

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

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

AUDITORS : K RAY & COMPANY, KOLKATA

BANKERS : BANK OF BARODA

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

REGISTRAR & SHARE TRANSFER AGENT : MAHESHWARI DATAMATICS PVT. LTD.
23, R. N. MUKHERJEE ROAD (5TH FLOOR),
KOLKATA – 700 001

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 FIFTH Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2021.

1. FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY:

Particulars	2020 – 21 ₹	2019 – 20 ₹
Gross Sales	249,206,305	209,838,066
Other Operating Revenue	5,027,715	4,579,026
Other Income	79,762,914	9,513,924
Total Revenue	333,996,934	223,931,016
Earnings before Depreciation, Amortisation & Taxation	178,474,929	26,626,154
Less : Depreciation and Amortisation	6,355,849	7,539,772
Profit before Taxation	172,119,080	19,086,382
Less : Provision for Taxation		
Current Tax	32,500,000	16,900,000
Deferred Tax (Net)	7,675,274	(4,273,442)
Profit for the year	131,943,806	6,459,824
Other Comprehensive Income	1,136,811	(56,510)
Total Comprehensive Income	133,080,617	6,403,314
STATEMENT OF RETAINED EARNINGS		
At the beginning of the year	15,365,140	51,731,440
Add : Profit for the year	131,943,806	6,459,824
Add : Other Comprehensive Income (net of taxes)	1,136,811	(56,510)
Less : Dividend Paid	-	13,591,113
Tax on Dividend	-	2,793,694
Interim Dividend Paid	-	13,591,113
Tax on Interim Dividend	-	2,793,694
Transfer to General Reserve	15,000,000	10,000,000
At the end of the year (Balance)	133,445,757	15,365,140
EPS	33.98	1.66

2. DIVIDEND

In continuation to steady dividend policy and performance outlook, your Directors are pleased to recommend payment of dividend @ 45 % i. e. ₹ 4.50 (previous year 70 % i. e. ₹ 7/-) per ordinary share of ₹ 10/- each for the year under review. The total payout amounts to ₹ 17,474,288/-.

3. RESERVE

An amount of ₹ 15,000,000/- has been transferred to the General Reserve for the financial year ended 31st March, 2021.

4. SHARE CAPITAL

The Paid – up Share Capital of the Company as on 31st March, 2021 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, 2021 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	-	3864
No. of Shareholders	-	64
Unclaimed Dividend for 2012 – 2013	-	₹ 33,704/-

7. MANAGEMENT'S DISCUSSION AND ANALYSIS

During the year under review the Profit after Tax has increased to ₹ 13.19 Crore as against ₹ 0.65 Crore during the previous year. The Turnover has also increased to ₹ 24.92 Crore as compared to ₹ 20.98 Crore in last year.

SEGMENTWISE PERFORMANCE

a) PHYTOCHEMICALS DIVISION

During the year under review the turnover of the division has increased to ₹ 19.54 Crore as compared to ₹ 13.76 Crore in last year.

NEW PROJECT

Our last presentation with Ministry of Environment, Forest and Climate Change was on 31st May, 2021 & 1st June, 2021 and on 29th June, 2021 we have received environment clearance.

The process for application to Tamil Nadu Pollution Control Board for CTE, GO Relaxation and CTO, is under progress.

b) CLARO INDIA DIVISION

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

OPPORTUNITIES AND THREATS

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

OUT LOOK

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

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

RISK AND CONCERNS

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

Uncertainty in the Price and Supply of critical raw material such as a Nux Vomica seeds are also a serious cause for concern.

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.

Smt. Vedika Kothari (DIN: 07189991) Non – executive Director retires by rotation from the Board and being eligible, offer herself for re – election. The Board recommend her reappointment.

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

Smt. Vedika Kothari, aged about 30 years, is a “Master of Business Administration (MBA)”. She 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 Smt. Vedika Kothari, as father in law and mother in law respectively. Sri Anand Vardhan Kothari, director is related to Smt. Vedika Kothari, as Spouse. Details of her other Directorships are as follows:-

Sl. No.	Name of Company	Nature of Office
1	Premier Suppliers Private Limited	Director
2	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. 1st April, 2021 till 31st March, 2022, 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 125th Annual General Meeting.

REMUNERATION RATIO OF DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rule, 2014 are not applicable to the Company. The remuneration paid to Managing Director and Directors are well within the limits prescribed under the Companies Act, 2013.

9. PUBLIC DEPOSITS

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

10. NUMBER OF BOARD MEETINGS HELD

During the year under review three Board Meetings were held on 1st September, 3rd December, 2020 and 17th March, 2021.

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

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM on 28.12.2020
Sri A. V. Kothari	Non – Executive	3	Yes
Smt. V. Kothari	Non – Executive	3	Yes
Sri S. Bagri	Non – Executive	3	Yes
Sri A. Khandelwal	Non – Executive	3	Yes
Sri A. Agarwal	Non – Executive	1	No
Sri A. K. Toshniwal	Executive – Managing Director	1	Yes

11. COMMITTEES OF THE BOARD

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

(a) Stakeholders Relationship Committee

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

The Committee met once during the year under review, on 17th March, 2021.

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

Name of Member	No. of Meetings Attended
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 31st March, 2021.

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 1st September, 3rd December, 2020 and 17th March, 2021.

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

Name of Member	No. of Meetings Attended
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 121st Annual General Meeting to hold office until the conclusion of 126th 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 121st Annual General Meeting to hold office until the conclusion of 126th 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. SECERATARIAL AUDIT

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

16. CORPORATE SOCIAL RESPONSIBILITY

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

Company's CSR policy covers activities relating to

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

During the Financial year 2020 – 2021, in compliance with Section 135 of the Act, an amount of ₹ 14.98 Lakh was spent by the Company in CSR activities.

Annual Report on CSR activities dated 28th August, 2021 is annexed herewith as Annexure 'I' forming a part of this report.

17. RELATED PARTY TRANSACTIONS

There were no contracts or arrangement entered into by the Company in accordance with the provisions of Section 188 of the Companies Act, 2013. 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. 36 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.

18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loan given and securities acquired are provided under Note No. 12 and 5 of the Financial Statement respectively. However, the Company has not given any Guarantees to any persons, during the year under review.

19. EXTRACT OF ANNUAL RETURN

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

20. SUBSIDIARIES & ASSOCIATES

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of our Associate Company is given in the prescribed format AOC – 1 which is annexed as Annexure ‘III’ and forming part of this report.

21. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the financial year ended on 31st March, 2021 prepared as per the provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’), Rules framed therein and the applicable Accounting Standards are provided in the Annual Report.

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

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

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

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

24. MATERIAL CHANGES AND COMMITMENTS

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

25. VIGIL MECHANISM

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

26. RISK MANAGEMENT

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

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

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

28. INDUSTRIAL RELATIONS

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

29. ACKNOWLEDGEMENT

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

On behalf of the Board,

Sd/-

Sd/-

A. V. Kothari

A. K. Toshniwal

Director

Managing Director & CEO

Kolkata

Dated: 2nd September, 2021

(DIN : 02572346)

(DIN : 06872891)

ANNEXURE – I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31st March, 2021

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, setting up Homes and Hotels for poor and aged Women & Orphans 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>2017 – 18</td><td>1,041.42</td></tr><tr><td>2018 – 19</td><td>667.91</td></tr><tr><td>2019 – 20</td><td>538.25</td></tr><tr><td>Total</td><td>2,247.58</td></tr><tr><td colspan="2">Average of above said profit 749.19</td></tr></table>	<u>Financial Year</u>	<u>Profit (₹ in Lakh)</u>	2017 – 18	1,041.42	2018 – 19	667.91	2019 – 20	538.25	Total	2,247.58	Average of above said profit 749.19	
<u>Financial Year</u>	<u>Profit (₹ in Lakh)</u>													
2017 – 18	1,041.42													
2018 – 19	667.91													
2019 – 20	538.25													
Total	2,247.58													
Average of above said profit 749.19														
4.	Prescribed CSR Expenditure (2 % of the amount as in item 3 above) :	₹14.98 Lakh												
5.	Details of CSR spent for the financial year: (1) Total Amount spent for the Financial Year (2) Amount unspent if any	₹14.98 Lakh Nil												

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.	Ventilators for the COVID Treatment Unit at the Kothari Medical Centre, Kolkata	Preventive Health Care	Kolkata, West Bengal.	5,98,201	5,98,201	5,98,201	Through Implementing Agency – Kothari Group CSR Trust. CSR Registration No. CSR00012315
2.	Construction of a House of Smt. Arti Devi, Jamthar, Madhubani, Hata Rupauli, Bihar – 847404.	Setting up homes for poor and aged woman	Madhubani, Bihar.	2,50,000	2,50,000	2,50,000	
3.	Construction of a House of Smt. Sutti Devi, Jamthar, Madhubani, Hata Rupauli, Bihar – 847404.	Setting up homes for poor and aged woman	Madhubani, Bihar.	2,50,000	2,50,000	2,50,000	
4.	Construction of a House of Smt. Jhuma Pramanik, Sonamukhi Road, Naskarpara 2 nd Bye Lane, Kolkata – 700061.	Setting up homes for poor and aged woman	Kolkata, West Bengal	50,000	50,000	50,000	
5.	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.	3,50,188	3,50,188	3,50,188	
TOTAL					14,98,389		

***Note:** During the financial year ended 31st March, 2021 the Company has contributed a sum of ₹ 3,50,188/- for undertaking the project at serial no. 5 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

Place: Kolkata
Date: 28th August, 2021

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

Sd/-
A. Khandelwal
Chairman – CSR Committee
DIN : 00416445

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

ANNEXURE – II**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2021

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

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: i) Strychnine & its Salts ii) Tolbutamide	21005	59 % 11 %
2	Organic and Inorganic Chemical Compounds: Phenolic Resin	20119	19 %

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

Category of Shareholders

[illegible]

Category of Shareholders	No of Shares held at the end of the year [As on 31-March-2020]				No of Shares held at the end of the year [As on 31-March-2021]				% 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	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	116	116	0.0030	0	116	116	0.0030	0.0000
ii) Overseas	-	-	-	-	0	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1904	8245	10149	0.2614	1909	7899	9808	0.2526	-0.0088
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)									
Non Resident Indians	4	3520	3524	0.0908	-	-	-	-	-0.0908
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	1	-	1	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	8629	0	8629	0.2222	12493	0	12493	0.3217	0.0995
Sub-total(B)(2):-	10537	11881	22418	0.5774	14403	8015	22418	0.5773	-0.0001
Total Public Shareholding (B)=(B)(1)+ (B)(2)	10537	11881	22418	0.5774	14403	8015	22418	0.5773	-0.0001
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3871294	11881	3883175	100.0000	3875160	8015	3883175	100.0000	0.0000

ii) Shareholding of Promoters -								
Sl No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	M. D. KOTHARI & COMPANY LIMITED	576525	14.8467	0.0000	576525	14.8467	0.0000	0.0000
2	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED	2828080	72.8290	0.0000	2828080	72.8290	0.0000	0.0000
3	ARUN KUMAR KOTHARI KARTA OF PARAMSUKHDAS SUGANCHAND HUF	19040	0.4903	0.0000	19040	0.4903	0.0000	0.0000
4	ANAND VARDHAN KOTHARI	13300	0.3425	0.0000	13300	0.3425	0.0000	0.0000
5	PREMIER SUPPLIERS PRIVATE LIMITED	8000	0.2060	0.0000	8000	0.2060	0.0000	0.0000
6	PRABHAWATI DEVI KOTHARI	6500	0.1674	0.0000	6500	0.1674	0.0000	0.0000
7	ARUN KUMAR KOTHARI	2021	0.0521	0.0000	2021	0.0521	0.0000	0.0000
8	SATYAM FINANCIAL SERVICES LIMITED	1000	0.0258	0.0000	1000	0.0258	0.0000	0.0000
9	G. DAS & COMPANY PRIVATE LIMITED	216291	5.5700	0.0000	216291	5.5700	0.0000	0.0000
10	ALBERT DAVID LIMITED	190000	4.8929	0.0000	190000	4.8929	0.0000	0.0000
	TOTAL	3860757	99.4227	0.0000	3860757	99.4227	0.0000	0.0000

