



**38<sup>th</sup>** Annual Report 2017-18



Shri Ram Nath Kovind, Hon'ble President of India, was greeted by Dr. Chandra Pal Singh, Chairman, KRIBHCO.



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**PERFORMANCE HIGHLIGHTS**

**Ammonia Production**

**13.26 Lakh MT**

**Urea Production**

**22.54 Lakh MT**

**Bio-Fertiliser Production (Liquid)**

**5.14 Lakh Litre**

**Urea Dispatch (Rail + Road)**

**22.48 Lakh MT**

**Urea Sales (KRIBHCO - HAZIRA)**

**22.06 Lakh MT**

**Total Urea Sales (KRIBHCO + OMIFCO + KFL + Govt. A/C)**

**44.03 Lakh MT**

**Imported DAP Sales (KRIBHCO)**

**3.68 Lakh MT**

**Bio-Fertilisers Sale (Liquid)**

**5.46 Lakh Litre**


**GROWTH AT A GLANCE**

(₹ in crore)

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
<b>EARNINGS</b>										
Sales	3,063.16	3,027.60	3,282.00	2,552.03	2,558.28	2,206.54	2,131.84	2,073.44	1,637.39	1,512.40
Concession/ Remuneration from Govt. of India	3,762.81	3,572.13	4,079.45	3,125.52	2,495.91	2,031.08	1,548.35	1,543.47	959.69	1,046.72
Other Revenue	127.23	77.44	167.69	72.43	209.83	316.42	333.78	228.24	304.78	409.75
	<b>6,953.20</b>	<b>6,677.17</b>	<b>7,529.14</b>	<b>5,749.98</b>	<b>5,264.02</b>	<b>4,554.04</b>	<b>4,013.97</b>	<b>3,845.15</b>	<b>2,901.86</b>	<b>2,968.87</b>
<b>OUTGOINGS</b>										
Raw Material, Packing, Stores, Power, Fuel, etc.	3,423.23	3,183.62	3,575.79	3,067.52	2,480.54	1,834.45	975.10	1,341.61	966.46	1,501.74
Purchases - Fertilisers, Seeds & Chemicals	1,757.05	2,015.88	2,231.21	1,294.90	1,345.87	1,251.56	2,045.77	1,569.82	916.29	527.07
Changes in Inventory (Accretion/Decretion)	(28.58)	(393.32)	(138.94)	46.87	(46.70)	(7.21)	(37.22)	(50.50)	38.20	58.90
Employees' Remuneration & Benefits	380.88	342.04	323.21	300.98	304.79	281.22	238.09	241.31	224.89	169.66
Other Expenses (including Net Prior Period Income/ Expenditure)	959.08	1,013.90	942.00	703.93	734.86	622.08	517.54	473.28	467.45	404.25
Finance Cost	194.76	225.21	219.70	178.60	162.14	113.68	49.21	8.89	5.18	10.38
Depreciation	104.22	99.24	101.26	105.18	100.01	93.38	33.32	30.48	30.62	27.53
	<b>6,790.64</b>	<b>6,486.57</b>	<b>7,254.23</b>	<b>5,697.98</b>	<b>5,081.51</b>	<b>4,189.16</b>	<b>3,821.81</b>	<b>3,614.89</b>	<b>2,649.09</b>	<b>2,699.53</b>
<b>PROFIT BEFORE TAX</b>	162.56	190.60	274.91	52.00	182.51	364.88	192.16	230.26	252.77	269.34
Provision for Taxation ( Net )	53.25	69.12	86.56	28.12	60.58	69.33	15.40	29.71	24.60	19.21
<b>PROFIT AFTER TAX</b>	<b>109.31</b>	<b>121.48</b>	<b>188.35</b>	<b>23.88</b>	<b>121.93</b>	<b>295.55</b>	<b>176.76</b>	<b>200.55</b>	<b>228.17</b>	<b>250.13</b>
Amount Transferred to/from Div. Equalisation Fund	(0.72)	-	25.00	(43.78)	-	-	-	-	-	-
Dividend Payout*	-	58.46	77.85	58.47	73.06	78.03	78.01	69.29	77.67	71.28
Contribution to Cooperative Education Fund	1.09	1.21	1.63	0.24	1.22	2.95	1.77	2.00	2.28	2.47
Donations	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
<b>RETAINED PROFIT</b>	<b>108.54</b>	<b>61.41</b>	<b>83.47</b>	<b>8.55</b>	<b>47.25</b>	<b>214.17</b>	<b>96.58</b>	<b>128.86</b>	<b>147.82</b>	<b>175.98</b>

\* Proposed Dividend of ₹70.15 Crore shall be accounted in the year of payment w.e.f. 2017-18

## SOURCES AND APPLICATION OF FUNDS

(₹ in crore)

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
<b>SOURCES</b>										
Share Capital and Application Money	389.79	389.85	389.29	389.99	389.92	390.23	390.23	390.23	390.67	390.74
Reserves and Surplus	3,023.26	2,915.35	2,853.83	2,745.15	2,793.49	2,746.19	2,532.06	2,435.33	2,306.46	2,158.68
<b>Net Worth</b>	<b>3,413.05</b>	<b>3,305.20</b>	<b>3,243.12</b>	<b>3,135.14</b>	<b>3,183.41</b>	<b>3,136.42</b>	<b>2,922.29</b>	<b>2,825.56</b>	<b>2,697.13</b>	<b>2,549.42</b>
Long Term Borrowings	-	-	75.18	197.36	503.52	584.66	597.50	30.23	0.23	0.23
Other Long Term Liabilities	9.43	10.74	37.41	8.22	20.28	28.85	23.65	15.35	-	-
Long term Provisions	204.55	185.39	166.44	159.23	149.10	124.68	115.05	99.99	-	-
Unsecured Loan from Bank	3,061.98	3,277.90	3,140.73	2,168.58	1,617.90	1,004.14	656.77	-	-	91.91
Deferred Tax Balance	251.56	234.01	210.96	178.71	14.60	18.75	18.50	22.50	16.63	5.03
<b>FUNDS EMPLOYED</b>	<b>6,940.57</b>	<b>7,013.24</b>	<b>6,873.84</b>	<b>5,847.24</b>	<b>5,488.81</b>	<b>4,897.50</b>	<b>4,333.76</b>	<b>2,993.63</b>	<b>2,713.99</b>	<b>2,646.59</b>
<b>APPLICATION</b>										
Property, Plant and Equipment										
Gross Block (including Intangible assets and capital work in progress)	3,193.16	3,163.76	3,048.24	3,007.39	2,956.61	2,840.07	2,574.60	2,088.96	1,395.36	1,264.13
Less: Depreciation	1,489.51	1,387.34	1,290.29	1,190.65	1,068.38	977.23	887.20	925.76	896.91	881.17
<b>Net Block (A)</b>	<b>1,703.65</b>	<b>1,776.42</b>	<b>1,757.95</b>	<b>1,816.74</b>	<b>1,888.23</b>	<b>1,862.84</b>	<b>1,687.40</b>	<b>1,163.20</b>	<b>498.45</b>	<b>382.96</b>
<b>Long Term Investment and Loans &amp; advances (B)</b>	<b>1,633.01</b>	<b>1,625.10</b>	<b>1,514.48</b>	<b>1,420.32</b>	<b>1,408.62</b>	<b>1,385.35</b>	<b>1,409.09</b>	<b>1,360.12</b>	<b>1,406.45</b>	<b>1,203.42</b>
<b>Working Capital:</b>										
Current Assets	4,409.90	4,409.44	4,365.74	3,286.65	3,046.37	2,388.68	1,904.66	1,224.02	1,355.14	1,567.97
Less: Current Liabilities and Provisions	805.99	797.72	764.33	676.47	854.41	739.37	667.39	753.71	546.05	507.76
<b>Net Working Capital (C)</b>	<b>3,603.91</b>	<b>3,611.72</b>	<b>3,601.41</b>	<b>2,610.18</b>	<b>2,191.96</b>	<b>1,649.31</b>	<b>1,237.27</b>	<b>470.31</b>	<b>809.09</b>	<b>1,060.21</b>
<b>NET ASSETS EMPLOYED (A+B+C)</b>	<b>6,940.57</b>	<b>7,013.24</b>	<b>6,873.84</b>	<b>5,847.24</b>	<b>5,488.81</b>	<b>4,897.50</b>	<b>4,333.76</b>	<b>2,993.63</b>	<b>2,713.99</b>	<b>2,646.59</b>

