

RAJNEESH KANTHER & ASSOCIATES

CHARTERED ACCOUNTANTS

90, Indira Market, Bhilwara - 311001 (Raj.) Ph. : 01482-227154

Ref. No./

Date :

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Krishana Phoschem Limited

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **Krishana Phoschem Limited** (hereinafter referred to as the "Company") for the quarter and year ended March 31, 2020 ("Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* 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 together with the ethical requirements that are relevant to our audit of



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the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

These financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are 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 the Board of Directors 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 Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results 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.



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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 financial results.

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

- ❖ Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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



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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.

Other Matter

The financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the current financial year, which were subject to limited review by us.

For M/s. Rajneesh Kanther & Associates
Chartered Accountants
(Firm's Registration No. 021262C)



(Rajneesh Kanther)
Partner
(Membership No. 102162)

Place: Bhilwara
Date: July 13, 2020

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FORM A

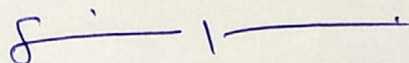
1.	Name of the company	KRISHANA PHOSCHEM LIMITED
2.	Annual financial statements for the year ended	31st March 2020
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	The books has been prepared as per generally acceptable accounting principles & hence, does not contain any material misstatement.
5.	To be signed by-	
	Managing Director / Whole Time Director/ CEO / Chairman	<i>Diani</i>
	Chief Financial Officer	<i>S</i>
	Auditor of the company	<i>Agarwal</i>
	Audit Committee Chairman	<i>Ashu</i>

Particulars	Quarter Ended			(Rs in Lakhs)	
	31.03.2020	31.12.2019	31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
Income from Operations					
I Revenue from Operations					
II Other Income	2,461.07	4,637.99	3,561.95	16,294.73	15,271.02
III Total Income (I+II)	(7.30)	8.38	26.20	3.97	29.87
	2,453.77	4,646.37	3,588.15	16,298.70	15,300.89
IV Expenses					
a Cost of Materials consumed					
c Changes in Inventories of Finished Goods, work in progress and stock in trade	1,816.65	2,088.87	2,512.23	9,305.10	8,168.22
d Employee benefits expense	(780.58)	426.93	(534.12)	(757.99)	(510.65)
e Depreciation and amortisation Expense	233.00	201.47	218.43	905.11	777.95
f Finance Cost	288.27	270.38	295.05	1,170.56	1,124.63
g Other Expenses	77.15	57.11	76.62	281.37	343.86
Total Expenses	462.88	884.37	890.45	3,316.29	3,486.84
V Profit / (Loss) from before Exceptional items and taxes (III-IV)	2,097.37	3,929.13	3,458.66	14,220.44	13,390.85
VI Exceptional Items	356.40	717.24	129.49	2,078.26	1,910.04
VII Profit / (Loss) before exceptional items and Tax (V+VI)					
	356.40	717.24	129.49	2,078.26	1,910.04
VIII Tax Expense					
a Current Tax					
b Deferred Tax (including MAT credit adjustments)	85.79	107.42	45.08	401.45	476.86
IX Profit / (Loss) for the period from continuing operation (VII-VIII)	147.38	9.98	26.47	299.39	82.03
	123.23	599.84	57.94	1,377.42	1,351.15
X Profit / (Loss) from discontinuing operation	-	-	-	-	-
XI Tax Expenses of discontinuing Operation	-	-	-	-	-
XII Profit / (Loss) from discontinuing operation(after tax)(X-XI)	-	-	-	-	-
XIII Profit / (Loss) for the period (IX-X)					
	123.23	599.84	57.94	1,377.42	1,351.15
XIV Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss	0.45	-	0.51	0.45	0.51
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.13)	-	(0.15)	(0.13)	(0.15)
XV Total Comprehensive Income for the period (XIII+XIV) Comprising Profit (Loss) and Other comprehensive Income for the period)	123.55	599.84	58.30	1,377.74	1,351.51
XVI Paid up equity share capital (Face Value of Rs 10/- per equity share)	2,490.00	2,490.00	2,490.00	2,490.00	2,490.00
XVII Other Equity (Reserves)					
XVIII Earning Per Share (Face Value of Rs 10/- each) (not annualised)				9,986.59	8,477.70
a) Basic (Rs.)	0.49	2.41	0.23	5.53	5.43
b) Diluted (Rs.)	0.48	2.33	0.23	5.36	5.43