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	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year	2828080	72.8290	2828080	72.8290
	At the end of the year			2828080	72.8290
2	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
3	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
4	ARUN KUMAR KOTHARI				
	At the beginning of the year	2021	0.0521	2021	0.0521
	At the end of the year			2021	0.0521
5	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
6	PRABHAWATI DEVI KOTHARI				
	At the beginning of the year	6500	0.1674	6500	0.1674
	At the end of the year			6500	0.1674
7	ANAND VARDHAN KOTHARI				
	At the beginning of the year	13300	0.3425	13300	0.3425
	At the end of the year			13300	0.3425
8	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
9	G. DAS & COMPANY PRIVATE LIMITED				
	At the beginning of the year	216291	5.5700	216291	5.5700
	At the end of the year			216291	5.5700
10	ALBERT DAVID LIMITED				
	At the beginning of the year	190000	4.8929	190000	4.8929
	At the end of the year			190000	4.8929

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
	As on 31/12/2020 - Transfer	(-) 3520	(-) 0.0906	0	0.0000
	At the end of the year			0	0.0000
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	8629	0.2222	8629	0.2222
	As on 31/12/2020 - Transfer	(+) 3864	(+) 0.0995	12493	0.3217
	At the end of the year			12493	0.3217
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	NRIPAL KRISHNA MAITRA				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
6	BHUPAL KRISHNA MAITRA				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
7	SUMAN KOTHARI				
	At the beginning of the year	400	0.0103	400	0.0103
	At the end of the year			400	0.0103
8	PANNA LAL KOTHARI				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041
9	SHANTI DEVI BHUWANIA				
	At the beginning of the year	160	0.0041	160	0.0041
	At the end of the year			160	0.0041
10	RADHESHYAM BHOOTRA				
	At the beginning of the year	150	0.0039	150	0.0039
	At the end of the year			150	0.0039
11	K. THIYAGARAJAN *				
	At the beginning of the year	120	0.0031	120	0.0031
	At the end of the year			120	0.0031
# Ceased to be in the list of Top 10 shareholders as on 31/03/2021. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2020.					
* Not in the list of Top 10 shareholders as on 01/04/2020. 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					
Sl 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 01/04/2020]	13300	0.3425	13300	0.3425
	At the end of the year [As on 31/03/2021]			13300	0.3425
2	MADAN LAL DAGA *				
	At the beginning of the year [As on 01/04/2020]	25	0.0006	25	0.0006
	At the end of the year [As on 31/03/2021]			25	0.0006
	* Retired on 30.09.2020				

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

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

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	24,48,00.00	24,48,700.00
	(b) Value of perquisites u/s 17 (2) Income – tax Act, 1961	3,12,000.00	3,12,000.00
	(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	1,79,400.00	1,79,400.00
	Total (A)	29,40,100.00	29,40,100.00
	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	14,000.00	14,000.00	2,000.00	30,000.00
	Commission	60,000.00	60,000.00	60,000.00	1,80,000.00
	Others, please specify	-	-	-	-
	Total (1)	74,000.00	74,000.00	62,000.00	2,10,000.00
2	Other Non-Executive Directors	Sri Anand Vardhan Kothari	Smt. Vedika Kothari	---	
	Fee for attending board / committee meetings	12,000.00	8,000.00	-	20,000.00
	Commission	60,000.00	60,000.00	-	1,20,000.00
	Others, please specify	-	-	-	-
	Total (2)	72,000.00	68,000.00	-	1,40,000.00
	Total (B)=(1+2)	1,46,000.00	1,42,000.00	62,000.00	3,50,000.00
	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	16,71,958.00	9,23,700.00	25,95,658.00
	(b) Value of perquisites u/s 17 (2) Income – tax Act, 1961	45,900.00	-	45,900.00
	(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	55,080.00	20,700.00	75,780.00
	Total	17,72,938.00	9,44,400.00	27,17,338.00

* 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

Name of Associates / Joint Ventures	Gillanders Arbuthnot & Company Limited
1. Latest audited Balance Sheet Date	28th June, 2021.
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	55,01,078
Amount of Investment in Associates / Joint Venture	₹ 51,748,615/-
Extent of Holding %	25.78 %
3. Description of how there is significant influence	Significant influence arises by adequate voting right.
4. Reason why the associate / joint venture is not consolidated	N. A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 5,217.58 Lakh (25.78 % of ₹ 20,238.85 Lakh)
6. Profit / Loss for the year	
i. Considered in Consolidation	Net Loss ₹ 251.21 Lakh & Other Comprehensive Income (₹ 44.28) Lakh
ii. Not Considered in Consolidation	

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

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

On behalf of the Board

Sd/-
R. Gupta
Chief Financial Officer
Kolkata
Dated: 2nd September, 2021

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

Sd/-
A. K. Toshniwal
Mg. Director
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 depending on the market situation has been derived. No research expenditure was incurred in relation to technology absorption.

(C) Foreign Exchange Earnings & Outgo:

Particulars	2020 – 21	2019 – 20
Earnings (₹)	1813.33 Lakh	1313.14 Lakh
Outgo (₹)	55.40 Lakh	3.17 Lakh

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : U15491WB1897PLC001365

General Shareholders' Information

Date, time & venue of the Annual General Meeting	The 125 th Annual General Meeting of the Company will be held through Video Conferencing / Other Audio – Visual Means on Wednesday, 29 th September, 2021 at 10.00 a.m. (IST).	
Financial Calendar 2021-2022 (tentative and subject to change)	<ul style="list-style-type: none"> Financial Year Annual Results for the year ending 31st March 2022 	<ul style="list-style-type: none"> April to March Audited Annual Results will be made out within the time stipulated under the Companies Act, 2013.
Dividend Payment Date	After 29 th September, 2021 within Stipulated Time.	
Book Closure Period	Thursday 23 rd September, 2021 to Wednesday 29 th September, 2021 (both days inclusive)	
E – Voting	<p>(A) Remote E – Voting: From 25th September, 2021 (9.00 a. m.) till 28th September, 2021 (5.00 p. m.).</p> <p>(B) E – Voting: On 29th September, 2021, at the AGM.</p>	
NSDL / CDSL – ISIN No.	INE264E01016.	

Distribution of shareholding as on 31st March, 2021

Ordinary Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 500	1240	98.96	7525	0.19
501 – 1000	2	0.16	1800	0.05
1001 – 5000	2	0.16	3621	0.09
5001 – 10000	2	0.16	14500	0.37
10001 – 50000	3	0.24	44833	1.15
50001 – 100000	-	-	-	-
Above 100000	4	0.32	3810896	98.15
Total	1253	100	3883175	100

Shareholding pattern as on 31st March, 2021

Category	No. of shares held	% of shares held
Indian Promoters	3860757	99.42
Nationalised Banks & Mutual Funds	-	-
NRI / OCBs	-	-
Public	22418	0.58
Total	3883175	100.00

Registrars & Share Transfer Agent : Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor,
Kolkata – 700 001.
Ph: (033) 2248 – 2248 / 2243 - 5029
Fax: (033) 2248 – 4787
E – mail: 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 31st March 2021, shares representing total Ordinary Share Capital of the Company were held as under:

	No. of Shares	Percentage of Total Capital
In Dematerialised form	38,75,160	99.79 %
In Physical form	8,015	0.21 %
	<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, 5th 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
- (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
kothari.kamal@gillandersarbuthnot.com

For Kothari Phytochemicals & Industries Limited

Sd/-

A. K. Toshniwal
Managing Director & CEO
(DIN : 06872891)

Place : Kolkata
Dated : 2nd September, 2021

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 31st March 2021 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 31st March 2021 and its Profit, Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have

determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition :</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>Principal audit procedures performed :</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>Recoverability of Investments including in an Associate Company :</p> <p>The Company has investments in certain Companies including with an Associate Company with a carrying value of ` 33,52,37,208/-.</p> <p>Assessment of the recoverable amount of the Investments has been identified as a key audit matter.</p>	<p>Principal audit procedures performed :</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 `25,74,92,302/- as at 31st March 2020 and total revenues of ` 25,93,44,886/- 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 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2021 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 34.01 of the Standalone Financial Statements.
 - ii. The Company does not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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 : 21066040AAAAOK1444

Kolkata, 2nd September, 2021

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 31st March 2021 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 31st March 2021, 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 : 21066040AAAAOK1444

Kolkata, 2nd September, 2021

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 31st March 2021, 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 : 21066040AAAAOK1444

Kolkata, 2nd September, 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

	Note	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	3	44,896,203	48,748,980
Capital Work - in - progress		34,450,345	34,200,345
Intangible Assets	4	3,655	9,442
Investments in Associates	5	51,748,615	51,748,615
Financial Assets			
i. Investments	5	283,488,593	204,051,448
ii. Other Financial Assets	6	2,162,379	2,178,649
Other Non - Current Assets	7	297,601	297,601
Total Non - Current Assets		417,047,391	341,235,080
Current Assets			
Inventories	8	58,614,646	41,899,756
Financial Assets			
i. Trade Receivables	9	11,037,079	9,780,835
ii. Cash and Cash Equivalents	10	92,674,849	94,752,707
iii. Bank Balances other than Cash and Cash Equivalents	11	59,845,753	60,416,650
iv. Loans	12	40,000,000	-
v. Other Financial Assets	13	1,484,122	24,653
Current Tax Assets (Net)	14	217,916	350,141
Other Current Assets	15	17,563,455	10,441,415
Total Current Assets		281,437,820	217,666,157
Total Assets		698,485,211	558,901,237
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	38,831,750	38,831,750
Other Equity			
Reserves and Surplus	17	627,825,263	494,744,646
Total Equity		666,657,013	533,576,396
LIABILITIES			
Non - Current Liabilities			
Provisions	18	1,593,620	2,765,635
Deferred Tax Liabilities (Net)	19	10,089,825	1,947,509
Total Non - Current Liabilities		11,683,445	4,713,144
Current Liabilities			
Financial Liabilities			
i. Trade Payables	20	12,708,978	11,364,478
ii. Other Financial Liabilities	21	5,127,438	6,228,159
Other Current Liabilities	22	891,136	1,017,953
Provisions	18	1,417,201	2,001,107
Total Current Liabilities		20,144,753	20,611,697
Total Liabilities		31,828,198	25,324,841
Total Equity and Liabilities		698,485,211	558,901,237

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
Kolkata
Dated: 2nd September, 2021

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, 2021

INCOME :	Note	2020-2021	2019-2020
		₹	₹
Revenue from Operations	23	254,234,020	214,417,092
Other Income	24	79,762,914	9,513,924
Total Revenue		333,996,934	223,931,016
EXPENDITURE :			
Cost of Materials Consumed	25	85,865,278	88,373,576
Purchases of Stock - in - Trade		-	2,850
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	26	(13,091,221)	(2,003,902)
Employee Benefits Expense	27	32,415,024	34,443,585
Finance Costs	28	8,810	335,963
Depreciation and Amortisation Expense	29	6,355,849	7,539,772
Power & Fuel	30	12,805,799	11,876,573
Other Expenses	31	37,518,315	64,276,217
Total Expenses		161,877,854	204,844,634
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		172,119,080	19,086,382
Exceptional Items		-	-
PROFIT BEFORE TAX		172,119,080	19,086,382
Tax Expense	32		
- Current Tax		32,500,000	16,900,000
- Deferred Tax (Net)		7,675,274	(4,273,442)
Total Tax Expenses		40,175,274	12,626,558
PROFIT FOR THE YEAR		131,943,806	6,459,824
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Post - Employment benefit obligations		1,603,853	(78,291)
Tax Expense on the above		(467,042)	21,781
Other Comprehensive Income for the year		1,136,811	(56,510)
Total Comprehensive Income for the year		133,080,617	6,403,314
EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH	33		
Basic and Diluted		33.98	1.66

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
Kolkata
Dated: 2nd September, 2021
Firm Registration No. 312142E
UDIN : 21066040AAAAOK1444

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	2020-2021		2019-2020	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities :				
Profit before Tax		172,119,080		19,086,382
Adjustments for :				
Depreciation and Amortisation Expense	6,355,849		7,539,772	
Dividend Income from Non-Current Investment	(261,304)		(1,866,373)	
Net (Gain)/Loss on sale of Non-Current Investments	212,457		(539,745)	
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FVTPL	(67,847,422)		34,895,035	
Expected Credit Loss on Trade Receivables	20,001		-	
Bad & Sundry Receivables written off	425		142	
Profit on Sales of Fixed Assets	(229,489)			
Interest (Net)	(10,527,088)		(6,572,817)	
Liabilities & Provisions no longer required written back	(881,449)	(73,158,020)	(122,179)	33,333,835
Operating Profit before Working Capital Changes		98,961,060		52,420,217
Adjustments for :				
Trade and Other Receivables	(8,382,440)		7,079,249	
Inventories	(16,714,890)		24,836,970	
Trade and Other Payables	853,481	(24,243,849)	(1,986,351)	29,929,868
Cash Generated from Operations		74,717,211		82,350,085
Direct Taxes - (Payments)/Refunds (Net)	(32,367,775)	(32,367,775)	(15,615,544)	(15,615,544)
Net Cash (Used in) / From Operating Activities:		42,349,436		66,734,541
B. Cash Flow From Investing Activities :				
Purchase of Property, Plant and Equipment/ Intangible Assets	(2,902,796)		(3,084,862)	
Proceeds From Sales of Fixed Assets	385,000		-	
Dividend Received	261,304		1,866,373	
Purchase of Non- Current Investments	(50,066,231)		(47,080,405)	
(Increase) / Decrease in Loans Given	(40,000,000)		51,500,000	
Proceeds from Sale of Non- Current Investments	38,264,051		37,911,604	
Interest Received	9,076,429		9,114,509	
Net Cash (Used in) / From Investing Activities		(44,982,243)		50,227,219

STANDALONE CASH FLOW STATEMENT (Contd.)