## SIGNIFICANT FINANCIAL RATIOS

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
1. Profit to Average Net Worth (%)	4.84	5.82	8.62	1.65	5.78	12.04	6.59	8.34	9.64	10.93
2. Current Ratio	5.47	5.52	5.71	5.32	3.57	3.23	2.86	1.99	2.75	3.61
3. Quick Ratio	4.50	4.57	5.17	4.87	3.16	2.84	2.52	1.65	2.49	3.19
4. Working Capital in terms of Cash Cost of Goods Sold (Months)	6.46	6.78	6.04	5.73	5.28	4.83	3.93	1.98	3.76	5.21
5. Sundry Debtors to Sales (Months)	5.76	6.10	5.96	5.74	5.99	5.31	3.76	1.48	0.93	1.93
6. Inventory of Finished Goods to Sales (Months)	1.19	1.18	0.41	0.23	0.37	0.31	0.33	0.21	0.06	0.24
7. Debt Equity Ratio	0.90:1.0	0.99:1.0	1.0:1.0	0.77:1	0.71:1	0.55:1	0.45:1	0.10:1	0:1	0:1



## **BOARD OF DIRECTORS**

**As on March 31<sup>st</sup>, 2018**

**CHAIRMAN**

**Dr. Chandra Pal Singh**

**VICE-CHAIRMAN**

**Shri Vaghajibhai Rugnathabhai Boda**

**DIRECTORS**

**Dr. Bijender Singh**

**Shri V. Sudhakar Chowdary**

**Dr. Sunil Kumar Singh**

**Shri Pareshbhai R. Patel**

**Shri Bhanwar Singh Shekhawat**

**Shri Ponnam Prabhakar**

**Shri Bhikhabhai Zaverbhai Patel**

**MANAGING DIRECTOR**

**Shri N. Sambasiva Rao**

**OPERATIONS DIRECTOR**

**Shri R. K. Aggarwal**

**FINANCE DIRECTOR**

**Shri Rajan Chowdhry**

**MARKETING DIRECTOR**

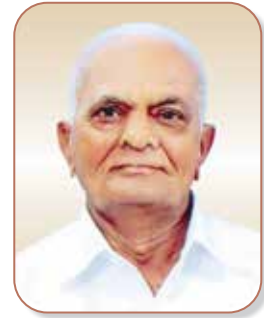
**Shri V.S. Sirohi**

**BOARD OF DIRECTORS**

**As on March 31<sup>st</sup>, 2018**



**Dr. Chandra Pal Singh**  
Chairman



**Shri V.R. Boda**  
Vice-Chairman



**Dr. Bijender Singh**



**Shri V. Sudhakar Chowdary**



**Dr. Sunil Kumar Singh**



**Shri Pareshbhai R. Patel**



**Shri B.S. Shekhawat**



**Shri Ponnam Prabhakar**



**Shri Bhikhabhai Z. Patel**



**Shri N. Sambasiva Rao**



**Shri R. K. Aggarwal**



**Shri Rajan Chowdhry**



**Shri V.S. Sirohi**





**EX-CHAIRMEN**



**Shri P.R. Dubhashi**  
October 1980-September 1981



**Shri P.S. Kohli\***  
September 1981-November 1984



**Shri Bansi Lal Mehta**  
November 1984-November 1987



**Shri Udai Bhan**  
December 1989-May 1993



**Late Shri Hari Krishna Shastri**  
May 1993-May 1996



**Shri K. Srinivasa Gowda**  
June 1996-July 1999



**Dr. Chandra Pal Singh**  
July 1999-May 2010



**Shri V.R. Boda**  
May 2010-February 2015

\*Chairman-cum-Managing Director (November 1981-November 1982)

**EX-MANAGING DIRECTORS**



**Late Shri Paul Pothen**  
November 1980-November 1981



**Late Dr. K.S. Gill**  
November 1982-November 1983



**Late Shri H.C. Grover**  
November 1983-October 1985



**Shri M.H. Avadhani\*\***  
October 1985-June 1986



**Late Dr. K.K.S. Chauhan**  
June 1986-May 1990  
September 1991-January 1992



**Shri H.S. Kohli\*\***  
May 1990-September 1991



**Shri Naseem Ahmad\*\***  
January 1992-April 1993



**Shri A.K. Mukhopadhyay**  
April 1993-July 1996



**Late Shri R.L. Saha\*\***  
August 1996-March 1997



**Shri S. Kabilan\*\***  
April 1997-October 1997



**Shri P.P. Singh**  
October 1997-January 2001



**Shri V.N. Rai**  
February 2001-July 2006



**Shri B.D. Sinha**  
July 2006-March 2014

\*\*Additional Charge/Acting Managing Director

**EXECUTIVES**

**As on March 31<sup>st</sup>, 2018**

**EXECUTIVE DIRECTOR (HR)**



Sh. S.S. Yadav

**EXECUTIVE DIRECTOR (Tech.)**



Sh. M.R. Sharma

**GENERAL MANAGERS**



Sh. A.K. Das  
GM (Prodn.)



Sh. A.K. Nayak  
GM (Maint.)



Sh. D.K. Dargan  
GM (F&A)



Sh. R.S. Mathur  
GM (F&A)



Ms. Poonam Sharma  
GM (HR)



Sh. T.S. Rao  
GM (Mktg.)



Sh. V.S.R. Prasad  
GM (Mktg.)



Sh. N.K. Sahoo  
GM (HR)



Sh. V.K. Singh  
GM (Proj.)



Sh. K.M. Patel  
GM (Proj.)



Sh. N.K. Gupta  
GM (Tech.)



Sh. I.A. Khan  
GM (Proj.)



Sh. A.K. Singal  
GM (F&A)

**ADDITIONAL GENERAL MANAGERS**



Sh. R.L. Shukla  
Addl. GM (Mtls.)



Sh. K. Jayarajan  
Addl. GM (Prodn.)



Sh. H.B. Trivedi  
Addl. GM (Elect.)



Sh. J.J. Dalwadi  
Addl. GM (Inst.)



Sh. C.J. Shah  
Addl. GM (Inst.)



Sh. P.S. Gandhi  
Addl. GM (Inst.)



Sh. Rishi Pal Singh  
Addl. GM (Elect.)



Sh. N.K. Gurjar  
Addl. GM (Mech.)



Sh. D.K. Mandal  
Addl. GM (Proc.)



Sh. G. Srinivas  
Addl. GM (Mtls.)



Sh. K. Srihari  
Addl. GM (Mech.)



Sh. S.S. Johar  
Addl. GM (Prodn.)



Sh. Amarjeet Singh  
Addl. GM (Trg.)



Sh. S. Banerjee  
Addl. GM (Prodn.)



Sh. S.R. Ahmed  
Addl. GM (Prodn.)



Sh. J.P. Verma  
Addl. GM (Prodn.)



Sh. A.K. Jana  
Addl. GM (Mech.)



Sh. J. Sondhi  
Addl. GM (Mech.)



Sh. Lalit Anand  
Addl. GM (F&A)



Sh. Piush Kumar  
Addl. GM (Inst.)



Sh. Shravan Kumar  
Addl. GM (Mech.)



Sh. S. Prasad  
Addl. GM (Mech.)



Sh. M.C. Dimri  
Addl. GM (Mtls.)



Sh. R.K. Batra  
Addl. GM (F&A)



Sh. Virendra Singh  
Addl. GM (F&A)



Sh. Uttam Kumar  
Addl. GM (Mech.)



Sh. S.M. Chauhan  
Addl. GM (Mech.)



Dr. I.B. Singh  
Addl. GM (HR)



Sh. R.K. Kansal  
Addl. GM (Mktg.)



Dr. Surendra Singh  
Addl. GM (Mktg.)



Sh. N.K. Bhadu  
Addl. GM (Mktg.)



Dr. R.S. Yadav  
Addl. GM (Mktg.)



Sh. R.M. Mallya  
Addl. GM (Prodn.)



Sh. C.S. Azad  
Addl. GM (Tech.)



Sh. P. Singh  
Addl. GM (Prodn.)



Sh. S.K. Singh  
Addl. GM (Mktg.)



Sh. V.K. Singh  
Addl. GM (Prodn.)



Sh. B. Shishodia  
Addl. GM (Prodn.)



Sh. S.K. Mahapatra  
Addl. GM (Tech.)



Sh. S.T. Makwana  
Addl. GM (Tpt.)



Sh. Upendra Kumar  
Addl. GM (Prodn.)