Notes :-

- The above Audited Financial Results of the Company for the fourth quarter and year ended 31st March, 2020 have been reviewed and recommended by the Audit Committee and were approved by the Board of Directors of the Company at their respective meetings held on 13th July, 2020.
- The Figures of the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial years.
- The above financial results are available on the Companies website www.krishnaphoschem.com and stock exchange viz. www.nseindia.com
- The Board of Directors of the Company has recommended a final dividend @ Re.0.50 per share for the financial year 2019-20, subject to the approval of members of the Company.
- In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets and in relation to other financial statement captions. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities.

For Krishana Phoschem Ltd.



Director



6. The Company has adopted Indian Accounting Standard (Ind AS) from 1st April, 2019 with a transition date of 1st April, 2018. The financial results have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. The results of fourth quarter and year ended 31 March, 2019 are also Ind AS compliant.

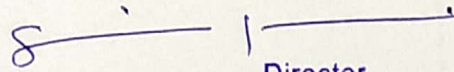
Reconciliation of the Net Profit and Other Equity for the corresponding quarter and year ended 31st March 2019 as previously reported (prepared under the previously applicable Indian Generally Accepted Accounting Principles referred to as IGAAP) vis-à-vis Ind AS is as below:

Nature of adjustments	Rs in Lakhs			
	Net Profit reconciliation		Other Equity reconciliation	
	Quarter ended 31-Mar-19	Year ended 31-Mar-19	Year ended 31-Mar-19	As at 01-Apr-18
Net Profit / Other Equity as per Previous Indian GAAP	80.80	1,441.38	8,440.79	7,123.91
Impact due to Prepaid Gratuity Recognised		1.19	5.37	4.18
Impact due to adoption of Ind AS 116	(23.12)	(92.48)	(96.29)	(3.81)
Impact due to reversal of proposed dividend	-	-	124.50	-
Impact on other Comprehensive Income	0.36	0.36	0.36	-
Impact on Deferred tax Liability / Assets (net)	0.26	1.06	2.97	1.91
Net profit before OCI / Other Equity as per Ind AS	58.30	1,351.51	8,477.70	7,126.19

7. The Company has adopted Ind AS 116 — Leases, effective from 1st April, 2019 using the full retrospective approach.
8. The figures of the previous period have been re-grouped/ rearranged and / or recast wherever considered necessary, to make them comparable.

Date:- 13th July, 2020
Place:- Bhilwara

For Krishana Phoschem Ltd.


Director





(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March 2019
		Audited	Audited
ASSETS			
1	Non-Current Assets		
	(a) Property, Plant and Equipment	9,562.19	10,569.61
	(b) Capital Work-in-Progress	20.98	61.31
	(c) Financial Assets		
	(i) Other Financial Assets	58.11	65.52
	(d) Other Non-Current Assets	110.45	-
	Total Non-Current assets	9,751.73	10,696.44
2	Current assets		
	(a) Inventories	3,170.03	3,301.60
	(b) Financial Assets		
	(i) Trade Receivables	1,811.18	2,128.54
	(ii) Cash and Cash equivalents	1.84	4.47
	(iii) Loans	815.98	1.61
	(iv) Other Current Financial Assets	121.56	150.30
	(c) Other Current Assets	83.30	751.37
	Total Current assets	6,003.89	6,337.89
	Total Assets	15,755.62	17,034.33
EQUITY AND LIABILITIES			
Equity			
	(a) Equity Share Capital	2,490.00	2,490.00
	(b) Other Equity	9,986.59	8,477.70
	Total Equity	12,476.59	10,967.70
LIABILITIES			
1	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	587.37	1,554.46
	(ii) Lease Liabilities	16.83	16.66
	(b) Deferred Tax Liabilities (Net)	544.64	245.12
	Total Non-Current Liabilities	1,148.84	1,816.24
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	113.42	1,136.31
	(ii) Trade Payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	55.86	66.99
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	470.00	1,712.76
	(iii) Lease Liabilities	0.36	0.33
	(iii) Other Financial Liabilities	531.21	552.60
	(b) Other Current Liabilities	958.58	705.30
	(b) Other Current Liabilities	0.76	76.10
	Current tax liabilities (Net)		
	Total Current Liabilities	2,130.19	4,250.39
	Total Equity and Liabilities	15,755.62	17,034.33