	2020-2021		2019-2020	
	₹	₹	₹	₹
C. Cash Flow from Financing Activities				
Repayment of Short Term Borrowings from Bank	-		(13,000,000)	
Interest Paid	(8,810)		(335,963)	
Dividends Paid	(7,138)		(27,170,926)	
Tax on Dividend Paid	-		(5,587,388)	
Net Cash (Used in) / From Financing Activities		(15,948)		(46,094,277)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(2,648,755)		70,867,483
Cash and Cash Equivalents (Note No. 10 & 11)				
Opening	155,169,357		84,301,874	
Closing	152,520,602	(2,648,755)	155,169,357	70,867,483

NOTES :

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

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

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

	Sd/-			
	Supratim Roychoudhury			On behalf of the Board
	Partner			
	Membership No. 066040			
	For and on behalf of			
	K. Ray & Company	Sd/-	Sd/-	Sd/-
	Chartered Accountants	R. Gupta	A. V. Kothari	A. K. Toshniwal
Kolkata	Firm Registration No. 312142E	Chief Financial Officer	Director	Mg. Director
Dated: 2nd September, 2021	UDIN : 21066040AAAAOK14444		DIN : 02572346	DIN : 06872891

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**A) EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
A) EQUITY SHARE CAPITAL		
Opening Balance	38,831,750	38,831,750
Add/(Less):Changes in Equity Share Capital during the year	-	-
Closing Balance	<u>38,831,750</u>	<u>38,831,750</u>

B) OTHER EQUITY**RESERVES AND SURPLUS**

Particulars	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Capital Reserve		
Balance at the beginning of the year	9,193,040	9,193,040
Balance at the end of the year	<u>9,193,040</u>	<u>9,193,040</u>
Securities Premium Account		
Balance at the beginning of the year	1,450,657	1,450,657
Balance at the end of the year	<u>1,450,657</u>	<u>1,450,657</u>
General Reserve		
Balance at the beginning of the year	468,735,809	458,735,809
Add : Transferred from Statement of Profit and Loss	15,000,000	10,000,000
Balance at the end of the year	<u>483,735,809</u>	<u>468,735,809</u>
Retained Earning		
Balance at the beginning of the year	15,365,140	51,731,440
Add : Profit for the year	131,943,806	6,459,824
Add : Other Comprehensive Income for the year	1,136,811	(56,510)
Total for the year	<u>148,445,757</u>	<u>58,134,754</u>
Less : Appropriations :		
Transferred to General Reserve	15,000,000	10,000,000
Dividend Paid	-	13,591,113
Tax on Dividend	-	2,793,694
Interim Dividend Paid	-	13,591,113
Tax on Interim Dividend	-	2,793,694
Total appropriations	<u>15,000,000</u>	<u>42,769,614</u>
Balance at the end of the year	<u>133,445,757</u>	<u>15,365,140</u>
Total	<u>627,825,263</u>	<u>494,744,646</u>

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Kolkata

Firm Registration No. 312142E

Dated: 2nd September, 2021 UDIN : 21066040AAAAOK1444

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, 2021**

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 2nd September, 2021.

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:

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

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

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

(d) Use of Estimates and Judgments

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

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

Assumptions and Estimation Uncertainties

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

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

(e) Measurement of Fair Values

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

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

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

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

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

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

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

Determination of Fair Values

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

(i) Financial Assets

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

(ii) Trade and Other Receivables

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

(iii) Financial Liabilities

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

(f) Current and Non – Current Classification

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

Assets

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

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

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

All other assets are classified as non – current.

Liabilities

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

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

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

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

All other liabilities are classified as non – current.

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

Operating Cycle

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2021**

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 1st 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.

Class of assets	Management estimate of useful life (in years)
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.
-----------------------------	--

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, 2021

NOTE - 3

PROPERTY, PLANT AND EQUIPMENT

Year ended 31st March, 2021

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Electric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Opening Gross Carrying Amount	1,262,400	1,985,283	40,301,082	133,187,684	5,722,030	1,217,441	3,333,911	537,707	3,680,113	519,916	191,747,567
Additions during the year	-	-	-	822,335	29,688	123,042	14,500	5,508	1,657,723	-	2,652,796
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	1,078,264	-	1,078,264
Closing Gross Carrying Amount	<u>1,262,400</u>	<u>1,985,283</u>	<u>40,301,082</u>	<u>134,010,019</u>	<u>5,751,718</u>	<u>1,340,483</u>	<u>3,348,411</u>	<u>543,215</u>	<u>4,259,572</u>	<u>519,916</u>	<u>193,322,099</u>
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2020	357,058	-	20,700,812	110,222,330	5,316,934	1,157,686	1,629,337	451,808	2,874,547	288,075	142,998,587
Depreciation charge during the year	12,752	-	966,747	4,494,618	34,486	32,318	46,694	11,747	651,916	98,784	6,350,062
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	922,753	-	922,753
Closing Accumulated Depreciation	<u>369,810</u>	<u>-</u>	<u>21,667,559</u>	<u>114,716,948</u>	<u>5,351,420</u>	<u>1,190,004</u>	<u>1,676,031</u>	<u>463,555</u>	<u>2,603,710</u>	<u>386,859</u>	<u>148,425,896</u>
Net Carrying Amount	<u>892,590</u>	<u>1,985,283</u>	<u>18,633,523</u>	<u>19,293,071</u>	<u>400,298</u>	<u>150,479</u>	<u>1,672,380</u>	<u>79,660</u>	<u>1,655,862</u>	<u>133,057</u>	<u>44,896,203</u>

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 ₹
Gross Carrying Amount											
Deemed Cost as at 1st April, 2019	1,262,400	1,985,283	40,301,082	131,553,065	5,702,662	1,213,966	3,333,911	510,307	3,680,113	519,916	190,062,705
Additions during the year	-	-	-	1,634,619	19,368	3,475	-	27,400	-	-	1,684,862
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>1,262,400</u>	<u>1,985,283</u>	<u>40,301,082</u>	<u>133,187,684</u>	<u>5,722,030</u>	<u>1,217,441</u>	<u>3,333,911</u>	<u>537,707</u>	<u>3,680,113</u>	<u>519,916</u>	<u>191,747,567</u>
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2019	344,306	-	19,728,511	104,210,957	5,285,815	1,099,860	1,566,427	439,930	2,616,867	189,291	135,481,964
Depreciation charge during the year	12,752	-	972,301	6,011,373	31,119	57,826	62,910	11,878	257,680	98,784	7,516,623
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>357,058</u>	<u>-</u>	<u>20,700,812</u>	<u>110,222,330</u>	<u>5,316,934</u>	<u>1,157,686</u>	<u>1,629,337</u>	<u>451,808</u>	<u>2,874,547</u>	<u>288,075</u>	<u>142,998,587</u>
Net Carrying Amount	<u>905,342</u>	<u>1,985,283</u>	<u>19,600,270</u>	<u>22,965,354</u>	<u>405,096</u>	<u>59,755</u>	<u>1,704,574</u>	<u>85,899</u>	<u>805,566</u>	<u>231,841</u>	<u>48,748,980</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 4

INTANGIBLE ASSETS

Year ended 31st March, 2021

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
Accumulated Amortisation		
Opening accumulated amortisation	63,658	63,658
Amortisation charge for the year	5,787	5,787
Disposals	-	-
Closing Accumulated Amortisation	<u>69,445</u>	<u>69,445</u>
Closing Net Carrying Amount	<u>3,655</u>	<u>3,655</u>

Year ended 31st March, 2020

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
Accumulated Amortisation		
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>
Closing Net Carrying Amount	<u>9,442</u>	<u>9,442</u>

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 5

	Face Value ₹	As at 31st March, 2021 Number of Shares / Units	₹	As at 31st March, 2020 Number of Shares / Units	₹
NON - CURRENT INVESTMENTS					
A. INVESTMENT IN ASSOCIATES:					
In Equity Instruments - Quoted, fully paid up - at Cost					
Gillanders Arbuthnot & Company Limited	10	5,501,078	51,748,615	5,501,078	51,748,615
TOTAL A			51,748,615		51,748,615
B. INVESTMENT IN OTHERS:					
(i) In Equity Instruments - Quoted, fully paid up at FVTPL					
Welspun Corporation Limited	5	5,500	760,925	5,500	341,275
Kesoram Textile Mills Limited.	2	104	-	104	-
Albert David Limited	10	61,589	23,197,497	61,589	19,619,176
Balmer Lawrie & Company Limited	10	1,050	135,188	1,050	83,422
Electrosteel Castings Limited.	1	10,000	250,000	11,000	102,300
GMR Infrastructure Limited	1	6,000	145,800	6,000	98,100
Deccan Cements Limited	5	450	186,615	450	88,267
Graphite India Limited	2	4,000	2,048,000	4,000	509,000
Inox Leisure Limited	10	-	-	500	131,350
Larsen and Toubro Limited	2	1,500	2,128,350	1,800	1,455,300
Tata Steel Limited	10	2,800	2,273,180	2,600	700,960
Pilani Investments & Industries Corporation Limited.	10	4,100	6,475,950	2,929	3,294,246
Tata Steel Limited (Partly Paid)	10	-	-	200	-
The West Coast Paper Mills Limited	2	1,000	241,450	1,000	130,950
Kajaria Ceramics Limited	1	-	-	200	75,170
Infosys Limited	5	2,500	3,420,125	2,500	1,603,750
Kansai Nerolac Paints Limited	1	5,587	3,358,066	5,587	2,164,683
Suven Life Sciences Limited	1	6,760	477,594	6,760	144,664
Suven Pharmaceuticals Limited	1	13,520	6,716,736	6,760	1,359,098
Trent Limited	1	7,000	5,257,350	7,000	3,390,450
Shree Cements Limited	1	30	883,962	-	-
Steel Authority of India Limited	1	2,000	157,600	-	-
TOTAL B (i)			58,114,388		35,292,161
(ii) In Equity Instruments - Unquoted, fully paid up at FVTPL					

