<u>5,19,916</u>	<u>19,00,62,705</u>
<b>Accumulated Depreciation</b>											
Accumulated Depreciation upto 1st April, 2018	3,31,554	-	1,87,50,297	9,69,77,194	52,55,521	10,34,355	14,80,808	4,28,268	22,84,283	90,507	12,66,32,787
Depreciation charge during the year	12,752	-	9,78,214	72,33,763	30,294	65,505	85,619	11,662	3,32,584	98,784	88,49,177
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>3,44,306</u>	<u>-</u>	<u>1,97,28,511</u>	<u>10,42,10,957</u>	<u>52,85,815</u>	<u>10,99,860</u>	<u>15,66,427</u>	<u>4,39,930</u>	<u>26,16,867</u>	<u>1,89,291</u>	<u>13,54,81,964</u>
<b>Net Carrying Amount</b>	<u>9,18,094</u>	<u>19,85,283</u>	<u>2,05,72,571</u>	<u>2,73,42,108</u>	<u>4,16,847</u>	<u>1,14,106</u>	<u>17,67,484</u>	<u>70,377</u>	<u>10,63,246</u>	<u>3,30,625</u>	<u>5,45,80,741</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 4****INTANGIBLE ASSETS****Year ended 31st March, 2020**

	<b>Software ₹</b>	<b>Total ₹</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	40,509	40,509
Amortisation charge for the year	23,149	23,149
Disposals	-	-
Closing Accumulated Amortisation	<u>63,658</u>	<u>63,658</u>
<b>Closing Net Carrying Amount</b>	<u>9,442</u>	<u>9,442</u>

**Year ended 31st March, 2019**

	<b>Software ₹</b>	<b>Total ₹</b>
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
<b>Accumulated Amortisation</b>		
Opening accumulated amortisation	17,361	17,361
Amortisation charge for the year	23,148	23,148
Disposals	-	-
Closing Accumulated Amortisation	<u>40,509</u>	<u>40,509</u>
<b>Closing Net Carrying Amount</b>	<u>32,591</u>	<u>32,591</u>

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE - 5

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<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 *	63,58,80,879	68,84,85,742
* Refer Note No. 43		
<b>TOTAL A</b>	<b>63,58,80,879</b>	<b>68,84,85,742</b>
<b>B. Investment in others</b>		
<b>Quoted</b>		
<b>Fair Value Through Profit &amp; Loss</b>		
Investment in Equity Shares	3,52,92,161	3,75,00,275
Investment in Mutual Funds	6,34,13,545	8,81,96,535
	<b>9,87,05,706</b>	<b>12,56,96,810</b>
<b>Un-Quoted</b>		
<b>Fair Value Through Profit &amp; Loss</b>		
Investment in Equity Shares	10,98,45,742	10,80,41,127
Less: Provision for Diminution in carrying amount of Investments	45,00,000	45,00,000
	<b>10,53,45,742</b>	<b>10,35,41,127</b>
<b>TOTAL B</b>	<b>20,40,51,448</b>	<b>22,92,37,937</b>
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)	73,45,86,585	81,41,82,552
Aggregate carrying amount of unquoted investments	10,53,45,742	10,35,41,127
	<b>83,99,32,327</b>	<b>91,77,23,679</b>
Aggregate Market Value of Quoted Investments in Associates	11,00,21,560	26,29,51,528
Aggregate Market Value of Quoted Investments other than Associates	3,52,92,161	3,75,00,275
Aggregate Book Value of Unquoted Investments	10,98,45,742	10,80,41,127
Aggregate Repurchase price of Mutual Funds	6,34,13,545	8,81,96,535

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 6</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL ASSETS</b>		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	21,78,649	23,38,031
	<u>21,78,649</u>	<u>23,38,031</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 7</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER NON - CURRENT ASSETS</b>		
Capital Advances	2,64,127	2,64,127
Others	85,995	67,521
	<hr/> 3,50,122	<hr/> 3,31,648
Less: Provision for Doubtful Advances	<hr/> 52,521	<hr/> 52,521
	<hr/> <b>2,97,601</b>	<hr/> <b>2,79,127</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>NOTE - 8</b>		
<b>INVENTORIES</b>		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	2,38,03,269	5,00,67,950
Materials - in - Process	1,23,24,310	1,20,69,310
Finished Goods	28,57,960	11,09,058
Stores and Spare Parts	29,14,217	34,90,408
	<b>4,18,99,756</b>	<b>6,67,36,726</b>