Date:- 13th July, 2020
 Place:- Bhilwara

For Krishana Phoschem Ltd.

Director



KRISHANA PHOSCHEM LIMITED

5-O-20, Basement, R.C. Vyas Colony, Bhilwara (Raj.) INDIA

Website: www.krishnaphoschem.com Email: secretarial@krishnaphoschem.com; CINNo.: L24124RJ2004PLC019288



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020

(Rs. in Lakhs)

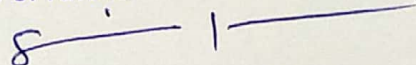
Particular	For the year ended 31st March 2020	For the year ended 31st March 2019
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	2,078.26	1,910.04
Adjustments for:		
Depreciation and Amortization	1,170.56	1,124.63
Interest Income	(2.81)	(4.82)
Loss / (Profit) on sale of Property, Plant & Equipment	(0.65)	(0.02)
Interest paid on Lease Liabilities	1.46	1.44
Finance Costs	279.91	342.42
Operating profit before working capital change	3,526.73	3,373.69
Adjustments for:		
Increase/(Decrease) in Trade payable	(1,253.89)	1,184.86
Increase/(Decrease) in Other Current Liability	253.28	565.88
(Increase)/Decrease in Inventories	131.58	(1,546.33)
(Increase)/Decrease in Trade Receivable	317.36	(764.65)
(Increase)/Decrease in Other Financial Assets	(74.30)	6.22
(Increase)/Decrease in Other Current Assets	668.52	(478.17)
(Increase)/Decrease in Other Financial Assets -Loans	(814.37)	(1.47)
Increase/(Decrease) in Other Financial Liability	(21.39)	(50.49)
Net changes in working capital	(793.21)	(1,084.15)
Cash Generated from/(used in) operations	2,733.52	2,289.54
Direct Taxes paid	(476.79)	(450.09)
Net cash from/(Used in) operating activities (A)	2,256.73	1,839.45
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment	(123.54)	(554.58)
Sale proceed of Property, Plant & Equipment	1.85	2.54
Interest Income	2.81	4.82
Net cash from investing activities (B)	(118.88)	(547.22)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share warrants	281.25	-
Proceeds/(repayment) of long term borrowings	(967.09)	(508.71)
Increase/(Decrease) in Short term Borrowings (net)	(1,022.89)	(439.32)
Repayment of Lease Liabilities	(1.74)	(1.74)
Finance Costs (Including Lease Liabilities Interest)	(279.91)	(342.42)
Dividends Paid (including Dividend Distribution Tax)	(150.10)	-
Net cash from financing activities (C)	(2,140.48)	(1,292.19)
Net increase in cash and cash equivalents (A+B+C)	(2.63)	0.04
Cash and cash equivalents as at Beginning	4.47	4.43
Cash and cash equivalents as at End	1.84	4.47

Note:

1. The above cash flow statement has been prepared under the indirect method as set out in Ind -AS 7 specified under section 133 of the Companies Act, 2013
2. Figures in brackets denote cash outflow.
3. Previous year figures have been regrouped and recasted where ever necessary to confirm the current year classification.

Date:- 13th July, 2020
Place:- Bhilwara

For Krishana Phoschem Ltd.


Director