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	250,000	3,962,500	250,000	3,675,000
Vidyasagar Industries Private Limited	10	450,000	4,500,000	450,000	4,500,000
Bharat Fritz Werner Limited	2	771,504	100,426,676	771,504	101,398,771
Bharat Fritz Werner Limited DVR	2	2,000	260,340	2,000	262,860
TOTAL			109,158,627		109,845,742
Less: Provision for Diminution in carrying amount of Investments			4,500,000		4,500,000
TOTAL B (ii)			104,658,627		105,345,742
(iii) In Mutual Funds - Quoted, fully paid up at FVTPL					
Aditya Birla Sun Life Frontline Equity Fund - Growth - Direct Plan	10	41,630.2400	12,554,431	41,630.2400	7,326,090
Nippon India Large Cap Fund - Direct Growth Plan - Growth Option (Erstwhile: Reliance Large Cap Fund - Direct Growth Plan Growth Option)	10	-	-	266,702.9380	6,874,375
IDFC Core Equity Fund - Growth - (Regular Plan)	10	276,386.8070	15,682,187	276,386.8070	8,825,031
Mirae Asset Large Cap Fund - Direct Plan - Growth (Erstwhile: Mirae Asset India Equity Fund - Direct Plan - Growth Growth)	10	239,486.5890	16,929,307	239,486.5890	9,927,198
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	-	-	101,202.8310	2,941,865
Kotak Standard Multicap Fund - Direct Plan - Growth	10	-	-	264,515.2760	7,669,356
Aditya Birla Sun Life Frontline Equity Fund - Growth - Regular Plan	10	22,441.7150	6,303,653	22,441.7150	3,704,005
HDFC Small Cap Fund - Regular Plan - Growth Plan	10	232,655.4750	12,296,307	232,655.4750	6,047,181
Nippon India Large Cap Fund - Growth Plan - Growth Option	10	-	-	142,985.8560	3,455,396
Nippon India Multi Cap Fund - Growth Plan - Growth Option	10	-	-	102,655.7460	6,643,048
Aditya Birla Sun Life Digital India Fund - Growth - Direct Plan	10	108,658.7660	11,343,975	-	-
Axis Focused 25 Fund - Regular Growth	10	135,724.4660	5,086,953	-	-
ICICI Prudential Technology Fund - Direct Plan - Growth	10	66,722.6420	7,766,516	-	-
ICICI Prudential Technology Fund - Growth	10	27,838.2520	3,037,710	-	-
Kotak Liquid Fund - Regular Plan - Growth	10	735.5750	3,045,871	-	-
SBI Healthcare Opportunities Fund - Regular Growth	10	34,056.2420	6,649,335	-	-
UTI Healthcare Fund - Regular Growth Plan	10	50,684.9970	7,064,287	-	-
UTI Value Opportunities Fund - Direct Plan - Growth Plan - Growth	10	147,218.1080	12,955,046	-	-
TOTAL B (iii)			120,715,578		63,413,545
TOTAL B (i to iii)			283,488,593		204,051,448
TOTAL (A + B)			335,237,208		255,800,063
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)			230,578,581		150,454,321
Aggregate carrying amount of unquoted investments			104,658,627		105,345,742
			335,237,208		255,800,063
Aggregate Market Value of Quoted Investments in Associates			226,369,360		110,021,560
Aggregate Market Value of Quoted Investments other than Associates			58,114,388		35,292,161
Aggregate Book Value of Unquoted Investments			109,158,627		109,845,742
Aggregate Repurchase price of Mutual Funds			120,715,578		63,413,545

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 6	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL ASSETS (NON - CURRENT)		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	2,162,379	2,178,649
	<u>2,162,379</u>	<u>2,178,649</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 7	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER NON - CURRENT ASSETS		
Capital Advances	264,127	264,127
Others	85,995	85,995
	<hr/>	<hr/>
	350,122	350,122
Less: Provision for Doubtful Advances	52,521	52,521
	<hr/>	<hr/>
	297,601	297,601

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
NOTE - 8		
INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	26,455,321	23,803,269
Materials - in - Process	24,495,537	12,324,310
Finished Goods	3,777,954	2,857,960
Stores and Spare Parts	3,885,834	2,914,217
	58,614,646	41,899,756

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 9	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
TRADE RECEIVABLES		
(Unsecured)		
Considered Good	11,037,079	9,780,835
Considered Doubtful	20,001	-
	<u>11,057,080</u>	<u>9,780,835</u>
Less : Allowances for Doubtful Receivables	20,001	-
	<u>11,037,079</u>	<u>9,780,835</u>

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 10	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	80,129,575	74,701,785
Fixed Deposits of Maturity of Less than 3 Months	12,500,000	20,000,000
Cash in Hand	45,274	50,922
	92,674,849	94,752,707

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - II	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Other Bank Balances		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	59,609,298	60,173,057
Balances with Banks		
- Unpaid Dividend Account	236,455	243,593
	59,845,753	60,416,650

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 12**

As at
31st March,
2021
₹

As at
31st March,
2020
₹

LOANS

Loans to Bodies Corporates

40,000,000

-

40,000,000-

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 13	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL ASSETS (CURRENT)		
Interest accrued on Loans and Deposits	1,484,122	24,653
	<u>1,484,122</u>	<u>24,653</u>

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 14	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
CURRENT TAX ASSETS (NET)		
Advance Income Tax (Net of Provisions)	217,916	350,141
	<u>217,916</u>	<u>350,141</u>

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 15	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER CURRENT ASSETS		
Advances to Suppliers & Others	6,953,723	1,757,783
Balance with Statutory / Government Authorities	6,942,796	4,518,466
Export Incentive Receivable	2,101,658	2,506,865
Others	1,565,278	1,658,301
	17,563,455	10,441,415

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 16	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹	No. of Shares	₹
SHARE CAPITAL :				
AUTHORISED :				
Preference Shares of ₹ 100/- each.	300,000	30,000,000	300,000	30,000,000
Ordinary Shares of ₹ 10/- each.	17,000,000	170,000,000	17,000,000	170,000,000
		200,000,000		200,000,000

ISSUED, SUBSCRIBED AND PAID UP:

Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	38,831,750	3,883,175	38,831,750
		38,831,750		38,831,750

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

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

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

Name	As at 31st March 2021		As at 31st March 2020	
	% held	No. of Shares	% held	No. of Shares
Kothari Investment & Industries Private Limited	72.83%	2828080	72.83%	2828080
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.57%	216291

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

	As at 31st March, 2021	As at 31st March, 2020
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	3,883,175	3,883,175

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 17**

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER EQUITY		
RESERVES AND SURPLUS		
Capital Reserve		
Balance at the beginning of the year	9,193,040	9,193,040
Balance at the end of the year	9,193,040	9,193,040
Securities Premium Account		
Balance at the beginning of the year	1,450,657	1,450,657
Balance at the end of the year	1,450,657	1,450,657
General Reserve		
Balance at the beginning of the year	468,735,809	458,735,809
Add : Transferred from Statement of Profit and Loss	15,000,000	10,000,000
Balance at the end of the year	483,735,809	468,735,809
Retained Earning		
Balance at the beginning of the year	15,365,140	51,731,440
Add : Profit for the year	131,943,806	6,459,824
Add : Other Comprehensive Income for the year	1,136,811	(56,510)
Total for the year	148,445,757	58,134,754
Less : Appropriations :		
Transferred to General Reserve	15,000,000	10,000,000
Dividend Paid	-	13,591,113
Tax on Dividend	-	2,793,694
Interim Dividend Paid	-	13,591,113
Tax on Interim Dividend	-	2,793,694
Total appropriations	15,000,000	42,769,614
Balance at the end of the year	133,445,757	15,365,140
	627,825,263	494,744,646

17.1 The Board of Directors recommended a dividend of ₹ 4.50 per share for the year ended 31st March, 2021 on fully paid ordinary shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is ₹ 17,474,288/-.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 18	As at 31st March, 2021			As at 31st March, 2020		
	Current ₹	Non - Current ₹	Total ₹	Current ₹	Non - Current ₹	Total ₹
PROVISIONS						
Employee Benefit Obligation						
Leave Obligations	927,048	709,331	1,636,379	1,407,358	871,242	2,278,600
Gratuity	490,153	884,289	1,374,442	593,749	1,894,393	2,488,142
	<u>1,417,201</u>	<u>1,593,620</u>	<u>3,010,821</u>	<u>2,001,107</u>	<u>2,765,635</u>	<u>4,766,742</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 19

	As at 31st March, 2021				As at 31st March, 2020			
	Opening Balance	Recognised in Profit or Loss	Recognise d in Other Compreh ensive Income	Closing Balance	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehe nsive Income	Closing Balance
	₹	₹	₹	₹	₹	₹	₹	₹
DEFERRED TAX LIABILITIES (NET)								
Deferred Tax Liabilities arising out of :								
Timing Difference on Depreciable Assets	3,507,366	(132,101)	-	3,375,265	3,880,319	(372,953)	-	3,507,366
Fair Valuation of Investments	1,199,649	7,880,450	-	9,080,099	4,881,952	(3,682,303)	-	1,199,649
Total Deferred Tax Liabilities	4,707,015	7,748,349	-	12,455,364	8,762,271	(4,055,256)	-	4,707,015
Deferred Tax Assets arising out of :								
Provision for Doubtful Receivables	-	5,824	-	5,824	-	-	-	-
Provision for Diminution in Value of Investments	1,251,900	58,500	-	1,310,400	1,251,900	-	-	1,251,900
Accrued Expenses Deductable on Payment basis	1,507,606	8,751	(467,042)	1,049,315	1,267,639	218,186	21,781	1,507,606
Total Deferred Tax Assets	2,759,506	73,075	(467,042)	2,365,539	2,519,539	218,186	21,781	2,759,506
	1,947,509	7,675,274	467,042	10,089,825	6,242,732	(4,273,442)	(21,781)	1,947,509

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 20	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
TRADE PAYABLES		
Dues of Micro & Small Enterprises	-	-
Others	12,708,978	11,364,478
	<u>12,708,978</u>	<u>11,364,478</u>

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 21	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL LIABILITIES		
Commission Payable	335,865	335,865
Employees Dues Payable	1,701,687	2,194,198
Unpaid Dividends	236,455	243,593
Others	2,853,431	3,454,503
	5,127,438	6,228,159

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 22	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER CURRENT LIABILITIES		
Statutory Dues Payables	891,136	1,017,953
	891,136	1,017,953

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 23**

	2020-2021		2019-2020	
	₹	₹	₹	₹
REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
Calcium Sennoside	9,240,150		64,780	
Brucine & its Salts	10,438,071		3,791,541	
Strychnine & its Salts	147,992,741		118,442,292	
Tolbutamide	27,302,137		15,288,495	
Chlorpropamide	459,527		-	
Formaldehyde	2,203,099		2,350,050	
Paraformaldehyde	5,086,874		2,987,816	
Phenolic Resin	46,483,706		66,907,092	
Crude Drugs	-		6,000	
		249,206,305		209,838,066
OTHER OPERATING REVENUE				
Export Incentives	4,610,831		4,336,303	
Claims Received	63,754		45,633	
Sale of Scrap	-		172,740	
Miscellaneous Receipts	353,130		24,350	
		5,027,715		4,579,026
		254,234,020		214,417,092

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 24**

2020-2021		2019-2020	
₹	₹	₹	₹

OTHER INCOME**Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	10,535,898		6,908,780
- Dividend Income from Non - Current Investment	261,304		1,866,373
- Net Gain / (Loss) on Sale of Non - Current Investments	-		539,745
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	67,847,422		-
	78,644,624		9,314,898
Exchange Rate Fluctuation (Net)	7,352		76,847
Liabilities / Provision no longer required, written back	881,449		122,179
Profit on Sale of Fixed assets	229,489		-
	79,762,914		9,513,924

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 25****2020-2021****2019-2020**

₹

₹

COST OF MATERIALS CONSUMED

Raw Materials at the beginning of the year

23,803,269

50,067,950

Add : Purchases

88,517,330

62,108,895

Less : Raw Materials at the end of the year

26,455,321

23,803,269

85,865,278**88,373,576**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 26****2020-2021****2019-2020**

₹

₹

₹

₹

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

Opening Inventories	2,857,960		1,109,058	
Closing Inventories	<u>3,777,954</u>		<u>2,857,960</u>	
Net (Increase) / Decrease		(919,994)		(1,748,902)

Materials - in - Process

Opening Inventories	12,324,310		12,069,310	
Closing Inventories	<u>24,495,537</u>		<u>12,324,310</u>	
Net (Increase) / Decrease		(12,171,227)		(255,000)
		<u>(13,091,221)</u>		<u>(2,003,902)</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 27****2020-2021****2019-2020**

₹

₹

EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus

27,958,134

30,787,850

Contribution to Provident and Other Funds

3,438,616

2,563,650

Workmen and Staff Welfare Expenses

1,018,274

1,092,085

32,415,024**34,443,585**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 28****2020-2021****2019-2020**

₹

₹

FINANCE COSTS

Interest Expenses

8,810

335,963

8,810335,963

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 29****2020-2021****2019-2020**

₹

₹

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Property, Plant and Equipment

6,337,310

7,503,871

Amortisation *

18,539

35,901

6,355,849**7,539,772**

* Includes ₹ 12,752/- (2019 - 2020 ₹ 12,752/-) on Leasehold Land under Note - 3.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 30****2020-2021****2019-2020**