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

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**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 9</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured)		
Considered Good	97,80,835	1,79,70,550
Considered Doubtful	-	-
	<u>97,80,835</u>	<u>1,79,70,550</u>
Less : Allowances for Doubtful Receivables	-	-
	<u>97,80,835</u>	<u>1,79,70,550</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 10</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	7,47,01,785	3,15,25,222
Fixed Deposits of Maturity of Less than 3 Months	2,00,00,000	3,00,00,000
Cash in Hand	50,922	44,359
	<b><u>9,47,52,707</u></b>	<b><u>6,15,69,581</u></b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - II</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</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	6,01,73,057	2,25,00,000
Balances with Banks		
- Unpaid Dividend Account	2,43,593	2,32,293
	<b>6,04,16,650</b>	<b>2,27,32,293</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 12</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>LOANS</b>		
Loans to Bodies Corporates	-	5,15,00,000
	-	5,15,00,000

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 13</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL ASSETS</b>		
Interest accrued on Loans and Deposits	24,653	22,30,382
	<u>24,653</u>	<u>22,30,382</u>

**NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 14</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
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**CURRENT TAX ASSETS (NET)**

Advance Income Tax (Net of Provisions)	3,50,141	16,34,597
	<u>3,50,141</u>	<u>16,34,597</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 15</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER CURRENT ASSETS</b>		
Advances to Suppliers & Others	17,57,783	11,94,300
Balance with Statutory / Government Authorities	45,18,466	53,79,812
Export Incentive Receivable	25,06,865	14,86,037
Others	16,58,301	11,30,034
	<b>1,04,41,415</b>	<b>91,90,183</b>

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 16</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>No. of Shares</b>	<b>₹</b>	<b>No. of Shares</b>	<b>₹</b>
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED :</b>				
Preference Shares of ₹ 100/- each.	3,00,000	3,00,00,000	3,00,000	3,00,00,000
Ordinary Shares of ₹ 10/- each.	1,70,00,000	17,00,00,000	1,70,00,000	17,00,00,000
		<b>20,00,00,000</b>		<b>20,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>				
Ordinary Shares of ₹ 10/- each fully paid-up.	38,83,175	3,88,31,750	38,83,175	3,88,31,750
		<b>3,88,31,750</b>		<b>3,88,31,750</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.

<b>Name</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>
Kothari Investment & Industries Private Limited **	72.83%	2828080	19.33%	750720
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.55%	215491
Commercial House Private Limited *	-	-	19.45%	755414
Kothari & Company Private Limited *	-	-	15.32%	594960
Vishnuhari Investments & Properties Limited *	-	-	12.66%	491568
Bhaktwatsal Investments Limited *	-	-	5.52%	214459

\* Commercial House Private Limited, Vishnuhari Investments & Properties Limited and Bhaktwatsal Investments Limited have been merged with Kothari Investment & Industries Private Limited ("Acquirer") and the investment and trading activities of Kothari & Company Private Limited has demerged and transferred to the Acquirer pursuant to scheme of arrangement under section 230 - 232 of the Company's Act, 2013 and its allied rules sanctioned by the National Company Law Tribunal (NCLT), Kolkata Bench, vide order dated 04.11.2019.

\*\* Consequent upon the said scheme becoming effective on and from 04.12.2019, the Company has become a subsidiary of Kothari Investment & Industries Private Limited during the year.