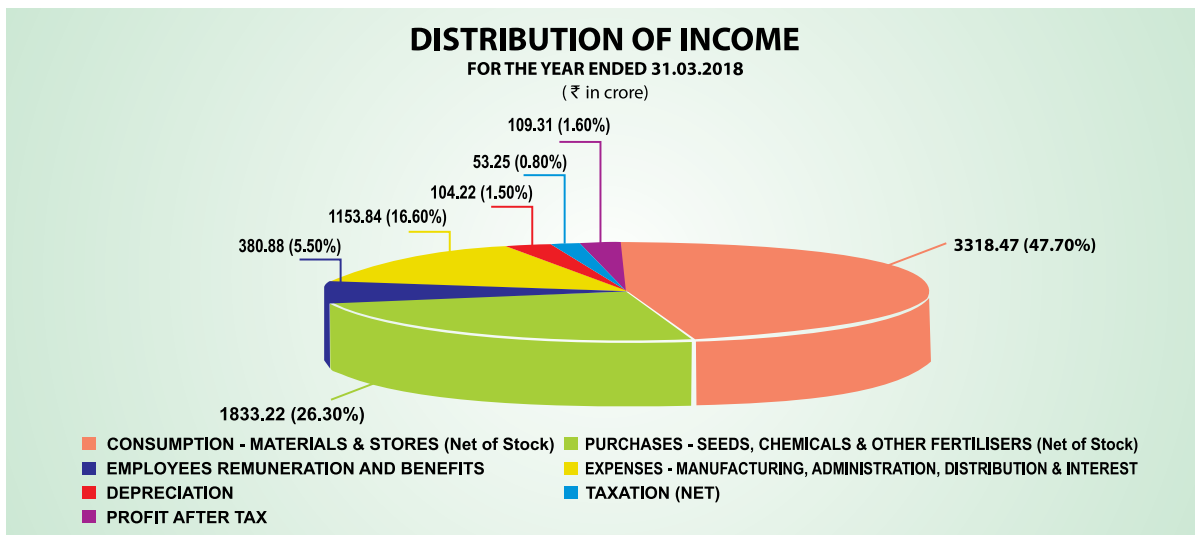
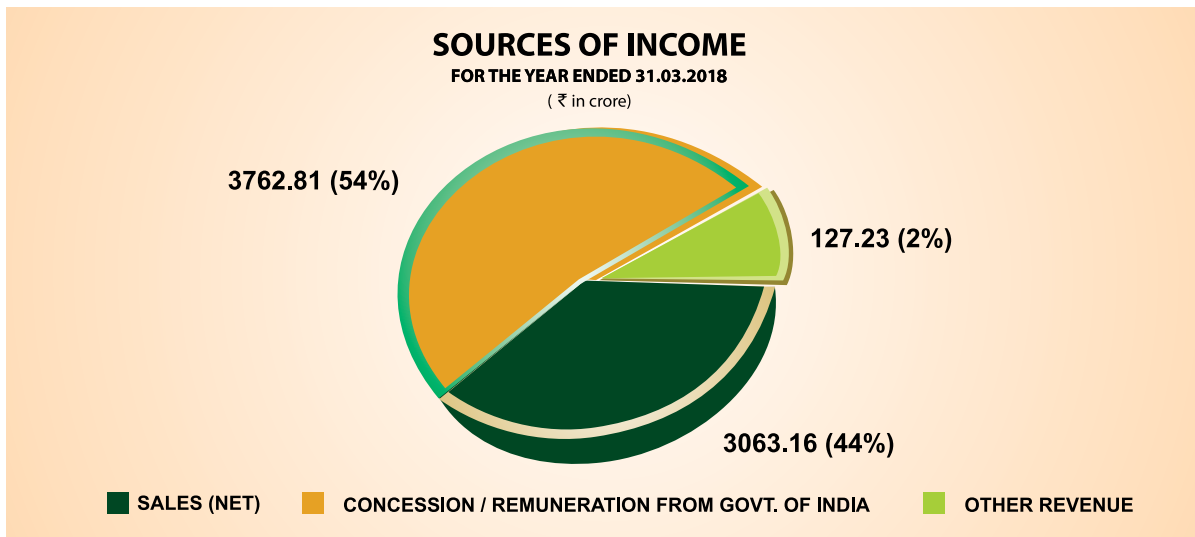
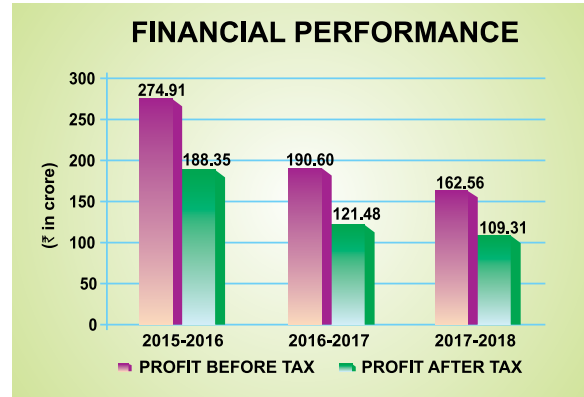
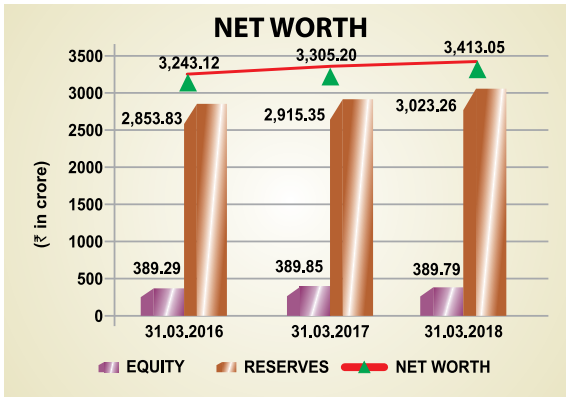
Sh. Anil P. Desai  
Addl. GM (Prodn.)



Sh. A.K. Pandey  
Addl. GM (Mktg.)

**EXECUTIVES****As on March 31<sup>st</sup>, 2018****CORPORATE OFFICE****Shri Sanjeev Kumar**  
Dy. General Manager (HR)**HAZIRA COMPLEX****Shri Avinash M Bhalerao**  
Dy. General Manager (MS)**Shri Gautam N Modi**  
Dy. General Manager (Inst.)**Shri Ashesh K Patel**  
Dy. General Manager (Mech.)**MARKETING DIVISION****Shri Devjit Singh**  
Dy. General Manager (F&A)**Dr. Brijesh Kumar Singh Chauhan**  
Dy. General Manager (Mktg.)**Shri Umesh Mishra**  
Dy. General Manager (Mktg.)**JOINT STATUTORY AUDITORS****M/s S.S. Kothari Mehta & Co.**  
Chartered Accountants  
Plot No. 68,  
Okhla Industrial Area, Phase -III,  
New Delhi - 110020**M/s V. Sankar Aiyar & Co.**  
Chartered Accountants  
202-301, Satyam Cinema Complex  
Ranjit Nagar Community Centre  
New Delhi-110 008**M/s G. K. Choksi & Co.**  
Chartered Accountants  
207, Tolstoy House,  
Tolstoy Marg, Janpath  
New Delhi-110 001**MAIN BANKERS**State Bank of India  
HDFC Bank  
Saraswat Bank  
ICICI Bank.  
Punjab National Bank**REGISTERED OFFICE**A-60  
Kailash Colony  
New Delhi - 110 048**CORPORATE OFFICE**KRIBHCO Bhawan  
A8-10, Sector-1, Noida-201 301  
Distt. Gautam Budh Nagar (U.P.)**PLANT OFFICE**P. O. KRIBHCO Nagar,  
Distt. Surat-394 515,  
Gujarat

## FINANCIALS AT A GLANCE





## DIRECTORS' REPORT

**Dear Cooperators,**

The Directors of your Society feel immense pride in presenting to you the Thirty Eighth Annual Report and the Audited Statement of Accounts of your Society for the Financial Year 2017-18 and approval of the programme of activities for the year 2018-19.

The Financial Year (FY) 2017-18 was another challenging year witnessed by the Fertilizer Industry. Government of India (GOI) has changed the procedure for disbursement of subsidy during the year from release of subsidy on receipt of fertilizers



### 37<sup>th</sup> AGM...

Dr. Chandra Pal Singh  
Chairman  
KRIBHCO, addressing the RGB delegates  
in 37<sup>th</sup> AGM



Board of Directors, KRIBHCO, addressing 37<sup>th</sup> AGM held on 22<sup>nd</sup> September, 2017 in New Delhi.

in the district basis to sale of fertilizers to the farmers through POS machine. The entire fertilizer industry faced immense difficulties in generating Direct Benefit Transfer (DBT) bills due to systemic issues.