₹

₹

POWER & FUEL

Power and Fuel

12,805,799

11,876,573

12,805,79911,876,573

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 31**

	2020-2021		2019-2020	
	₹	₹	₹	₹
OTHER EXPENSES				
Manufacturing Expenses				
Consumption of stores and spare parts	1,983,333		2,397,702	
Repairs to Buildings	194,380		279,435	
Repairs to Machinery	3,137,964		2,853,795	
Repairs to Other Assets	318,277		1,798,224	
		5,633,954		7,329,156
Selling and Distribution Expenses				
Freight, Shipping, Delivery and Selling Expenses	8,353,447		5,350,313	
Sales Promotion Expenses	-		8,319	
		8,353,447		5,358,632
Establishment Expenses				
Rent	545,301		537,252	
Rates and Taxes	822,888		804,056	
Bank Charges	195,474		82,802	
Travelling and Conveyance Expenses	2,051,514		1,929,622	
Postage and Telephone	348,601		360,033	
Printing and Stationery	197,086		367,823	
Subscription	98,583		100,910	
Insurance	758,735		928,453	
Motor Vehicle Expense	258,183		385,116	
Directors' Sitting Fees	50,000		66,000	
Directors' Commission	300,000		300,000	
Managing Directors Remuneration	2,940,100		2,646,000	
Legal and Professional Fee	1,558,053		2,589,145	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	425		142	
Input GST (RCM)	63,000		155,880	
Net Fair Value (Gain) / Loss on Non-Current Investments measured at FVTPL	-		34,895,035	
Expected Credit loss on Trade Receivables	20,001		-	
Corporate Social Responsibility Expenses	1,498,389		3,735,339	
Net Loss on Sale of Non - Current Investments	212,457		-	
Donation	10,000,000		-	
Miscellaneous Expenses	1,215,667		1,345,830	
		23,205,257		51,300,238
Payment to Auditors				
Auditor	226,475		186,475	
For Other Services	75,680		45,000	
For Reimbursement of Expenses	5,236		45,916	
For GST	18,266		10,800	
		325,657		288,191
		37,518,315		64,276,217

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 32****2020-2021****2019-2020**

₹

₹

TAX EXPENSE**Current Tax**

Current Tax on Profits for the year

32,500,00016,900,000**Deferred Tax**

Decrease / (Increase) in Deferred Tax Assets

73,075

218,186

(Decrease) / Increase in Deferred Tax Liabilities

7,748,349(4,055,256)**Total Deferred Tax Expense**7,675,274(4,273,442)40,175,27412,626,558**Reconciliation of Estimated Income Tax expense at Indian Statutory Income Tax rate to income tax expense reported in Statement of Total Comprehensive Income.****2020-2021****2019-2020**

₹

₹

Total Profit before Income Tax Expenses

172,119,080

19,086,382

Indian Income Tax Rate

29.12%

27.82%

Estimated Income Tax Expenses on above profit

50,121,076

5,309,831

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

a) Effect of Deferred Tax created at different rates

(10,677,070)

(519,225)

b) Expenses that are not deductible in determining taxable income

436,331

1,743,132

c) Others

294,937

6,092,820

40,175,27412,626,558

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 33****2020-2021****2019-2020****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit for the year (₹)	131,943,806	6,459,824
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	33.98	1.66

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE – 34

	2020 – 2021	2019 – 2020
	₹	₹
34.01		
Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
Claims against the Company not acknowledged as debts:-		
i) Sales Tax under dispute	322,570	322,570
ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	98,317	98,317
34.02		
Commitments:		
Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
[Net of Advance ₹ 891,627/- (2020 ₹ 891,627/-)]	2,321,627	2,321,627
34.03		
Total Salaries, Wages and Bonus for the year.	27,958,134	30,787,850

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 35

Employee Benefits:

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

Defined Contribution Plan:

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

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

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

Defined Contribution Plan

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Employer's Contribution to Provident Fund	1,597,237	1,686,491
Employer's Contribution to Employees' State Insurance Scheme	359,234	340,827

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 2021 ₹	As at 31 March 2020 ₹
Present value of defined benefit obligations	6,063,479	6,849,364
Fair value of plan assets	4,689,037	4,361,222
Net defined benefit liabilities	(1,374,442)	(2,488,142)

Reconciliation of the net defined benefit liabilities:

Description	Gratuity (Funded) As at 31 March 2021 ₹	As at 31 March 2020 ₹
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the Beginning of the year	6,849,364	5,999,845
(b) Current service cost	323,199	397,437
(c) Interest Cost	459,592	373,790
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	-
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	(134)	269,397
- due to experience changes	(1,568,542)	(191,105)
Balance at the end of the year	6,063,479	6,849,364
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the Beginning of the year	4,361,222	4,105,452

(b) Actual return on plan assets	35,177	-
(c) Interest income	292,638	255,770
(d) Benefits paid	-	-
Balance at the end of the year	4,689,037	4,361,222
(iii) Expense recognised in Statement of Profit and Loss		
(a) Current service cost	323,199	397,437
(b) Net Interest cost	166,954	118,021
(c) Past Service Cost- plan amendments	-	-
Amount charged to Profit and Loss	490,153	515,458
(iv) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain/ (loss) on defined benefit obligations	1,603,853	(78,291)
(b) Actuarial gain/ (loss) on plan assets	-	-
Actuarial gain/ (loss) on plan assets	1,603,853	(78,291)
(v) Category of Plan assets		
Insurer Managed Fund	100.00%	100.00%

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

(vi) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)	As at 31 March 2021	As at 31 March 2020
(a) Discount rate %	6.71%	6.23%
(b) Expected Return on Plan Assets %	6.71%	6.23%
(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:

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	-2.29%	5924868	2.42%	6210276
(b) Salary growth (0.50% movement)	2.41%	6209791	-2.30%	5924080
(c) Attrition Rate (0.50% movement)	0.00%	6063236	0.00%	6063722
(d) Mortality Rate (10% movement)	0.00%	6063479	0.00%	6063479

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

Risk Exposure

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

A) LIST OF RELATED PARTIES

Holding Company (w. e. f. 04th December, 2019):-

Kothari Investment & Industries Private Limited

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

Gillanders Arbuthnot & Company Limited

Names of the Key Management Personnel of the Company:-

Key Management Personnel

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

* Retired from the close of business hours on 30th September, 2020.

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

Albert David Limited

Bharat Fritz Werner Limited

CIN : U1549WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:-

Nature of Transactions	Holding Company (w.e.f. 04 th 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
	2020 – 2021 ₹	2019 – 2020 ₹	2020 – 2021 ₹	2019 – 2020 ₹
Rent & Electricity Paid :				
Gillanders Arbuthnot & Company Limited	-	-	141,024	122,628
Dividend Received :				
Albert David Limited	-	-	-	800,657
Directors' Sitting Fees :				
Sri A. V. Kothari	-	-	-	-
Smt. V. Kothari	-	-	-	-
Sri S. Bagri	-	-	-	-
Sri A. Khandelwal	-	-	-	-
Sri A. Agarwal	-	-	-	-

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Nature of Transactions	Holding Company (w.e.f. 04 th 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
	2020 – 2021 ₹	2019 – 2020 ₹	2020 – 2021 ₹	2019 – 2020 ₹
Directors' Commission :				
Sri A. V. Kothari	-	-	-	60,000
Smt. V. Kothari	-	-	-	60,000
Sri S. Bagri	-	-	-	60,000
Sri A. Khandelwal	-	-	-	60,000
Sri A. Agarwal	-	-	-	60,000
Remuneration Paid :				
Sri A. K. Toshniwal – Managing Director	-	-	-	2,940,100
Sri M. L. Daga –Company Secretary * (Upto 30.09.2020)	-	-	-	1,772,938
Sri R. Gupta – Chief Financial Officer	-	-	-	944,400

* Retired from the close of business hours on 30th September, 2020.

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE – 37 Information on Segment Reporting

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

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

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

Others represent all unallocable items not included in the segments.

There are no intersegment transactions during the year.

Information about Business Segments

Revenue External	Bulk Drugs	Chemicals	Others	Total
	₹	₹	₹	₹
(Net Sales and other incomes)				
2020 – 2021	200,344,316	53,889,704	79,762,914	333,996,934
2019 – 2020	141,937,693	72,479,399	9,513,924	223,931,016

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Profit / (Loss) before Tax

2020 – 2021	106,069,782	4,311,818	61,737,480	172,119,080
2019 – 2020	47,552,111	7,066,605	(35,532,334)	19,086,382

Depreciation and Amortization

2020 – 2021	5,319,104	521,982	514,763	6,355,849
2019 – 2020	6,802,641	660,994	76,137	7,539,772

Capital Expenditure

2020 – 2021	2,902,796	-	-	2,902,796
2019 – 2020	3,084,862	-	-	3,084,862

Assets

2020 – 2021	211,574,386	45,917,918	440,992,909	698,485,213
2019 – 2020	197,268,815	45,016,456	316,615,966	558,901,237

Liabilities *

2020 – 2021	7,244,584	10,615,731	13,967,885	31,828,200
2019 – 2020	7,585,215	9,677,537	8,062,089	25,324,841

* Excluding Shareholders' Funds

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Information about Secondary Segments

Segment Revenue (External) by Geographical Location of Customers

	Within India	Outside India	Total
2020 – 2021	66,651,720	187,582,300	254,234,020
2019 – 2020	79,721,624	134,695,468	214,417,092

Segment Assets by Geographical Locations

2020 – 2021	257,492,304	-	257,492,304
2019 – 2020	242,285,271	-	242,285,271

Segment Capital Expenditure

2020 – 2021	2,902,796	-	2,902,796
2019 – 2020	3,084,862	-	3,084,862

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE – 38

Derivative Instruments and Unhedged Foreign Currency Exposure:

- (i) The Company has not entered into any forward contract during the year.
- (ii) There is no unhedged foreign currency exposure as at 31st March 2021.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 39****FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT****A. Accounting classification and fair values**

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	₹	₹	₹	₹
Financial assets				
Investments	283,488,593	283,488,593	204,051,448	204,051,448
Trade receivables	11,037,079	11,037,079	9,780,835	9,780,835
Cash and cash equivalents	92,674,849	92,674,849	94,752,707	94,752,707
Bank balances other than cash and cash equivalents above	59,845,753	59,845,753	60,416,650	60,416,650
Loans	40,000,000	40,000,000	-	-
Other financial assets	3,646,501	3,646,501	2,203,302	2,203,302
	490,692,775	490,692,775	371,204,942	371,204,942
Financial liabilities				
Trade Payables	12,708,978	12,708,978	11,364,478	11,364,478
Other financial liabilities	5,127,438	5,127,438	6,228,159	6,228,159
	17,836,416	17,836,416	17,592,637	17,592,637

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : U15491WB1897PLC001365

**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2021**

NOTE – 39 (Contd...)

B. Measurement of Fair Values

Valuation Techniques and Significant Unobservable Inputs

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

C. Financial Risk Management

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

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

Risk Management Framework

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

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

(i) Credit risk

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

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

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

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

Particulars	As at 31st March 2021 ₹	As at 31st March 2020 ₹
Trade Receivable (Gross)	11,057,080	9,780,835
Less : Expected Credit Loss	20,001	-
Trade Receivables (Net)	11,037,079	9,780,835

(ii) Liquidity Risk

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

(iii) Market Risk

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

NOTE – 40

Capital Management

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 41

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

Signature to Note 'I' to '41'

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Firm Registration No. 312142E

UDIN : 21066040AAAAOK1444

On behalf of the Board

Sd

R. Gupta

Chief Financial Officer

Sd/-

A. V. Kothari

Director

DIN : 02572346

Sd/-

A. K. Toshniwal

Mg. Director

DIN : 06872891

Kolkata

Dated: 2nd September, 2021

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 31st March, 2021, 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 31st March, 2021, consolidated profit and Loss, consolidated cash flows and statement of changes in equity for the year ended on that date.