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

	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Ordinary Shares at the beginning of the year	38,83,175	38,83,175
Ordinary Shares at the end of the year	<b>38,83,175</b>	<b>38,83,175</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****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 2019</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>5,17,31,440</b>	<b>63,67,37,127</b>	<b>1,15,78,48,073</b>
Add: Profit / (Loss) for the year	-	-	-	64,59,824	(4,58,93,298)	(3,94,33,474)
Add: Other Comprehensive Income for the year	-	-	-	(56,510)	(67,11,565)	(67,68,075)
Add : Transferred from Statement of Profit and Loss	-	-	1,00,00,000	-	-	1,00,00,000
	<b>91,93,040</b>	<b>14,50,657</b>	<b>46,87,35,809</b>	<b>5,81,34,754</b>	<b>58,41,32,264</b>	<b>1,12,16,46,524</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	1,00,00,000	-	1,00,00,000
Dividend Paid	-	-	-	1,35,91,113	-	1,35,91,113
Tax on Dividends	-	-	-	27,93,694	-	27,93,694
Interim Dividend Paid	-	-	-	1,35,91,113	-	1,35,91,113
Tax on Interim Dividends	-	-	-	27,93,694	-	27,93,694
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,27,69,614</b>	<b>-</b>	<b>4,27,69,614</b>
<b>Balance as at 31st March 2020</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>46,87,35,809</b>	<b>1,53,65,140</b>	<b>58,41,32,264</b>	<b>1,07,88,76,910</b>
<b>Balance as at 1st April 2018</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>40,87,35,809</b>	<b>5,98,35,792</b>	<b>66,08,44,778</b>	<b>1,14,00,60,076</b>
Add: Profit / (Loss) for the year	-	-	-	5,58,69,941	(2,26,78,408)	3,31,91,533
Add: Other Comprehensive Income for the year	-	-	-	69,827	(14,29,243)	(13,59,416)
Add : Transferred from Statement of Profit and Loss	-	-	5,00,00,000	-	-	5,00,00,000
	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>11,57,75,560</b>	<b>63,67,37,127</b>	<b>1,22,18,92,193</b>
<b>Less: Appropriations</b>						
Transfer to General Reserve	-	-	-	5,00,00,000	-	5,00,00,000
Dividend Paid	-	-	-	1,16,49,525	-	1,16,49,525
Tax on Dividends	-	-	-	23,94,595	-	23,94,595
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,40,44,120</b>	<b>-</b>	<b>6,40,44,120</b>
<b>Balance as at 31st March 2019</b>	<b>91,93,040</b>	<b>14,50,657</b>	<b>45,87,35,809</b>	<b>5,17,31,440</b>	<b>63,67,37,127</b>	<b>1,15,78,48,073</b>

17.1 The Board of Directors have approved interim dividend of ₹ 3.50 per share for the year ended 31st March, 2020 on fully paid ordinary shares of Rs. 10/- each for the financial year during its meeting held on 4th March, 2020. Accordingly, the Company has paid an amount of Rs. 1,35,91,113/- on account of interim dividend. Tax on such interim dividend has also been paid.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 18</b>	<b>As at 31st March, 2020</b>			<b>As at 31st March, 2019</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	14,07,358	8,71,242	22,78,600	13,24,396	6,80,844	20,05,240
Gratuity	5,93,749	18,94,393	24,88,142	3,53,380	15,41,013	18,94,393
	<u>20,01,107</u>	<u>27,65,635</u>	<u>47,66,742</u>	<u>16,77,776</u>	<u>22,21,857</u>	<u>38,99,633</u>

**NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 19**

As at  
31st March,  
2020

As at  
31st March,  
2019

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehen sive Income	Closing Balance	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehen sive Income	Closing Balance
	₹	₹	₹	₹	₹	₹	₹	₹
<b>DEFERRED TAX LIABILITIES (NET)</b>								
<b>Deferred Tax Liabilities arising out of :</b>								
Timing Difference on Depreciable Assets	38,80,319	(3,72,953)	-	35,07,366	54,89,918	(16,09,599)	-	38,80,319
Fair Valuation of Investments	48,81,952	(36,82,303)	-	11,99,649	31,78,930	17,03,022	-	48,81,952
<b>Total Deferred Tax Liabilities</b>	<b>87,62,271</b>	<b>(40,55,256)</b>	<b>-</b>	<b>47,07,015</b>	<b>86,68,848</b>	<b>93,423</b>	<b>-</b>	<b>87,62,271</b>
<b>Deferred Tax Assets arising out of :</b>								
Provision for Doubtful Receivables	-	-	-	-	523	(523)	-	-
Provision for Dimunition in Value of Investments	12,51,900	-	-	12,51,900	15,02,280	(2,50,380)	-	12,51,900
Accrued Expenses Deductable on Payment basis	12,67,639	2,18,186	21,781	15,07,606	13,21,037	(26,485)	(26,913)	12,67,639
<b>Total Deferred Tax Assets</b>	<b>25,19,539</b>	<b>2,18,186</b>	<b>21,781</b>	<b>27,59,506</b>	<b>28,23,840</b>	<b>(2,77,388)</b>	<b>(26,913)</b>	<b>25,19,539</b>
	<b>62,42,732</b>	<b>(42,73,442)</b>	<b>(21,781)</b>	<b>19,47,509</b>	<b>58,45,008</b>	<b>3,70,811</b>	<b>26,913</b>	<b>62,42,732</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 20</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>BORROWINGS</b>		
<b>Loans repayable on demand</b>		
<b>Secured</b>		
<b>PHYTOCHEMICALS DIVISION</b>		
- From Vijaya Bank		
Packing Credit	-	1,30,00,000
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods and further secured by deposit of Title Deeds of 23.24 acres Land situated at Nagari and the entire Fixed Assets of the Division. Stock against Packing Credit Limit facility shall be backed by firm Export Orders.		
	<hr/> - <hr/>	<hr/> 1,30,00,000 <hr/>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 21</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>TRADE PAYABLES</b>		
Dues of Micro & Small Enterprises	-	-
Others	1,13,64,478	1,63,67,665
	<b><u>1,13,64,478</u></b>	<b><u>1,63,67,665</u></b>

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 22</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER FINANCIAL LIABILITIES</b>		
Commission Payable	3,35,865	3,35,865
Employees Dues Payable	21,94,198	20,00,427
Unpaid Dividends	2,43,593	2,32,293
Others	34,54,503	20,53,664
	<b>62,28,159</b>	<b>46,22,249</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>NOTE - 23</b>	<b>As at 31st March, 2020 ₹</b>	<b>As at 31st March, 2019 ₹</b>
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Dues Payables	10,17,953	5,06,724
	<b>10,17,953</b>	<b>5,06,724</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 24**

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>REVENUE FROM OPERATIONS</b>				
<b>SALE OF PRODUCTS</b>				
Calcium Sennoside	64,780		27,03,500	
Brucine & its Salts	37,91,541		10,47,950	
Strychnine & its Salts	11,84,42,292		14,14,71,260	
Tolbutamide	1,52,88,495		2,28,23,452	
Chlorpropamide	-		58,18,706	
Formaldehyde	23,50,050		24,99,282	
Paraformaldehyde	29,87,816		1,00,02,496	
Phenolic Resin	6,69,07,092		8,55,76,258	
Crude Drugs *	6,000		49,750	
		20,98,38,066		27,19,92,654
<b>OTHER OPERATING REVENUE</b>				
Export Incentives	43,36,303		52,17,941	
Claims Received	45,633		31,611	
Sale of Scrap	1,72,740		30,65,913	
Miscellaneous Receipts	24,350		28,300	
		45,79,026		83,43,765
		<b>21,44,17,092</b>		<b>28,03,36,419</b>

\* Represents Sale of Traded Goods (2019 - ₹ 49,750/-).

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 25****2019-2020****2018-2019**

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**OTHER INCOME****Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	69,08,780		1,39,20,945	
- Dividend Income from Non - Current Investment	18,66,373		5,56,541	
- Net Gain / (Loss) on Sale of Non - Current Investments	5,39,745		34,26,611	
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	-		61,41,581	
		93,14,898		2,40,45,678
Exchange Rate Fluctuation (Net)		76,847		46,064
Liabilities / Provision no longer required, written back		1,22,179		4,66,227
Expected Credit Loss on Trade Receivables Written Back		-		1,567
Miscellaneous Income		-		80
		<b>95,13,924</b>		<b>2,45,59,616</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 26****2019-2020****2018-2019**

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**COST OF MATERIALS CONSUMED**

Raw Materials at the beginning of the year	5,00,67,950	1,21,73,650
Add : Purchases	6,21,08,895	15,24,20,936
Less : Raw Materials at the end of the year	2,38,03,269	5,00,67,950
	<b>8,83,73,576</b>	<b>11,45,26,636</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 27****2019-2020****2018-2019**

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

Opening Inventories	11,09,058		23,93,251	
Closing Inventories	<u>28,57,960</u>		<u>11,09,058</u>	
Net (Increase) / Decrease		(17,48,902)		12,84,193