As a result, huge amount of Subsidy bills could not be generated by the Fertilizer Companies by the year end and a meagre amount of subsidy payment



Dr. Chandra Pal Singh, Chairman, KRIBHCO along with other Directors of KRIBHCO visiting Seed testing Exhibition in 37<sup>th</sup> AGM.

was released by GOI. The outstanding payments are posing severe challenges in terms of requirement of the working capital as Urea is a seasonal commodity and Subsidy is to be released only after sale to the farmers.

The weather conditions, majorly remained, favourable except in few northern states, resulting in an estimated all time high food grains production of 279.5 Million Tons. Though there was a marginal shift in the sowing pattern of crops, with slight reduction in Wheat, Coarse, Cereals and Oilseeds acreage, marginal increase in Paddy and Pulse sown area was observed.

Your Society has achieved the desired Production levels at Hazira Plant. A new record was made with highest monthly Bulk Urea production of

2,07,197 MT in Oct-17, as compared to previous high of 2,05,805 MT in July-17.

Your Society has achieved ever highest sales of Urea of 44.03 Lakh MT during the year. There has also been ever highest sale of OMIFCO urea of 11.98 Lakh MT. Sales of DAP was little less than last year due to issues of availability and high international prices of DAP. The Bio-fertilizers sales have also increased with over five lakh liters, whereas good sales of compost have been achieved during the year.

## 2. FINANCIAL PERFORMANCE

Your Society has posted a Pre Tax Profit of ₹ 162.56 Crore. The Net worth of the Society has increased from ₹ 3,305.20 Crore in FY 2016-17 to ₹ 3413.05 Crore as on 31st March, 2018.

(₹ in Crore)

Particulars	2017-2018	2016-2017
Sales Turnover including Subsidy	6,825.97	6,599.74
Other Revenue	127.23	77.43
<b>Income</b>	<b>6,953.20</b>	<b>6677.17</b>
<b>Profit Before Tax (PBT)</b>	<b>162.56</b>	<b>190.60</b>
Provision for Tax (Net)	53.25	69.12
<b>Profit After Tax (PAT)</b>	<b>109.31</b>	<b>121.48</b>

## 3. APPROPRIATIONS

The provision for Contribution towards Capital Repatriation Fund of ₹ 0.20 Crore is reduced from the Profit after Tax for the purpose of arriving at the Net Profit in accordance with the provision of Section 62 of Multi State Cooperative Societies Act (MSCS) 2002. Accordingly, the net Allocable Profit



works out to ₹ 109.11 Crore during the year for the proposed appropriations as follows:

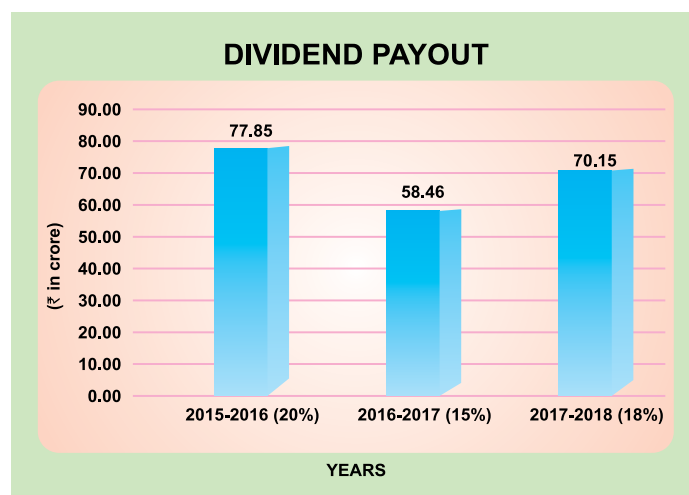
(₹ in Crore)

Particulars	2017-2018		2016-2017	
<b>Net Profit as per MSCS Act</b>	<b>109.11</b>		<b>121.28</b>	
<b>Add: Transfer from Dividend Equalisation Fund</b>	0.72	<b>109.83</b>	-	<b>121.28</b>
<b>Appropriations:</b>	27.28		30.32	
- Reserve Fund as per Bye-Law 58(i) of the Society				
- Provision for Contribution to Cooperative Education Fund	1.09		1.21	
- Reserve Fund for Contingency as per Bye-Law 58(iii) of the Society	10.91		12.13	
- Reserve for Donations	0.40		0.40	
- Proposed Dividend (Previous Year 15%)*	-		58.46	
<b>Balance in P&amp;L Account</b>	<b>70.15</b>	<b>109.83</b>	-	<b>102.52</b>
<b>Balance transfer to General Reserve</b>		-		<b>18.76</b>

\* Proposed Dividend for the year 2017-18 shall be accounted in the year of payment after approval of the Annual General Meeting.

#### 4. DIVIDEND

Honorable Members will be pleased to know that the Board of Directors of the Society have recommended for the year, the dividend of 18% on the paid up share capital. The proposed dividend would be paid on pro-rata basis to the eligible shareholders whose names stood in the Membership Register of the Society as on March 31, 2018. Accordingly, the amount of proposed dividend payout will be ₹ 70.15 Crore.



#### 5. MEMBERSHIP AND SHARE CAPITAL

A Cooperative thrives on the trust of its Members. As on 31<sup>st</sup> March 2018, the total Membership of KRIBHCO consisted of 9467 Cooperatives Societies and the paid up share capital of the Society was ₹ 389.73 Crore.

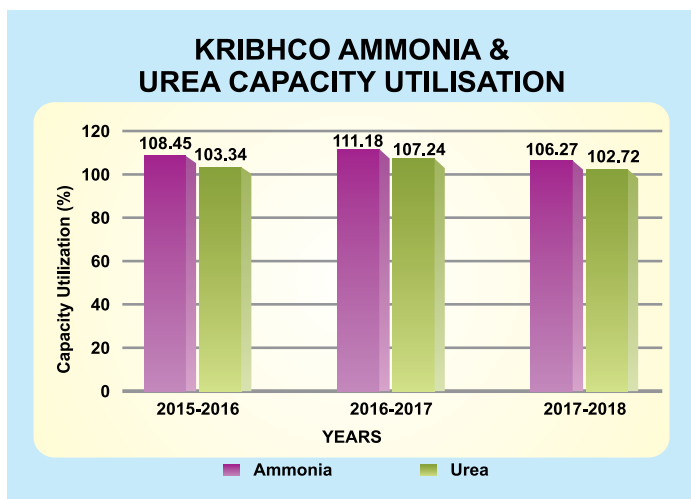
#### 6. PRODUCTION PERFORMANCE

The Financial year 2017-18 was the 32<sup>nd</sup> year of Commercial Production of the Society's Plants at Hazira, Surat.

The Plants achieved the production of 13.26 Lakh MT Ammonia & 22.54 Lakh MT Urea, which corresponds to a capacity utilization of 106.27% for Ammonia and 102.72% for Urea. The cumulative production since its inception has been 343.37 Lakh MT of Ammonia & 566.59 Lakh MT of Urea up to 31.03.2018.

The Society also produced 5.14 lakh liter of Liquid Bio-Fertilizers, 5455 thousand NM<sup>3</sup> liquid Argon and 369 thousand quintals Certified Seeds.

The Society achieved annual specific energy consumption of 5.687 Gcal/MT and 8.291 Gcal/MT for Urea and Ammonia respectively.



## • PRODUCTION PLAN FOR FINANCIAL YEAR 2018-19

The Production target for the financial year 2018-19 has been fixed as 12.93 Lakh MT of Ammonia and 21.95 Lakh MT of Urea. This production corresponds to a capacity utilization of 103.7% & 100% for Ammonia and Urea Plants respectively based on the revised capacities after revamp.

## 7. SCHEMES IMPLEMENTED

### • Refurbishment of GAS TURBINE (GT) Parts

Gas Turbine's first planned maintenance of Hot Gas Path Inspection (HGPI) was carried out in May/June-2017, wherein the fitted parts of Hot Gas Path in Gas Turbine were replaced with new parts. The removed parts have been got refurbished by M/s GE, to be utilized in future maintenance cycle.

### • Re-tubing of 127 C, Ammonia Condensers in Ammonia Plant with SS Tubes

In Ammonia Plant, there are six Ammonia Condensers 127-C (Three in each of Ammonia-I & Ammonia-II). Four Condensers were re-tubed with SS-304 earlier. Remaining two 127-C Condensers were re-tubed with SS-304 tubes during the year. Now all these Condensers have been re-tubed with SS. This will reduce the tube failure and improve the plant reliability.

### • Installation of Medium Pressure Process Condensate Stripper in Ammonia-II

Installation of Medium Pressure Process Condenser has been completed in Ammonia-II with an investment of ₹ 17.0 Crore. The energy saving cum pollution abatement scheme led to reduction in specific energy consumption of Ammonia by 0.055 Gcal /MT.