Other Matter

8. We have not audited the financial statements of the associate company included in the financial statements which constitute Loss [Net of other comprehensive Income of (₹ 44,27,973/-) of ₹ 2,95,49,036/- (Rupees Two crore ninety five lakh fourty nine thousand thirty six only) for the year ended 31st March, 2021. 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 : 21066040AAAAOL1657

Kolkata, 2nd September, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

	Note	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	3	44,896,203	48,748,980
Capital Work - in - progress		34,450,345	34,200,345
Intangible Assets	4	3,655	9,442
Investments in Associate (accounted for using Equity Method)	5	606,331,843	635,880,879
Financial Assets			
i. Investments	5	283,488,593	204,051,448
ii. Other Financial Assets	6	2,162,379	2,178,649
Other Non - Current Assets	7	297,601	297,601
Total Non - Current Assets		971,630,619	925,367,344
Current Assets			
Inventories	8	58,614,646	41,899,756
Financial Assets			
i. Trade Receivables	9	11,037,079	9,780,835
ii. Cash and Cash Equivalents	10	92,674,849	94,752,707
iii. Bank Balances other than Cash and Cash Equivalents	11	59,845,753	60,416,650
iv. Loans	12	40,000,000	-
v. Other Financial Assets	13	1,484,122	24,653
Current Tax Assets (Net)	14	217,916	350,141
Other Current Assets	15	17,563,455	10,441,415
Total Current Assets		281,437,820	217,666,157
Total Assets		1,253,068,439	1,143,033,501
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	38,831,750	38,831,750
Other Equity			
Reserves and Surplus	17	1,182,408,491	1,078,876,910
Total Equity		1,221,240,241	1,117,708,660
LIABILITIES			
Non - Current Liabilities			
Provisions	18	1,593,620	2,765,635
Deferred Tax Liabilities (Net)	19	10,089,825	1,947,509
Total Non - Current Liabilities		11,683,445	4,713,144
Current Liabilities			
Financial Liabilities			
ii. Trade Payables	20	12,708,978	11,364,478
iii. Other Financial Liabilities	21	5,127,438	6,228,159
Other Current Liabilities	22	891,136	1,017,953
Provisions	18	1,417,201	2,001,107
Total Current Liabilities		20,144,753	20,611,697
Total Liabilities		31,828,198	25,324,841
Total Equity and Liabilities		1,253,068,439	1,143,033,501

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: 2nd September, 2021 UDIN : 21066040AAAAOL1657

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, 2021

INCOME :	Note	2020-2021	2019-2020
		₹	₹
Revenue from Operations	23	254,234,020	214,417,092
Other Income	24	79,762,914	9,513,924
Total Revenue		333,996,934	223,931,016
EXPENDITURE :			
Cost of Materials Consumed	25	85,865,278	88,373,576
Purchases of Stock - in - Trade		-	2,850
Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - Trade	26	(13,091,221)	(2,003,902)
Employee Benefits Expense	27	32,415,024	34,443,585
Finance Costs	28	8,810	335,963
Depreciation and Amortisation Expense	29	6,355,849	7,539,772
Power & Fuel	30	12,805,799	11,876,573
Other Expenses	31	37,518,315	64,276,217
Total Expenses		161,877,854	204,844,634
Profit before Exceptional items, Share of profits of Associate and Tax		172,119,080	19,086,382
Share of Profit / (Loss) of Associates		(25,121,063)	(45,893,298)
Profit / (Loss) before Exceptional Items and Tax		146,998,017	(26,806,916)
Exceptional Items		-	-
PROFIT / (LOSS) BEFORE TAX		146,998,017	(26,806,916)
Tax Expense	32		
- Current Tax		32,500,000	16,900,000
- Deferred Tax (Net)		7,675,274	(4,273,442)
Total Tax Expenses		40,175,274	12,626,558
PROFIT FOR THE YEAR		106,822,743	(39,433,474)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Post - Employment benefit obligations		1,603,853	(78,291)
Tax Expense on the above		(467,042)	21,781
Share of Other comprehensive Income of Associate		(4,427,973)	(6,711,565)
Other Comprehensive Income for the year		(3,291,162)	(6,768,075)
Total Comprehensive Income for the year		103,531,581	(46,201,549)
EARNINGS PER ORDINARY SHARE OF Rs. 10/- EACH	33		
Basic and Diluted		27.51	(10.15)

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

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

Sd/-
Supratim Roychoudhury
Partner
Membership No. 066040
For and on behalf of

On behalf of the Board

K. Ray & Company
Chartered Accountants

Sd/-
R. Gupta
Chief Financial Officer

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

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

Kolkata

Firm Registration No. 312142E

Dated: 2nd September, 2021

UDIN : 21066040AAAAOL1657

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	2020-2021		2019-2020	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities :				
Profit before Tax		146,998,017		(26,806,916)
Adjustments for :				
Depreciation and Amortisation Expense	6,355,849		7,539,772	
Dividend Income from Non-Current Investment	(261,304)		(1,866,373)	
Net (Gain)/Loss on sale of Non-Current Investments	212,457		(539,745)	
Net Fair Value (Gain)/Loss on Non-Current Investments measured at FVTPL	(67,847,422)		34,895,035	
Share of (Profit) / Loss of Associate	25,121,063		45,893,298	
Expected Credit Loss on Trade Receivables	20,001		-	
Bad & Sundry Receivables written off	425		142	
Profit on Sales of Fixed Assets	(229,489)		-	
Interest (Net)	(10,527,088)		(6,572,817)	
Liabilities & Provisions no longer required written back	(881,449)	(48,036,957)	(122,179)	79,227,133
Operating Profit before Working Capital Changes		98,961,060		52,420,217
Adjustments for :				
Trade and Other Receivables	(8,382,440)		7,079,249	
Inventories	(16,714,890)		24,836,970	
Trade and Other Payables	853,481	(24,243,849)	(1,986,351)	29,929,868
Cash Generated from Operations		74,717,211		82,350,085
Direct Taxes - (Payments)/Refunds (Net)	(32,367,775)	(32,367,775)	(15,615,544)	(15,615,544)
Net Cash (Used in) / From Operating Activities		42,349,436		66,734,541
B. Cash Flow From Investing Activities :				
Purchase of Property, Plant and Equipment/ Intangible Assets	(2,902,796)		(3,084,862)	
Proceeds From Sales of Fixed Assets	385,000		-	
Dividend Received	261,304		1,866,373	
Purchase of Non- Current Investments	(50,066,231)		(47,080,405)	
(Increase) / Decrease in Loans Given	(40,000,000)		51,500,000	
Proceeds from Sale of Non- Current Investments	38,264,051		37,911,604	
Interest Received	9,076,429		9,114,509	
Net Cash (Used in) / From Investing Activities		(44,982,243)		50,227,219

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

	2020-2021		2019-2020	
	₹	₹	₹	₹
C. Cash Flow from Financing Activities				
Repayment of Short Term Borrowings from Bank	-		(13,000,000)	
Interest Paid	(8,810)		(335,963)	
Dividends Paid	(7,138)		(27,170,926)	
Tax on Dividend Paid	-		(5,587,388)	
Net Cash (Used in) / From Financing Activities		(15,948)		(46,094,277)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(2,648,755)		70,867,483
Cash and Cash Equivalents (Note No. 10 & 11)				
Opening	155,169,357		84,301,874	
Closing	152,520,602	(2,648,755)	155,169,357	70,867,483

NOTES :

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

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

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

	Sd/-			
	Supratim Roychoudhury			On behalf of the Board
	Partner			
	Membership No. 066040			
	For and on behalf of			
	K. Ray & Company	Sd/-	Sd/-	Sd/-
	Chartered Accountants	R. Gupta	A. V. Kothari	A. K. Toshniwal
Kolkata	Firm Registration No. 312142E	Chief Financial Officer	Director	Mg. Director
Dated: 2nd September, 2021	UDIN : 21066040AAAAOL1657		DIN : 02572346	DIN : 06872891

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021		As at 31st March, 2020			
Particulars						
A) EQUITY SHARE CAPITAL						
Opening Balance		38,831,750		38,831,750		
Add/(Less):Changes in Equity Share Capital during the year		-		-		
Closing Balance		38,831,750		38,831,750		
B) OTHER EQUITY						
RESERVES AND SURPLUS						
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earning	Retained Earnings in Associate	Total
	₹	₹	₹	₹	₹	₹
Balance as at 1st April 2020	9,193,040	1,450,657	468,735,809	15,365,140	584,132,264	1,078,876,910
Add: Profit / (Loss) for the year	-	-	-	131,943,806	(25,121,063)	106,822,743
Add: Other Comprehensive Income for the year	-	-	-	1,136,811	(4,427,973)	(3,291,162)
Add : Transferred from Statement of Profit and Loss	-	-	15,000,000	-	-	15,000,000
	9,193,040	1,450,657	483,735,809	148,445,757	554,583,228	1,197,408,491
Less: Appropriations						
Transfer to General Reserve	-	-	-	15,000,000	-	15,000,000
Dividend Paid	-	-	-	-	-	-
Tax on Dividends	-	-	-	-	-	-
Interim Dividend Paid	-	-	-	-	-	-
Tax on Interim Dividends	-	-	-	-	-	-
Total Appropriations	-	-	-	15,000,000	-	15,000,000
Balance as at 31st March 2021	9,193,040	1,450,657	483,735,809	133,445,757	554,583,228	1,182,408,491
Balance as at 1st April 2019						
	9,193,040	1,450,657	458,735,809	51,731,440	636,737,127	1,157,848,073
Add: Profit / (Loss) for the year	-	-	-	6,459,824	(45,893,298)	(39,433,474)
Add: Other Comprehensive Income for the year	-	-	-	(56,510)	(6,711,565)	(6,768,075)
Add : Transferred from Statement of Profit and Loss	-	-	10,000,000	-	-	10,000,000
	9,193,040	1,450,657	468,735,809	58,134,754	584,132,264	1,121,646,524
Less: Appropriations						
Transfer to General Reserve	-	-	-	10,000,000	-	10,000,000
Dividend Paid	-	-	-	13,591,113	-	13,591,113
Tax on Dividends	-	-	-	2,793,694	-	2,793,694
Interim Dividend Paid	-	-	-	13,591,113	-	13,591,113
Tax on Interim Dividends	-	-	-	2,793,694	-	2,793,694
Total Appropriations	-	-	-	42,769,614	-	42,769,614
Balance as at 31st March 2020	9,193,040	1,450,657	468,735,809	15,365,140	584,132,264	1,078,876,910

Sd/-

Supratim Roychoudhury

Partner

Membership No. 066040

For and on behalf of

K. Ray & Company

Chartered Accountants

Kolkata

Dated: 2nd September, 2021

Firm Registration No. 312142E

UDIN : 21066040AAAAOL1657

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 : U15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2021**

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 2nd September, 2021.

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:

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

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

(g) Use of Estimates and Judgments

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

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

Assumptions and Estimation Uncertainties

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

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

(h) Measurement of Fair Values

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

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

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

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

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

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

Determination of Fair Values

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

(i) Financial Assets

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

(ii) Trade and Other Receivables

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

(iii) Financial Liabilities

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

(i) Current and Non – Current Classification

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

Assets

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

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

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

All other assets are classified as non – current.

Liabilities

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

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

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

All other liabilities are classified as non – current.

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

Operating Cycle

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : U15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2021**

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 1st 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.

Class of assets	Management estimate of useful life (in years)
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.
-----------------------------	--

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, 2021

NOTE - 3

PROPERTY, PLANT AND EQUIPMENT

Year ended 31st March, 2021

	Leasehold Land ₹	Freehold Land ₹	Buildings ₹	Plant and Equipment ₹	Electric Installation ₹	Computers ₹	Office Equipment ₹	Furniture and Fixtures ₹	Vehicles ₹	Tubewell and Water Works ₹	Total ₹
Gross Carrying Amount											
Opening Gross Carrying Amount	1,262,400	1,985,283	40,301,082	133,187,684	5,722,030	1,217,441	3,333,911	537,707	3,680,113	519,916	191,747,567
Additions during the year	-	-	-	822,335	29,688	123,042	14,500	5,508	1,657,723	-	2,652,796
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	1,078,264	-	1,078,264
Closing Gross Carrying Amount	<u>1,262,400</u>	<u>1,985,283</u>	<u>40,301,082</u>	<u>134,010,019</u>	<u>5,751,718</u>	<u>1,340,483</u>	<u>3,348,411</u>	<u>543,215</u>	<u>4,259,572</u>	<u>519,916</u>	<u>193,322,099</u>
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2020	357,058	-	20,700,812	110,222,330	5,316,934	1,157,686	1,629,337	451,808	2,874,547	288,075	142,998,587
Depreciation charge during the year	12,752	-	966,747	4,494,618	34,486	32,318	46,694	11,747	651,916	98,784	6,350,062
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	922,753	-	922,753
Closing Accumulated Depreciation	<u>369,810</u>	<u>-</u>	<u>21,667,559</u>	<u>114,716,948</u>	<u>5,351,420</u>	<u>1,190,004</u>	<u>1,676,031</u>	<u>463,555</u>	<u>2,603,710</u>	<u>386,859</u>	<u>148,425,896</u>
Net Carrying Amount	<u>892,590</u>	<u>1,985,283</u>	<u>18,633,523</u>	<u>19,293,071</u>	<u>400,298</u>	<u>150,479</u>	<u>1,672,380</u>	<u>79,660</u>	<u>1,655,862</u>	<u>133,057</u>	<u>44,896,203</u>