**Materials - in - Process**

Opening Inventories	1,20,69,310		4,46,27,893	
Closing Inventories	<u>1,23,24,310</u>		<u>1,20,69,310</u>	
Net (Increase) / Decrease		(2,55,000)		3,25,58,583
		<u>(20,03,902)</u>		<u>3,38,42,776</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 28****2019-2020****2018-2019**

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**EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus

3,07,87,850

3,02,54,066

Contribution to Provident and Other Funds

25,63,650

25,04,258

Workmen and Staff Welfare Expenses

10,92,085

13,15,860

**3,44,43,585****3,40,74,184**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 29****2019-2020****2018-2019**

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**FINANCE COSTS**

Interest Expenses

3,35,963

4,86,736

3,35,9634,86,736

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 30****2019-2020****2018-2019**

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**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of Property, Plant and Equipment

75,03,871

88,36,425

Amortisation \*

35,901

35,900

**75,39,772****88,72,325**

\* Includes ₹ 12,752/- (2018 - 2019 ₹ 12,752/-) on Leasehold Land under Note - 3.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 31****2019-2020****2018-2019**

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**POWER & FUEL**

Power and Fuel

1,18,76,573

1,23,42,665

1,18,76,5731,23,42,665

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 32**

	2019-2020		2018-2019	
	₹	₹	₹	₹
<b>OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
Consumption of stores and spare parts	23,97,702		19,27,965	
Repairs to Buildings	2,79,435		11,05,625	
Repairs to Machinery	28,53,795		31,90,956	
Repairs to Other Assets	17,98,224		7,35,650	
		<b>73,29,156</b>		<b>69,60,196</b>
<b>Selling and Distribution Expenses</b>				
Freight, Shipping, Delivery and Selling Expenses	53,50,313		78,98,425	
Sales Promotion Expenses	8,319		36,080	
		<b>53,58,632</b>		<b>79,34,505</b>
<b>Establishment Expenses</b>				
Rent	5,37,252		6,16,452	
Rates and Taxes	8,04,056		7,58,130	
Bank Charges	82,802		1,23,323	
Travelling and Conveyance Expenses	19,29,622		29,17,783	
Postage and Telephone	3,60,033		4,88,637	
Printing and Stationery	3,67,823		4,27,737	
Subscription	1,00,910		99,108	
Insurance	9,28,453		9,52,331	
Motor Vehicle Expense	3,85,116		6,33,205	
Directors' Sitting Fees	66,000		58,000	
Directors' Commission	3,00,000		3,00,000	
Managing Directors Remuneration	26,46,000		25,26,000	
Legal and Professional Fee	25,78,145		14,13,933	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	142		105	
Input GST (RCM)	1,55,880		64,440	
Net Fair Value (Gain)/Loss on Non-Current Investments				
Measured at FVPTL	3,48,95,035		-	
Corporate Social Responsibility Expenses	37,35,339		-	
Miscellaneous Expenses	13,45,830		12,88,667	
		<b>5,12,89,238</b>		<b>1,27,38,651</b>
<b>Payment to Auditors</b>				
Auditor	1,86,475		1,86,475	
For Other Services	56,000		86,000	
For Reimbursement of Expenses	45,916		58,694	
For GST	10,800		24,071	
		<b>2,99,191</b>		<b>3,55,240</b>
		<b>6,42,76,217</b>		<b>2,79,88,592</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 33****2019-2020**

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**2018-2019**

₹

**TAX EXPENSE****Current Tax**

Current Tax on Profits for the year

1,69,00,000

1,65,00,000

**Deferred Tax**

Decrease / (Increase) in Deferred Tax Assets

2,18,186

(2,77,388)

(Decrease) / Increase in Deferred Tax Liabilities

(40,55,256)

93,423

**Total Deferred Tax Expense**

(42,73,442)

3,70,811

1,26,26,558

1,68,70,811

**Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.**

**2019-2020**

₹

**2018-2019**

₹

**Total Profit before Income Tax Expenses**

(2,68,06,916)

5,00,62,344

Indian Income Tax Rate

27.82%

27.82%

**Estimated Income Tax Expenses on above profit**

(74,57,684)