Shri N. Sambasiva Rao, Managing Director, Shri R.K. Aggarwal, Operations Director and Shri Rajan Chowdhry, Finance Director, KRIBHCO reviewing work at Hazira Plant.

## 8. MAJOR SCHEMES UNDER IMPLEMENTATION/ TO BE IMPLEMENTED

### • **Integrated energy revamp study by KBR**

In view of the new Urea Energy Norm of 5.50 Gcal/MT of Urea, which was effective from 1<sup>st</sup> April 2018 by DOF, an Integrated Energy Study was carried out through M/s KBR for energy reduction and reliability improvement. However, effective date of Urea Energy Norms of 5.50 Gcal/MT of Urea has been postponed till 31.03.2020 with some penal provisions.

An Agreement has been signed with M/s KBR for basic and detailed engineering. Energy reduction of 0.033 Gcal/MT of Urea is expected after revamp of total complex, which is likely to be completed by the end of year 2020.

### • **Change of drive for CO<sub>2</sub> Compressor from Steam Turbine to Electric Motor Turbine**

In order to save energy and to bring the yearly average to 5.50 Gcal/MT of Urea, the major scheme identified is the conversion of Steam Turbine Drives

to Motor drives for two of the CO<sub>2</sub> Compressors. The expected energy saving due to drive conversion is about 0.10 Gcal/MT of Urea. M/s Saipem India Projects Pvt. Limited, Chennai (SAIPEM), being Process Licensor of KRIBHCO Urea Plant, is engaged for providing consultancy services for Basic & Detailed Engineering.

### • **Converter Retrofit and replacement of Catalyst in Ammonia-II and replacement of Catalyst Ammonia-I**

Replacement of catalyst for primary reformer and LTS has been carried out in April 2018. For Ammonia-II, converter retrofit including basket modification, inter-bed interchanger replacement, 122-C replacement and catalyst replacement shall be done by March'2019.

### • **Vibropriller for Urea Phase-2**

In order to improve the Urea product quality, Vibropriller in Urea Plant-II shall also be installed as done in Urea-I.

### • **DAP/Complex Fertilizer Project in East Coast**

Society is doing intensive efforts to establish a DAP/NPK Complex Fertilizer Project in Krishnapatnam on the East Coast of India. The project will have capacity of 1.2 Million MT of DAP/NPK Fertilizers.

KRIBHCO & OCP issued an Invitation to Bid (ITB) following International Competitive Bid (ICB) norms for selection of EPC Contractor to implement the project on Lump Sum Turn Key mode. Three internationally renowned consortiums participated in the bidding. The price bids were opened in January 2018. Lump Sum price of the project was found high.

A Detailed Project Report is being prepared by PDIL. Further decision on the Project shall be taken by KRIBHCO and OCP on the way forward.

## 8.1 OTHER MAJOR ACTIVITIES

### • Hazira Jetty Operations

KRIBHCO Hazira Jetty is located on the northern bank of Tapti estuary. During the financial year 2017-18 approx. 5.83 Lakh MT Urea was handled from Hazira Jetty (4.89 Lakh MT OMIFCO Urea and 0.94 Lakh MT Imported Urea). Apart from Urea, 0.585 Lakh MT Gypsum was also handled as 3<sup>rd</sup> Party Cargo from the jetty. This is the record volume of approx. 6.415 Lakh MT total cargos ever handled at jetty in any year.

## 9. SAFETY MANAGEMENT

Your Society's Hazira Plant has imbibed the vision underlined as "SAFETY FIRST; PRODUCTION MUST." Safety, Health and Environment (SHE) have been of utmost priority in all aspects of operations. ISO 9001-2008, and integrated ISO 14001 & ISO 18000 Management Systems have been incorporated as an integral part of KRIBHCO's operations. Separate departments are in place to look into the safety, health and the environment aspects with a full-fledged Fire Station at Hazira Plant. Periodical Audits are conducted by Internal & External Auditors of Integrated Management System (IMS). Specialized 3<sup>rd</sup> Party Safety Audit, Risk Assessment, Hazard & Operability analysis is conducted periodically involving Gujarat Safety Council. State of Art automatic and manual fire and toxic gas alarm and gas detection system are installed. On Site and Off-site Emergency drills are conducted regularly.

A mutual aid scheme has been developed amongst nearby industries i.e. Reliance Industries,

Essar Steel, ONGC, and GSEG. Major emergency exercises are carried out once in a year.

## 10. ENVIRONMENTAL PROTECTION

Society always endeavors to achieve zero adverse environmental impact by its operations and its products. Best industrial practice and technology are adopted to achieve this goal. Society has implemented ISO 14001 certified Environmental Management System to ensure continual improvement of organization on environmental front.

The Society has adopted recycle/re-use schemes for water conservation as water being the most precious resource now a days. Tertiary treated water is being re-used as cooling tower make up. Deep hydrolyser was installed in Urea plant to re-use the effluent as boiler feed water after treatment. A number of energy efficient and pollution abatement projects have been commissioned. Continuous efforts are being made to check the emission of pollutants in air. Wet de-dusting system at prilling tower top has been installed to restrict the Urea dust. Emissions from all the stacks are well below the prescribed limits. Six ambient air quality monitoring stations have been set up within a radius of 10 km from our complex for periodic monitoring of air quality in surrounding area. The Society has undertaken afforestation by planting trees of different species every year in order to improve the ambient air quality. Lush green lawns are developed in an area of 100 acres and also a demonstration farm in an area of 41 acres has been developed.



## 11. FERTILIZER POLICY

The Government has notified New Urea Policy-2015, for the period 01.06.2015 to 31.03.2019, wherein existing pre-set energy norm of 5.952 Gcal/MT of urea was to be revised to 5.5 Gcal/MT w.e.f. 01.04.2018. Eleven Fertilizer Units were likely to implement the target energy norms by 01.04.2018. Fourteen other Fertilizer Units including KRIBHCO were unable to achieve the revised target energy norm w.e.f. 01.04.2018. Therefore, the matter was taken up by them with Government through various representations, expressing their difficulty in achieving the specific energy target w.e.f. 01.04.2018.

The Government through its Notification dated 28.03.2018, has revised energy norm for 11 Fertilizer Units who have achieved the target energy norm w.e.f. 01.04.2018. However, the existing energy norm for the other 14 Fertilizer Companies including KRIBHCO has been extended for further period of 2 years i.e. till 31.03.2020 with certain penalty. Society would be saving around ₹ 250 Crore, after accounting for penalty of ₹ 5-6 Crore in 2018-19 due to extension of the above Policy.

GOI has implemented Gas Pooling System with effect from 01.06.2015. With the increase in gas prices, the delivered pool gas price has increased substantially over last year delivered pool gas price. This has resulted in increase in working capital requirements of the Society and increase in the finance cost.

## 12. MARKETING

### 12.1 WEATHER SITUATION (2017-18)

The main rainfall season (June-September, 2017) was 841.3 mm as against normal of 887.5 mm, indicating a deficit of 5% of its Long Period Average (LPA). Out of the total 36 meteorological subdivisions, 25 subdivisions constituting 65% of the total area of the country received normal seasonal rainfall, 5 subdivisions (18% of the total area) received excess season rainfall and the remaining 6 subdivisions (17% of the total area) received deficient season rainfall. The deficient subdivisions are West U.P. (-31%), East U.P. (28%), Haryana (-26%), East M.P. (-24%), Vidharbha (-23%) and Punjab (-22%).

The Agriculture Ministry's third advance estimates of major crops pegged the output at a record 279.51 million tones, raising its previous forecast by 0.72%. The previous best was 275.11 million tones, achieved in 2016-17.

### 12.2 FERTILIZER SCENARIO IN THE COUNTRY

There was an upward trend in the sales of major fertilizers. The fertilizer sales have witnessed increase in Urea sales to the tune of 2.4% with a total sales volume of 303.11 Lakh MT in the country, as compared to 296.07 Lakh MT during 2016-17. The DAP sales was 89.78 Lakh MT as against 88.22 Lakh MT, indicating a marginal increase of 1.8% over previous year (2016-17). Similarly, the sales of complex fertilizers (NP/NPK) also registered a marginal increase of 3.6% and the quantity sold

was 85.44 Lakh MT as compared to last year sales of 82.45 Lakh MT. The sale of MOP has increased considerably by 13.2% from 28.22 Lakh MT in the financial year 2016-17 to 31.93 Lakh MT in 2017-18.