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 ₹
Gross Carrying Amount											
Deemed Cost as at 1st April, 2019	1,262,400	1,985,283	40,301,082	131,553,065	5,702,662	1,213,966	3,333,911	510,307	3,680,113	519,916	190,062,705
Additions during the year	-	-	-	1,634,619	19,368	3,475	-	27,400	-	-	1,684,862
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	<u>1,262,400</u>	<u>1,985,283</u>	<u>40,301,082</u>	<u>133,187,684</u>	<u>5,722,030</u>	<u>1,217,441</u>	<u>3,333,911</u>	<u>537,707</u>	<u>3,680,113</u>	<u>519,916</u>	<u>191,747,567</u>
Accumulated Depreciation											
Accumulated Depreciation upto 1st April, 2019	344,306	-	19,728,511	104,210,957	5,285,815	1,099,860	1,566,427	439,930	2,616,867	189,291	135,481,964
Depreciation charge during the year	12,752	-	972,301	6,011,373	31,119	57,826	62,910	11,878	257,680	98,784	7,516,623
On Disposals / Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	<u>357,058</u>	<u>-</u>	<u>20,700,812</u>	<u>110,222,330</u>	<u>5,316,934</u>	<u>1,157,686</u>	<u>1,629,337</u>	<u>451,808</u>	<u>2,874,547</u>	<u>288,075</u>	<u>142,998,587</u>
Net Carrying Amount	<u>905,342</u>	<u>1,985,283</u>	<u>19,600,270</u>	<u>22,965,354</u>	<u>405,096</u>	<u>59,755</u>	<u>1,704,574</u>	<u>85,899</u>	<u>805,566</u>	<u>231,841</u>	<u>48,748,980</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 4****INTANGIBLE ASSETS****Year ended 31st March, 2021**

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
Accumulated Amortisation		
Opening accumulated amortisation	63,658	63,658
Amortisation charge for the year	5,787	5,787
Disposals	-	-
Closing Accumulated Amortisation	<u>69,445</u>	<u>69,445</u>
Closing Net Carrying Amount	<u>3,655</u>	<u>3,655</u>

Year ended 31st March, 2020

	Software ₹	Total ₹
Gross Carrying Amount		
Opening Gross Carrying Amount	73,100	73,100
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	<u>73,100</u>	<u>73,100</u>
Accumulated Amortisation		
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>
Closing Net Carrying Amount	<u>9,442</u>	<u>9,442</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 5	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Non-Current Investments		
A. Investment in Associates		
(Accounted for using Equity Method)		
In Equity Instruments - Quoted, fully paid up		
Gillanders Arbuthnot & Company Limited *	606,331,843	635,880,879
* Refer Note No. 41		
TOTAL A	606,331,843	635,880,879
B. Investment in others		
Quoted		
Fair Value Through Profit & Loss		
Investment in Equity Shares	58,114,388	35,292,161
Investment in Mutual Funds	120,715,578	63,413,545
	178,829,966	98,705,706
Un-Quoted		
Fair Value Through Profit & Loss		
Investment in Equity Shares	109,158,627	109,845,742
Less: Provision for Diminution in carrying amount of Investments	4,500,000	4,500,000
	104,658,627	105,345,742
TOTAL B	283,488,593	204,051,448
Aggregate carrying amount of quoted investments (including investments in Mutual Funds)	785,161,809	734,586,585
Aggregate carrying amount of unquoted investments	104,658,627	105,345,742
	889,820,436	839,932,327
Aggregate Market Value of Quoted Investments in Associates	226,369,360	110,021,560
Aggregate Market Value of Quoted Investments other than Associates	58,114,388	35,292,161
Aggregate Book Value of Unquoted Investments	109,158,627	109,845,742
Aggregate Repurchase price of Mutual Funds	120,715,578	63,413,545

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 6	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL ASSETS		
(Unsecured, Considered good unless stated otherwise)		
Security Deposits	2,162,379	2,178,649
	<u>2,162,379</u>	<u>2,178,649</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 7	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER NON - CURRENT ASSETS		
Capital Advances	264,127	264,127
Others	85,995	85,995
	<hr/>	<hr/>
	350,122	350,122
Less: Provision for Doubtful Advances	52,521	52,521
	<hr/>	<hr/>
	297,601	297,601

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
NOTE - 8		
INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	26,455,321	23,803,269
Materials - in - Process	24,495,537	12,324,310
Finished Goods	3,777,954	2,857,960
Stores and Spare Parts	3,885,834	2,914,217
	58,614,646	41,899,756

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 9	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
TRADE RECEIVABLES		
(Unsecured)		
Considered Good	11,037,079	9,780,835
Considered Doubtful	20,001	-
	<u>11,057,080</u>	<u>9,780,835</u>
Less : Allowances for Doubtful Receivables	20,001	-
	<u>11,037,079</u>	<u>9,780,835</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 10	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	80,129,575	74,701,785
Fixed Deposits of Maturity of Less than 3 Months	12,500,000	20,000,000
Cash in Hand	45,274	50,922
	92,674,849	94,752,707

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - II	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Other Bank Balances		
Fixed Deposits with Bank of Maturity more than 3 months but less than 12 months	59,609,298	60,173,057
Balances with Banks		
- Unpaid Dividend Account	236,455	243,593
	59,845,753	60,416,650

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 12	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
LOANS		
Loans to Bodies Corporates	40,000,000	-
	40,000,000	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 13	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL ASSETS		
Interest accrued on Loans and Deposits	1,484,122	24,653
	<u>1,484,122</u>	<u>24,653</u>

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 14****As at
31st March,
2021
₹****As at
31st March,
2020
₹****CURRENT TAX ASSETS (NET)**

Advance Income Tax (Net of Provisions)

217,916

217,916

350,141

350,141

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 15	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER CURRENT ASSETS		
Advances to Suppliers & Others	6,953,723	1,757,783
Balance with Statutory / Government Authorities	6,942,796	4,518,466
Export Incentive Receivable	2,101,658	2,506,865
Others	1,565,278	1,658,301
	17,563,455	10,441,415

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 16	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹	No. of Shares	₹
SHARE CAPITAL :				
AUTHORISED :				
Preference Shares of ₹ 100/- each.	300,000	30,000,000	300,000	30,000,000
Ordinary Shares of ₹ 10/- each.	17,000,000	170,000,000	17,000,000	170,000,000
		200,000,000		200,000,000

ISSUED, SUBSCRIBED AND PAID UP:

Ordinary Shares of ₹ 10/- each fully paid-up.	3,883,175	38,831,750	3,883,175	38,831,750
		38,831,750		38,831,750

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

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

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

Name	As at 31st March 2021		As at 31st March 2020	
	% held	No. of Shares	% held	No. of Shares
Kothari Investment & Industries Private Limited	72.83%	2828080	72.83%	2828080
M. D. Kothari & Company Limited	14.85%	576525	14.85%	576525
G. Das & Company Private Limited	5.57%	216291	5.57%	216291

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

	As at 31st March, 2021	As at 31st March, 2020
Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Ordinary Shares at the end of the year	3,883,175	3,883,175

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 17****OTHER EQUITY****RESERVES AND SURPLUS**

	Capital Reserve	Securities Premium Account	General Reserve	Retained Earning	Retained Earnings in Associate	Total
	₹	₹	₹	₹	₹	₹
Balance as at 1st April 2020	9,193,040	1,450,657	468,735,809	15,365,140	584,132,264	1,078,876,910
Add: Profit / (Loss) for the year	-	-	-	131,943,806	(25,121,063)	106,822,743
Add: Other Comprehensive Income for the year	-	-	-	1,136,811	(4,427,973)	(3,291,162)
Add : Transferred from Statement of Profit and Loss	-	-	15,000,000	-	-	15,000,000
	9,193,040	1,450,657	483,735,809	148,445,757	554,583,228	1,197,408,491
Less: Appropriations						
Transfer to General Reserve	-	-	-	15,000,000	-	15,000,000
Dividend Paid	-	-	-	-	-	-
Tax on Dividends	-	-	-	-	-	-
Interim Dividend Paid	-	-	-	-	-	-
Tax on Interim Dividends	-	-	-	-	-	-
Total Appropriations	-	-	-	15,000,000	-	15,000,000
Balance as at 31st March 2021	9,193,040	1,450,657	483,735,809	133,445,757	554,583,228	1,182,408,491
Balance as at 1st April 2019	9,193,040	1,450,657	458,735,809	51,731,440	636,737,127	1,157,848,073
Add: Profit / (Loss) for the year	-	-	-	6,459,824	(45,893,298)	(39,433,474)
Add: Other Comprehensive Income for the year	-	-	-	(56,510)	(6,711,565)	(6,768,075)
Add : Transferred from Statement of Profit and Loss	-	-	10,000,000	-	-	10,000,000
	9,193,040	1,450,657	468,735,809	58,134,754	584,132,264	1,121,646,524
Less: Appropriations						
Transfer to General Reserve	-	-	-	10,000,000	-	10,000,000
Dividend Paid	-	-	-	13,591,113	-	13,591,113
Tax on Dividends	-	-	-	2,793,694	-	2,793,694
Interim Dividend Paid	-	-	-	13,591,113	-	13,591,113
Tax on Interim Dividends	-	-	-	2,793,694	-	2,793,694
Total Appropriations	-	-	-	42,769,614	-	42,769,614
Balance as at 31st March 2020	9,193,040	1,450,657	468,735,809	15,365,140	584,132,264	1,078,876,910

17.1 The Board of Directors recommended a dividend of ₹ 4.50 per share for the year ended 31st March, 2021 on fully paid ordinary shares. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated ordinary dividend to be paid is ₹ 17,474,288/-.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 18	As at 31st March, 2021			As at 31st March, 2020		
	Current ₹	Non - Current ₹	Total ₹	Current ₹	Non - Current ₹	Total ₹
PROVISIONS						
Employee Benefit Obligation						
Leave Obligations	927,048	709,331	1,636,379	1,407,358	871,242	2,278,600
Gratuity	490,153	884,289	1,374,442	593,749	1,894,393	2,488,142
	1,417,201	1,593,620	3,010,821	2,001,107	2,765,635	4,766,742

NOTES ON CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 19**

	As at 31st March, 2021				As at 31st March, 2020			
	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
	₹	₹	₹	₹	₹	₹	₹	₹
DEFERRED TAX LIABILITIES (NET)								
Deferred Tax Liabilities arising out of :								
Timing Difference on Depreciable Assets	3,507,366	(132,101)	-	3,375,265	3,880,319	(372,953)	-	3,507,366
Fair Valuation of Investments	1,199,649	7,880,450	-	9,080,099	4,881,952	(3,682,303)	-	1,199,649
Total Deferred Tax Liabilities	4,707,015	7,748,349	-	12,455,364	8,762,271	(4,055,256)	-	4,707,015
Deferred Tax Assets arising out of :								
Provision for Doubtful Receivables	-	5,824	-	5,824	-	-	-	-
Provision for Diminution in Value of Investments	1,251,900	58,500	-	1,310,400	1,251,900	-	-	1,251,900
Accrued Expenses Deductible on Payment basis	1,507,606	8,751	(467,042)	1,049,315	1,267,639	218,186	21,781	1,507,606
Total Deferred Tax Assets	2,759,506	73,075	(467,042)	2,365,539	2,519,539	218,186	21,781	2,759,506
	1,947,509	7,675,274	467,042	10,089,825	6,242,732	(4,273,442)	(21,781)	1,947,509

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 20	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
TRADE PAYABLES		
Dues of Micro & Small Enterprises	-	-
Others	12,708,978	11,364,478
	12,708,978	11,364,478

(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, 2021

NOTE - 21	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER FINANCIAL LIABILITIES		
Commission Payable	335,865	335,865
Employees Dues Payable	1,701,687	2,194,198
Unpaid Dividends	236,455	243,593
Others	2,853,431	3,454,503
	<u>5,127,438</u>	<u>6,228,159</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 22	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
OTHER CURRENT LIABILITIES		
Statutory Dues Payables	891,136	1,017,953
	891,136	1,017,953

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 23****2020-2021****2019-2020**

₹

₹

₹

₹

REVENUE FROM OPERATIONS**SALE OF PRODUCTS**

Calcium Sennoside	9,240,150		64,780	
Brucine & its Salts	10,438,071		3,791,541	
Strychnine & its Salts	147,992,741		118,442,292	
Tolbutamide	27,302,137		15,288,495	
Chlorpropamide	459,527		-	
Formaldehyde	2,203,099		2,350,050	
Paraformaldehyde	5,086,874		2,987,816	
Phenolic Resin	46,483,706		66,907,092	
Crude Drugs	-		6,000	
		249,206,305		209,838,066

OTHER OPERATING REVENUE

Export Incentives	4,610,831		4,336,303	
Claims Received	63,754		45,633	
Sale of Scrap	-		172,740	
Miscellaneous Receipts	353,130		24,350	
		5,027,715		4,579,026
		254,234,020		214,417,092

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 24****2020-2021****2019-2020**