1,39,27,344

**Tax effect of adjustments to reconcile estimated income tax expenses to reported Income Tax Expenses**

a) Impact of decrease in tax rate due to MAT

19,38,140

(36,19,507)

b) Income exempted from tax

(5,19,225)

(1,54,830)

c) Expenses that are not deductible in determining taxable income

17,43,132

3,77,926

d) Tax on profit / loss of associates

1,27,67,516

63,09,133

e) Others

41,54,680

30,745

1,26,26,558

1,68,70,811



**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

CIN : U15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****NOTE - 34****2019-2020****2018-2019****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit / (Loss) for the year (₹)	(3,94,33,474)	3,31,91,533
Number of Ordinary Shares at the beginning of the year	38,83,175	38,83,175
Number of Ordinary Shares at the end of the year	38,83,175	38,83,175
Weighted average number of Ordinary Shares outstanding during the year	38,83,175	38,83,175
Basic and diluted earnings per Ordinary share (₹)	(10.15)	8.55

# KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : UI5491WBI897PLC001365

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### NOTE – 35

		2019 – 2020	2018 – 2019
		₹	₹
35.01	Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
	Claims against the Company not acknowledged as debts:-		
	i) Sales Tax under dispute	322,570	322,570
	ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	98,317	98,317
	iii) Corporate Guarantee given by the Company for Loans taken by other Bodies Corporate	Nil	250,000,000
	iv) Share of Contingent Liabilities of Associate	41,660,738	44,234,871
35.02	Commitments:		
	i) Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
	[Net of Advance ₹ 891,627/- (2019 ₹ 891,627/-)]	2,321,627	1,876,627
	ii) Share of Commitments in Associate	1,431,821	1,628,007
35.03	Total Salaries, Wages and Bonus for the year.	30,787,850	30,254,066

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 36**

**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 2020 ₹	Year ended 31 March 2019 ₹
Employer's Contribution to Provident Fund	16,86,491	17,06,778
Employer's Contribution to Employees' State Insurance Scheme	3,40,827	3,27,154

**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 2020 ₹	As at 31 March 2019 ₹
Present value of defined benefit obligations	68,49,364	59,99,845
Fair value of plan assets	43,61,222	41,05,452
<b>Net defined benefit liabilities</b>	<b>(24,88,142)</b>	<b>(18,94,393)</b>

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

Description	Gratuity (Funded) As at 31 March 2020 ₹	As at 31 March 2019 ₹
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the Beginning of the year	59,99,845	56,18,507
(b) Current service cost	3,97,437	3,50,194
(c) Interest Cost	3,73,790	3,90,244
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	(2,75,106)
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	2,69,397	1,49,087
- due to experience changes	(1,91,105)	(2,33,081)
<b>Balance at the end of the year</b>	<b>68,49,364</b>	<b>59,99,845</b>
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the Beginning of the year	41,05,452	40,77,494
(b) Actual return on plan assets	-	12,746
(c) Interest income	2,55,770	2,90,318
(d) Benefits paid	-	(2,75,106)
<b>Balance at the end of the year</b>	<b>43,61,222</b>	<b>41,05,452</b>

**(iii) Expense recognised in Statement of Profit and Loss**

(a) Current service cost	3,97,437	3,50,194
(b) Net Interest cost	1,18,021	99,926
(c) Past Service Cost- plan amendments	-	-
<b>Amount charged to Profit and Loss</b>	<b>5,15,458</b>	<b>4,50,120</b>

**(iv) Remeasurement recognised in Other Comprehensive Income**

(a) Actuarial gain/ (loss) on defined benefit obligations	(78,291)	83,994
(b) Actuarial gain/ (loss) on plan assets	-	12,746
<b>Actuarial gain/ (loss) on plan assets</b>	<b>(78,291)</b>	<b>96,740</b>

**(v) Category of Plan assets**

Insurer Managed Fund	100.00%	100.00%
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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.