### 12.3 MARKETING INFRASTRUCTURE

Marketing channel of KRIBHCO includes Cooperative Apex Federations, Institutional Agencies and Grass Root level Primary Agriculture Cooperative Societies. The Society's cooperatives development programmes help its channel partners, especially Primary Agricultural Cooperative Society (PACS) to acquire marketing skills and other agriculture practices for inclusive development of the cooperatives. The direct supplies to PACS help these societies enormously as the timely supplies enable them to increase fertilizer consumption and agriculture productivity as well as to draw maximum financial benefits. The Society also conducted various programmes to train the cooperative Sales Point personnel for sales through PoS Machines.

The interdisciplinary team of marketing and extension experts, spread all over the major states, worked extensively to reach farming community in all crop production cycles. The Society has PAN India presence. KRIBHCO is an established brand in the key market territories. The major marketing territories consists of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Pondicherry, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttrakhand and West Bengal.

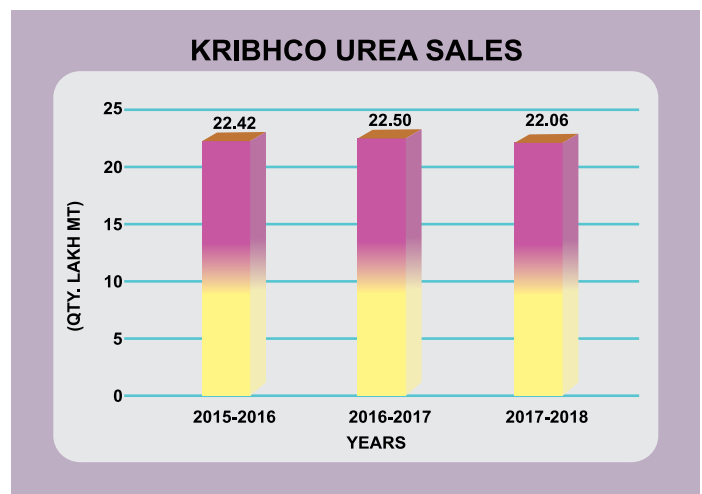
The product range covers major agri. inputs like Hybrid Seed, Certified Seeds, Bio Fertilizers (Liquid), City Compost and procured/imported Fertilizers like SSP, DAP and MOP, apart from Neem Coated Urea.

### 12.4 MARKETING BUSINESS PLAN

The Society has expanded its product basket and added new dimensions to marketing activities over last eight years. Market potential of each product/segment and situational analysis for each product were considered and the product wise marketing business plan for the year 2017-18 was developed, which served as the guiding benchmark. All the marketing activities were planned and measured against the targets and brought desired results.

### 12.5 SALES AND DISTRIBUTION OF FERTILIZERS

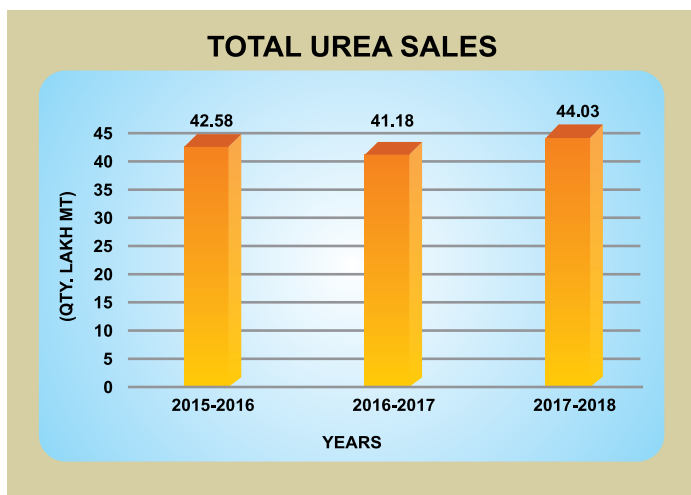
The Society made timely dispatches of KRIBHCO Urea, as per Monthly Movement Order issued by DoF for ECA and for de-regulated quantity from Hazira Plant to various destinations. The Society dispatched 22.48 Lakh MT of KRIBHCO Urea by utilizing the Rail and Road mix to different destinations in its Marketing Territories.



The Society continued to maintain the second highest Urea sales in the country and has achieved 44.03 Lakh MT during the year. The Society has achieved sales of 22.06 Lakh MT of KRIBHCO Urea, 11.98 Lakh MT of OMIFCO Urea, 9.07 Lakh MT of KFL Urea and 0.92 Lakh MT of Government account Urea during the year. The Society adhered to the directives of Government of India for 100 per cent Neem coating of Urea. KRIBHCO Neem Coated Urea



has acquired a prime place in the minds of farmers. In order to promote balanced fertilization, the Society continued to market Imported DAP, NPK and NPS. The Society sold 3.68 Lakh MT of Imported DAP as against 3.81 Lakh MT last year. The Society also sold 0.03 Lakh MT of NPK, 0.58 Lakh MT of NPS and 2716 MT of SSP. Thus, the Society sold 48.34 Lakh MT of fertilizers during the year.



Apart from Urea, your Society has sold 36,159 MT of Surplus Ammonia during the year against 41,828 MT in the previous year. The Society has also sold 5504 Thousand  $\text{NM}^3$  liquid Argon during the year as against 5583 Thousand  $\text{NM}^3$  of last year.

## 12.6 HANDLING OF IMPORTED FERTILIZERS AND OTHER PRODUCTS

### • OMIFCO Urea

The Society successfully completed the 13<sup>th</sup> consecutive year of Handling and Marketing of OMIFCO Urea under the Agreement with Department of Fertilizers, GOI. During the year, twenty three vessels containing 10.04 Lakh MT granular Urea were handled at seven Indian Ports. The Society has so far handled 349 vessels containing 123.53 Lakh MT OMIFCO Urea, since inception of imports from OMIFCO, Oman. The Society dispatched

10.91 Lakh MT and sold 11.98 Lakh MT Neem coated OMIFCO Granular Urea in its marketing territory.

The efficient handling of vessels of OMIFCO Urea by way of judicious discharge/dispatches had resulted in earning of dispatch money in almost all the vessels of OMIFCO Urea.

### • Imported Urea on Government Account

During the year, the Society handled two vessels containing 0.94 Lakh MT Imported Urea at Adani Hazira Port and dispatched 0.94 Lakh MT Imported Urea after Neem coating from KRIBHCO's Jetty at Hazira. The Society also sold 0.92 Lakh MT Imported Urea in its marketing territory within the financial year.

### • Import of De-controlled Fertilizers

The Society purchased 3.59 Lakh MT DAP and handled 3.21 Lakh MT of imported DAP through eight vessels at Mundra, Pipavav and Visakhapatnam Ports to meet the marketing requirement. The Society sold 3.68 Lakh MT DAP through its marketing network. Besides DAP, the Society also imported three vessels containing 0.95 Lakh MT of NPS at Vizag Port. It is worth mentioning that all the DAP and NPS vessels were handled efficiently.

### • Future Plan

In the year 2018-19, the Society has an ambitious plan to import and handle about 11.00 Lakh MT OMIFCO Urea, 1.50 Lakh MT Government Account Urea, 7.00 Lakh MT DAP, 2.00 Lakh MT NPK Fertilizers & 1.00 Lakh MT MOP.

### • Infrastructure at Ports

The infrastructure developed at Visakhapatnam, Tuticorin Ports & Hazira Jetty was used for storage & bagging of imported fertilizers. The Society could handle 5.83 Lakh MT of OMIFCO & Government Account Urea at Hazira Jetty, 3.70 Lakh MT imported fertilizers at Visakhapatnam port and 0.42 Lakh MT imported fertilizers at Tuticorin Port.



Dr. Chandra Pal Singh, Chairman along with Shri N. Sambasiva Rao, Managing Director, KRIBHCO welcoming the delegates of Institute for Development of Agriculture Cooperation, Asia, Japan.

## 12.7 OTHER TRADED PRODUCTS

### • Single Super Phosphate (SSP)

The Society had procured and marketed 2716 MT of SSP from various Suppliers in Gujarat during the year and contributed ₹ 13.58 lakh.

### • Zinc Sulphate

Zinc is one of the important micronutrient which enables plant to grow efficiently and its deficiency can lead to significant reduction in crop productivity and nutrition quality. Having Society's mission and vision to serve the agrarian community and also with the appreciable response of Zinc Sulphate from the farming community, Your Society procured 2947.48 MT of Zinc Sulphate (21% & 33% grades) and sold in 13 States. In the year 2018-19, Society plans to procure 5000 MT Zinc Sulphate for sale in its Marketing territories.