₹ ₹ ₹ ₹

OTHER INCOME**Income from Financial Asset**

- Interest on Advances, Deposits and Others - Gross	10,535,898		6,908,780	
- Dividend Income from Non - Current Investment	261,304		1,866,373	
- Net Gain / (Loss) on Sale of Non - Current Investments	-		539,745	
- Net Fair Value Gain / (Loss) on Non - Current Investments measured at FVTPL	67,847,422		-	
		78,644,624		9,314,898
Exchange Rate Fluctuation (Net)		7,352		76,847
Liabilities / Provision no longer required, written back		881,449		122,179
Profit On Sales of Fixed Assets		229,489		-
		79,762,914		9,513,924

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 25****2020-2021****2019-2020**

₹

₹

COST OF MATERIALS CONSUMED

Raw Materials at the beginning of the year

23,803,269

50,067,950

Add : Purchases

88,517,330

62,108,895

Less : Raw Materials at the end of the year

26,455,321

23,803,269

85,865,278**88,373,576**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 26****2020-2021****2019-2020**

₹

₹

₹

₹

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

Opening Inventories	2,857,960		1,109,058	
Closing Inventories	<u>3,777,954</u>		<u>2,857,960</u>	
Net (Increase) / Decrease		(919,994)		(1,748,902)

Materials - in - Process

Opening Inventories	12,324,310		12,069,310	
Closing Inventories	<u>24,495,537</u>		<u>12,324,310</u>	
Net (Increase) / Decrease		(12,171,227)		(255,000)
		<u>(13,091,221)</u>		<u>(2,003,902)</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 27****2020-2021****2019-2020**

₹

₹

EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus

27,958,134

30,787,850

Contribution to Provident and Other Funds

3,438,616

2,563,650

Workmen and Staff Welfare Expenses

1,018,274

1,092,085

32,415,024**34,443,585**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 28****2020-2021****2019-2020**

₹

₹

FINANCE COSTS

Interest Expenses

8,810

335,963

8,810335,963

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 29****2020-2021****2019-2020**

₹

₹

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Property, Plant and Equipment

6,337,310

7,503,871

Amortisation *

18,539

35,901

6,355,8497,539,772

* Includes ₹ 12,752/- (2019 - 2020 ₹ 12,752/-) on Leasehold Land under Note - 3.

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 30****2020-2021****2019-2020**

₹

₹

POWER & FUEL

Power and Fuel

12,805,799

11,876,573

12,805,79911,876,573

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 31****2020-2021****2019-2020**

₹

₹

₹

₹

OTHER EXPENSES**Manufacturing Expenses**

Consumption of stores and spare parts	1,983,333		2,397,702	
Repairs to Buildings	194,380		279,435	
Repairs to Machinery	3,137,964		2,853,795	
Repairs to Other Assets	318,277		1,798,224	
		5,633,954		7,329,156

Selling and Distribution Expenses

Freight, Shipping, Delivery and Selling Expenses	8,353,447		5,350,313	
Sales Promotion Expenses	-		8,319	
		8,353,447		5,358,632

Establishment Expenses

Rent	545,301		537,252	
Rates and Taxes	822,888		804,056	
Bank Charges	195,474		82,802	
Travelling and Conveyance Expenses	2,051,514		1,929,622	
Postage and Telephone	348,601		360,033	
Printing and Stationery	197,086		367,823	
Subscription	98,583		100,910	
Insurance	758,735		928,453	
Motor Vehicle Expense	258,183		385,116	
Directors' Sitting Fees	50,000		66,000	
Directors' Commission	300,000		300,000	
Managing Directors Remuneration	2,940,100		2,646,000	
Legal and Professional Fee	1,558,053		2,589,145	
Internal Audit Fees	70,800		70,800	
Bad and Sundry Receivables Written off	425		142	
Input GST (RCM)	63,000		155,880	
Net Fair Value (Gain)/Loss on Non-Current Investments Measured at FVPTL	-		34,895,035	
Expected Credit Loss on Trade Receivables	20,001			
Corporate Social Responsibility Expenses	1,498,389		3,735,339	
Net Loss on Sale of Non-Current Investments	212,457			
Donation	10,000,000			
Miscellaneous Expenses	1,215,667		1,345,830	
		23,205,257		51,300,238

Payment to Auditors

Auditor	226,475		186,475	
For Other Services	75,680		45,000	
For Reimbursement of Expenses	5,236		45,916	
For GST	18,266		10,800	
		325,657		288,191
		37,518,315		64,276,217

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 32****2020-2021****2019-2020**

₹

₹

TAX EXPENSE**Current Tax**

Current Tax on Profits for the year

32,500,000

16,900,000

Deferred Tax

Decrease / (Increase) in Deferred Tax Assets

73,075

218,186

(Decrease) / Increase in Deferred Tax Liabilities

7,748,349

(4,055,256)

Total Deferred Tax Expense

7,675,274

(4,273,442)

40,175,274

12,626,558

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

2020-2021**2019-2020**

₹

₹

Total Profit before Income Tax Expenses

146,998,017

(26,806,916)

Indian Income Tax Rate

29.12%

27.82%

Estimated Income Tax Expenses on above profit

42,805,823

(7,457,684)

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

a) Effect of Deferred Tax Created at Different Rates

(10,677,070)

(519,225)

b) Expenses that are not deductible in determining taxable income

436,331

1,743,132

c) Tax on Profit / Loss of Associates

7,315,254

12,767,516

d) Others

294,937

6,092,820

40,175,274

12,626,558

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE - 33****2020-2021****2019-2020****EARNING PER ORDINARY SHARE OF ₹ 10/- EACH**

Profit / (Loss) for the year (₹)	106,822,743	(39,433,474)
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	3,883,175	3,883,175
Basic and diluted earnings per Ordinary share (₹)	27.51	(10.15)

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED

CIN : U15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE – 34

		2020 – 2021	2019 – 2020
		₹	₹
34.01	Contingent Liabilities / Disputed Liabilities: (To the extent not provided for)		
	Claims against the Company not acknowledged as debts:-		
	i) Sales Tax under dispute	322,570	322,570
	ii) Demand in respect of earlier years made by Provident Fund Commissioner under appeal	98,317	98,317
	iii) Share of Contingent Liabilities of Associate	31,103,570	41,660,738
34.02	Commitments:		
	i) Estimated amount of Contracts to be executed on Capital Account and not provided for:-		
	[Net of Advance ₹ 891,627/- (2020 ₹ 891,627/-)]	2,321,627	2,321,627
	ii) Share of Commitments in Associate	1,232,284	1,431,821
34.03	Total Salaries, Wages and Bonus for the year.	27,958,134	30,787,850

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 35

Employee Benefits:

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

Defined Contribution Plan:

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

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

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

Defined Contribution Plan

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Employer's Contribution to Provident Fund	1,597,237	1,686,491
Employer's Contribution to Employees' State Insurance Scheme	359,234	340,827

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 2021 ₹	As at 31 March 2020 ₹
Present value of defined benefit obligations	6,063,479	6,849,364
Fair value of plan assets	4,689,037	4,361,222
Net defined benefit liabilities	(1,374,442)	(2,488,142)

Reconciliation of the net defined benefit liabilities:

Description	Gratuity (Funded) As at 31 March 2021 ₹	As at 31 March 2020 ₹
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the Beginning of the year	6,849,364	5,999,845
(b) Current service cost	323,199	397,437
(c) Interest Cost	459,592	373,790
(d) Past Service Cost- plan amendments	-	-
(e) Benefits paid	-	-
(f) Actuarial (gain)/ loss on defined benefit obligations:		
- due to change in financial assumptions	(134)	269,397
- due to experience changes	(1,568,542)	(191,105)
Balance at the end of the year	6,063,479	6,849,364
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the Beginning of the year	4,361,222	4,105,452

(b) Actual return on plan assets	35,177	-
(c) Interest income	292,638	255,770
(d) Benefits paid	-	-
Balance at the end of the year	4,689,037	4,361,222
(iii) Expense recognised in Statement of Profit and Loss		
(a) Current service cost	323,199	397,437
(b) Net Interest cost	166,954	118,021
(c) Past Service Cost- plan amendments	-	-
Amount charged to Profit and Loss	490,153	515,458
(iv) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain/ (loss) on defined benefit obligations	1,603,853	(78,291)
(b) Actuarial gain/ (loss) on plan assets	-	-
Actuarial gain/ (loss) on plan assets	1,603,853	(78,291)
(v) Category of Plan assets		
Insurer Managed Fund	100.00%	100.00%

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

(vi) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)	As at 31 March 2021	As at 31 March 2020
(a) Discount rate %	6.71%	6.23%
(b) Expected Return on Plan Assets %	6.71%	6.23%
(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:

	As at 31 March 2021				As at 31 March 2020			
	Increase		Decrease		Increase		Decrease	
(a) Discount rate (0.50% movement)	-2.26%	5924868	2.42%	6210276	-2.26%	6694431	2.41%	7014228
(b) Salary growth (0.50% movement)	2.39%	6209791	-2.30%	5924080	2.39%	7012927	-2.27%	6694226
(c) Attrition Rate (0.50% movement)	0.01%	6063236	0.00%	6063722	0.01%	6848474	0.01%	6850323
(d) Mortality Rate (10% movement)	0.01%	6063479	0.00%	6063479	0.01%	6849022	0.01%	6849706

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 31ST MARCH, 2021

NOTE – 36

Information in accordance with the requirements of Related Party Disclosures – Refer Note 36 of Standalone Financial Statements.

NOTE – 37

Information on Segment Reporting – Refer Note 37 of Standalone Financial Statements.

NOTE – 38

Derivative Instruments and Unhedged Foreign Currency Exposure:

- (i) The Company has not entered into any forward contract during the year.
- (ii) There is no unhedged foreign currency exposure as at 31st March 2021.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE - 39****FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT****A. Accounting classification and fair values**

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	₹	₹	₹	₹
Financial assets				
Investments	283,488,593	283,488,593	204,051,448	204,051,448
Trade receivables	11,037,079	11,037,079	9,780,835	9,780,835
Cash and cash equivalents	92,674,849	92,674,849	94,752,707	94,752,707
Bank balances other than cash and cash equivalents above	59,845,753	59,845,753	60,416,650	60,416,650
Loans	40,000,000	40,000,000	-	-
Other financial assets	3,646,501	3,646,501	2,203,302	2,203,302
	490,692,775	490,692,775	371,204,942	371,204,942
Financial liabilities				
Trade Payables	12,708,978	12,708,978	11,364,478	11,364,478
Other financial liabilities	5,127,438	5,127,438	6,228,159	6,228,159
	17,836,416	17,836,416	17,592,637	17,592,637

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : U15491WB1897PLC001365

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2021**

NOTE – 39 (Contd...)

B. Measurement of Fair Values

Valuation Techniques and Significant Unobservable Inputs

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

C. Financial Risk Management

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

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

Risk Management Framework

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

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

(i) Credit risk

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

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

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

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

Particulars	As at 31st March 2021 ₹	As at 31st March 2020 ₹
Trade Receivable (Gross)	11,057,080	9,780,835
Less : Expected Credit Loss	20,001	-
Trade Receivables (Net)	11,037,079	9,780,835

(ii) Liquidity Risk

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

(iii) Market Risk

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

NOTE – 40

Capital Management

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

KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED
CIN : L15491WB1897PLC001365

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE - 41

Disclosure of Interest in Associate

Interest in Associates

	As at 31st March, 2021 ₹	As at 31st March, 2020 ₹
Gillanders Arbuthnot and Company Limited		
Interest as at 1st April	635,880,879	688,485,742
Add : Share of Profit for the period	(25,121,063)	(45,893,298)
Add : Share of OCI for the period	(4,427,973)	(6,711,565)
Balance as at 31st March	606,331,843	635,880,879

NOTE - 42

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, 2021	31st March, 2020	2020 - 2021 ₹	2019 - 2020 ₹	2020 - 2021 ₹	2019 - 2020 ₹
Gillanders Arbuthnot & Company Limited	25.78%	751,750,214	921,320,226	(25,121,063)	(45,893,298)	(4,427,973)	(6,711,565)

NOTE - 43

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

Signature to Note 'I' to '43'

<p>Kolkata Dated: 2nd September, 2021</p>	<p>Sd/- Supratim Roychoudhury Partner Membership No. 066040 For and on behalf of K. Ray & Company Chartered Accountants Firm Registration No. 312142E UDIN : 21066040AAAAOL1657</p>	<p style="text-align: right;">On behalf of the Board</p> <p style="text-align: center;">Sd/- R. Gupta Chief Financial Officer</p> <p style="text-align: right;">Sd/- A. V. Kothari Director DIN : 02572346</p> <p style="text-align: right;">Sd/- A. K. Toshniwal Mg. Director DIN : 06872891</p>
---	---	---