**(vi) Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages)	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
(a) Discount rate %	6.23%	7.12%
(b) Expected Return on Plan Assets %	6.23%	7.12%
(c) Expected Rate of Salary increase %	6.00%	6.00%
	IALM 2006-	IALM 2006-
(d) Mortality Rates	2008 Ultimate	2008 Ultimate
(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 2020</b>				<b>As at 31 March 2019</b>			
	<b>Increase</b>		<b>Decrease</b>		<b>Increase</b>		<b>Decrease</b>	
(a) Discount rate (0.50% movement)	-2.26%	6694431	2.41%	7014228	-2.15%	5870668	2.29%	6137301
(b) Salary growth (0.50% movement)	2.39%	7012927	-2.27%	6694226	2.29%	6137301	-2.17%	5869528
(c) Attrition Rate (0.50% movement)	0.01%	6848474	0.01%	6850323	0.00%	5999845	0.00%	5999845
(d) Mortality Rate (10% movement)	0.01%	6849022	0.01%	6849706	0.00%	6000385	0.00%	5999305

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### NOTE – 37

**Information in accordance with the requirements of Related Party Disclosures – Refer Note 37 of Standalone Financial Statements.**

### NOTE – 38

**Information on Segment Reporting – Refer Note 38 of Standalone Financial Statements.**

### NOTE – 39

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 2020.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 40**

**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.

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	₹	₹	₹	₹
<b>Financial assets</b>				
Investments	20,40,51,448	20,40,51,448	22,92,37,937	22,92,37,937
Trade receivables	97,80,835	97,80,835	1,79,70,550	1,79,70,550
Cash and cash equivalents	9,47,52,707	9,47,52,707	6,15,69,581	6,15,69,581
Bank balances other than cash and cash equivalents above	6,04,16,650	6,04,16,650	2,27,32,293	2,27,32,293
Loans	-	-	5,15,00,000	5,15,00,000
Other financial assets	22,03,302	22,03,302	45,68,413	45,68,413
	<b>37,12,04,942</b>	<b>37,12,04,942</b>	<b>38,75,78,774</b>	<b>38,75,78,774</b>
<b>Financial liabilities</b>				
Borrowing	-	-	1,30,00,000	1,30,00,000
Trade Payables	1,13,64,478	1,13,64,478	1,63,67,665	1,63,67,665
Other financial liabilities	62,28,159	62,28,159	46,22,249	46,22,249
	<b>1,75,92,637</b>	<b>1,75,92,637</b>	<b>3,39,89,914</b>	<b>3,39,89,914</b>

# **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

## **CIN : UI5491WBI897PLC001365**

### **NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

#### **NOTE – 40 (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:

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2020 ₹</b>	<b>As at 31<sup>st</sup> March 2019 ₹</b>
Trade Receivable (Gross)	9,780,835	17,970,550
Less : Expected Credit Loss	-	-
Trade Receivables (Net)	9,780,835	17,970,550

**(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 – 4I**

**Effect of Covid - 19**

In view of nationwide lock down due to COVID – 19, operations of the Company were temporarily suspended in compliance of Government Orders w. e. f. March 24, 2020. The operations gradually restarted from mid May, 2020 onwards. As per the current assessment of the Company, no material impact is expected due to COVID – 19 on the carrying amounts of Property, Plant and Equipment and current assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID – 19 which may be different from that estimated as at the date of approval of these financial statements.

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH, 2020**

**NOTE – 42**

**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.

**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
CIN : L15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**NOTE - 43**

**Disclosure of Interest in Associate**

**Interest in Associates**

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
<b>Gillanders Arbuthnot and Company Limited</b>		
Interest as at 1st April	68,84,85,742	71,25,93,393
Add : Share of Profit for the period	(4,58,93,298)	(2,26,78,408)
Add : Share of OCI for the period	(67,11,565)	(14,29,243)
<b>Balance as at 31st March</b>	<b>63,58,80,879</b>	<b>68,84,85,742</b>

**NOTE - 44**

**Note for Disclosure mandated by Schedule III of Companies Act 2013, by way of Additional Information:**

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, 2020	31st March, 2019 ₹	2019 - 2020 ₹	2018 - 2019 ₹	2019 - 2020 ₹	2018 - 2019 ₹
Gillanders Arbuthnot & Company Limited	25.78%	92,13,20,226	97,77,53,935	(4,58,93,298)	(2,26,78,408)	(67,11,565)	(14,29,243)

**NOTE - 45**

Previous Year's figures have been regrouped / rearranged wherever necessary.

Signature to Note 'I' to '45'

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 20066040AAAAGQ1671

Kolkata

Dated: 03 DEC 2020

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