## 12.8 SEEDS BUSINESS

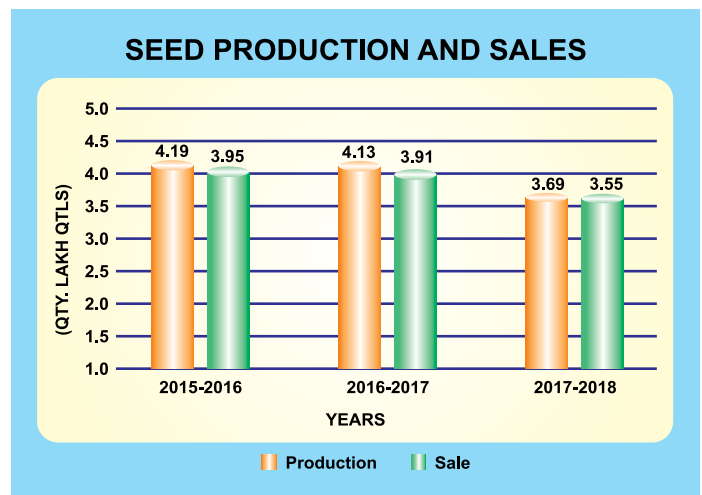
### • Certified Seeds

Indian agriculture has come a long way since the Green revolution of the late 1960s. Quality Agriculture inputs play a key role in enhancing the

Agricultural production and productivity, arable land being a constant resource, Seed is the most vital and Critical input that plays a key role in addressing the need.

In line with this, the seed multiplication programme was initiated by Your Society in the year 1990-91, to provide quality seed of the main Crops to farmers. The seeds produced are being made available to the farmers through Krishak Bharati Sewa Kendra, Cooperative Societies and State Cooperative Marketing Federations in different states. The main Crops under seed multiplication are Wheat, Barley, Gram, Pea, Moong, Lentil, Soyabean, Mustard and Guar.

In order to provide quality seed, your Society has been operating 17 modern Seed Processing Plants in various States and one custom processing unit at Rudrapur, Utrakhand. The total capacity of the Society is 42 TPH comprising of all the Units.



During the year, despite several challenges in the certified seeds market, the Society produced 3.69 Lakh quintals and sold 3.55 Lakh quintals of certified seed of various Crops. The society plans to produce 2.77 Lakh quintals of various Crop seeds during 2018-19 under the changed market scenario.



• **Hybrid Seeds**

Hybrid Seed has been playing an important role in Indian Agriculture for maximizing yield. Your Society continues to have tie- up with a leading Hybrid Seed Company and successfully marketing through its own marketing network in KRIBHCO brand.

During the Financial Year, Your Society marketed 98,534 Packets of Bt. Cotton, 203.19 quintal of Paddy Hybrid, 3,436.39 quintal of Paddy Research, 4,097.36 quintal of Hybrid Maize and 50.25 quintal of Hybrid Bajra Seeds .KRIBHCO branded Hybrid Seeds have become popular among farming community due to high yield, farmers connect and strong brand image.

Your Society has projected a sale of 1,75,000 Packets of Bt. Cotton, 300 quintal of Paddy Hybrid, 3,800 quintal of Paddy Research, 6,360 quintal of Hybrid Maize and 60 quintal of Hybrid Bajra, in the Financial Year 2018-19.

**12.9 ORGANIC FERTILIZERS**

• **City Compost**

The Society initiated co-marketing of City Compost since December 2009. During the Financial Year, Your Society has sold 20,524.150 MT of Compost. In Order to popularize Compost, the Society is constantly educating farmers for its application in addition to chemical fertilizers. The Society plans to sell 22,000 MT of Compost during the Financial Year 2018-19.

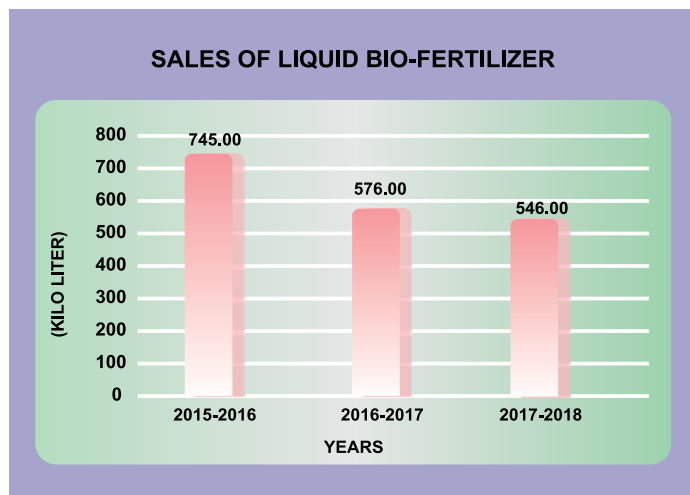
• **Liquid Bio- Fertilizers**

The Society is presently producing nine types of bacterial strains namely Azotobacter, Azospirillum,



Shri Pareshbhai R Patel, Director, KRIBHCO is addressing seminar on Liquid Bio Fertiliser at Patan, Gujarat.

Rhizobium, Acetobacter, Phosphorus Solubilizing Bacteria (PSB), Potash Mobilizing Bacteria ( KMB), Zinc Solubilizing Bacteria, Liquid Consortia NPK-1 (strains of Azotobacter + PSB+KMB) and NPK-2 (strains of Azospirillum + PSB+ KMB). In addition to these strains, the Society Plans to produce NPK-3 (strains of Rhizobium for Soya +PSB + KMB) from next year.



During the year, Your Society produced 5.14 Lakh liters and sold 5.46 Lakh liters of liquid Bio-fertilizers, keeping in view its appreciable response due to its

longer shelf life, survival at higher temperature easy application and low prices. During the year 2018-19, the Society has a production and marketing plan of 8.00 Lakh liters of Liquid Bio-fertilizers.

### 13. PUBLICITY AND PUBLIC RELATIONS

Your Society believes in continuous and sustainable communication with all stakeholders. In line with this, Your Society has been addressing to farmers through mass media approach as well as direct linkages maintaining KRIBHCO's Brand



Shri N. Sambasiva Rao, Managing Director along with Shri V.S. Sirohi, Marketing Director, KRIBHCO visiting KRIBHCO stall during Krishi Unnati Mela at IARI, Pusa, New Delhi.

equity. The farmers are regularly educated on latest agriculture practices through KRIBHCO's own video film screening, participation in farmer's fair/expo, distribution of merchandises, utility material and various publications. The KRIBHCO brand is reminded to customers through Wall & Tractor Trolley painting, Hoardings, Participation in Krishi Darshan (Doordarshan) programmes, Print media and Point of Sale material. Cordial Relations are maintained with Cooperative and other channel

Partners, Media, besides Govt. agencies. The Society has been continuously receiving Awards and Honors from various organizations and Government in recognition of credible work.

### 14. SERVICES TO FARMERS, COOPERATIVES AND RURAL DEVELOPMENT

Farm advisory services have been a focus area for the Society. Your Society has competent team of agricultural professionals who are involved in transfer of latest farm technology to the farming community. The Society organized over 5,543 programmes such as Farmers Meetings, Field Demonstrations, Field Days, Crop Show, and Cooperative Conference, Group Discussion etc. benefiting 6.04 Lakh farmers and cooperative officials PAN India. Your Society also made available 17.08 Lakh technical folders on various Crops to farmers and Cooperatives for enhancing knowledge.

'KRIBHCO Krishi Pramash Kendra' has been playing pivotal role through free consultancy on farm-related issues, propagate efficient and balanced use of fertilizer by testing 6,718 soil samples (Micro-nutrients- 3,347 & Macro-nutrients- 3,371) collected from 15 states. This year KRIBHCO Krishi Pramash Kendra, NOIDA was visited by many Indian & foreign dignitaries and the services provided by Society to farmers and Cooperatives have been highly appreciated.

Your Society promoted Information Communication Technology (ICT) and sent the soil profile results along with the recommendations to the concerned farmers at their door-steps through e-mails, besides using the KRIBHCO website for display of results as well as monthly farm operations.





Dr. Chandra Pal Singh, Chairman, KIRIBHCO addressing a cooperative conference at Chandigarh.

Kisan helpline is also used for follow-up with farmers for adopting soil testing results. The society has also participated in Krishi Unnati Mela- 2018 at IARI – PUSA, New Delhi.

For inclusive development of Cooperatives, the Society adopted 106 Cooperative Societies, trained 19,468 Cooperative managers in 173 Cooperative conferences. The Society also organized 62 health campaigns for human & livestock, 34 income generations Programme, 30 drinking water facilities, 36 rural sports programme and 29 sanitation campaigns for integrated rural development.

## 15. COMMUNITY DEVELOPMENT

Your society is conscious of its responsibility towards various sections of the society. Accordingly, it has been undertaking extensive community developmental activities throughout the country. Storage-cum-community centre scheme started on the occasion of Golden Jubilee of India's Independence is still being continued and so far 185 centers have been completed and are in full use.

## 16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Society is dedicated to the farming community and therefore organizing various programmes addressing the needs of rural communities like Income generation activities, Distribution of Sewing Machines to Women, Health camps for Human & Animals, Creation of Drinking Water facilities, Construction of Toilets, Distribution of Waste Baskets, Distribution of School bags & Stationary to rural children, Rural Sports, Hygiene & Sanitation Campaigns etc. which is much more than an obligation under CSR.



KIRIBHCO distributed sewing machines to enhance income and empower women.

## 17. KRISHAK BHARATI SEWA KENDRAS (KBSKs)

Your Society has been operating 58 Krishak Bharati Sewa Kendras (KBSKs) in Uttar Pradesh (36), Haryana (16) and Punjab (6). These are own Retail outlets of the Society in countryside to cater the farmer's needs for quality Agro-inputs at a reasonable price at their doorsteps. KBSKs are also instrumental in transmitting to the farming community the latest technical knowledge of the agricultural practices. These centers fulfill twin objective of "Sales and Services" under one roof.

They bridge the gap between KRIBHCO and rural masses for socio-economic development as well as provide first-hand information/feedback about the actual needs of the farming community.

KBSKs are selling various Agri. Inputs like Neem coated Urea, DAP, NPK, MOP, SSP, Zinc Sulphate, Compost, Bio Fertilizers, Certified & Hybrid Seeds, Cattle feed & so on. Various kinds of Crop literature and pamphlets are also made available to farmers free of cost.



A view of Krishak Bharati Sewa Kendra (KBSK).

Apart from these KBSKs, Your Society has initiated franchisee concept in the states of UP, Bihar and West Bengal by giving franchise to fertilizer dealers. They are named as “Kisan Suvidha Kendras” as per the directions from Department of Fertilizers, Govt. of India.

## 18. INVESTMENTS / JOINT VENTURES / SUBSIDIARIES / OTHERS

### 18.1 Joint Ventures and Subsidiaries

- **Oman India Fertilizer Company SAOC (OMIFCO)**  
KRIBHCO invested US\$ 69.5 MM (₹ 328.53 Crore) in Oman India Fertilizer Company (OMIFCO) representing 25% of paid up equity capital. OMIFCO

owns a world scale fertilizer plant at Sur Industrial estate in the Sultanate of Oman having annual capacities 16.52 Lakh MTPA of granular Urea and 11.9 Lakh MTPA Ammonia.



OMIFCO Urea being shipped from Oman

Under a long term Gas Supply Agreement, Sultanate of Oman has committed to supply the natural gas feedstock for the entire life of OMIFCO. Government of India has committed to purchase all the urea produced by OMIFCO under a long term Urea Off-take Agreement (UOTA) for 15 years from the date of commercial production. Highly skilled workforce from KRIBHCO contributes in a big way in operation and maintenance of the fertilizer plant under a “Personnel Supply Agreement”.

For the calendar year 2017, OMIFCO produced 21.53 Lakh MT Urea and 13.58 Lakh MT of Ammonia which is 130.3% and 114.2% of the annual rated capacity of 16.52 Lakh MT and 11.9 Lakh MT respectively. Society is handling & marketing 50% of the urea produced by OMIFCO. For the calendar year 2017, OMIFCO paid a dividend of 16.90% on paid up capital of USD 278.0 million. KRIBHCO received US\$ 11.75 Million as dividend income from OMIFCO during the calendar year.



- **KRIBHCO Fertilizers Limited (KFL)**

KRIBHCO Fertilizers Limited (KFL), a wholly owned subsidiary of KRIBHCO, owns and operates a gas based Fertilizer Complex at Shahjahanpur, U.P., consisting of Ammonia Plant of 5.02 Lakh MT (1520 MTPD) and Urea Plant of 8.64 Lakh MT (2620 MTPD) annual capacity. The entire marketing rights of Urea and other products of the company are with KRIBHCO.

During Financial Year 2017-18, KFL produced 9.014 Lakh MT of Urea and 5.454 Lakh MT of Ammonia with capacity utilization of 104.25% and 108.73% for Urea and Ammonia respectively. Company dispatched 9.01 Lakh MT Urea to various destinations and sold 9.07 Lakh MT Urea during the year.

- **KRIBHCO Infrastructure Limited (KRIL)**

KRIBHCO Infrastructure Limited (KRIL), a wholly owned subsidiary of the Society, has authorized share capital of ₹ 500 Crore and paid up capital of ₹ 185 Crore.

KRIL possesses Category –I License to operate container trains on Indian Railway network on PAN India basis. KRIL owns eight container trains and 1350 containers, which are being deployed in different circuits. KRIL has set up and is operating rail linked Inland Container Depots/Private Freight Terminals at Hazira (Gujarat), Rewari (Haryana), Modinagar (Uttar Pradesh) and Hindaun City (Rajasthan), which offers comprehensive door to door logistic solutions for handling wide range of cargo including liquid cargo. KRIL has developed and is operating liquid (oil) handling facilities at its Rewari & Modinagar Terminals. KRIL is presently handling EXIM Traffic at its HAZIRA and Rewari Terminals. Handling of EXIM traffic at Modinagar Terminal is expected to commence shortly.

KRIL has generated total revenue of ₹ 141.31 Crore during the Financial Year 2017-18 against ₹ 97.16 Crore during Financial Year 2016-17, which is higher by 45.5%. KRIL is exploring the possibilities to set up Free Trade Zones/Logistic Parks/Inland Container Depots/Private Freight Stations/Domestic Terminals etc at various strategic locations in strategic alliance/Joint Venture subject to techno-commercial considerations.

- **Gujarat State Energy Limited (GSEG)**

Gujarat State Energy Generation Limited (GSEG) is a joint venture between Gujarat State Petroleum Corporation Ltd (GSPC), other Government of Gujarat Companies, KRIBHCO and GAIL (India) Ltd. In addition, SBI and IFCI are other strategic equity partners. KRIBHCO has so far made equity contribution of ₹ 102.04 Crore (27.9%).

During the financial year 2017-18, GSEG made gross revenue of ₹ 349.64 Crore. GSEG has earned profit before tax of ₹ 80.11 Crore against ₹ 46.60 Crore in FY 2016-17.

## **18.2 OTHER INVESTMENTS**

- **Indian Commodity Exchange (ICEX)**

Your Society holds 4% equity (₹8.40 Crore) in the Indian Commodity Exchange (ICEX). ICEX was incorporated as a wholly owned subsidiary of India Bulls Housing Finance Limited on August 18, 2008 and is engaged in the business of facilitating and managing nationwide trading in different types of contracts in commodities in India through the Company's online exchange trading platform. The exchange is currently been managed by Reliance Exchange Next Limited. Other key shareholders include leading names in financial, commodities and agricultural sectors such as India bulls Housing Finance Limited, MMTTC Ltd, India Potash Limited, KRIBHCO and IDFC Bank Ltd.

On 06.04.2018, Equity shareholders of M/s ICEX have approved the scheme of amalgamation of M/s National Multi Commodity Exchange of India Limited (NMCE) with M/s ICEX. After the amalgamation the Society holding will be reduced to 2.51%

- **Nagarjuna Oil Refinery Limited (NORL)**

The society holds an equity investment of ₹ 476.19 lakh, which is 2.34% of NORL's paid up share capital. The Equity Shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company holds 46.78% of paid up equity capital in Nagarjuna Oil Corporation Ltd. (NOCL).

- **Nagarjuna Fertilizers and Chemicals Limited (NFCL)**

The Society holds equity capital of ₹523.81 lakh in NFCL which is 1.84% of paid up share capital of NFCL. During the Financial Year 2017-18, NFCL produced 15.90 Lakh MT of Urea and sold 15.99 Lakh MT of Urea. Total Urea sales for both manufactured and imported was 20.84 Lakh MT. Micro irrigation division achieved a production of 1314 lakh Meters.

## 19. GRAMIN VIKAS TRUST (GVT)

GVT has been able to make its presence felt in 14 States spread over 94 Districts and 3900 Villages. Communities were motivated and organized to undertake a variety of interventions and initiatives across a range of thematic areas encompassing Natural Resource Management (NRM) including watershed development; Health and Sanitation; Skill Development; Social Enterprise Development; Climate Vulnerability Assessment and Adaptive Capacity Enhancement. In order to have diversification of its thematic areas, GVT engaged itself in capacity building of the beneficiaries; networking, broadly between producers and consumers with a change of landscape in the value chain; knowledge management and dissemination etc.



Shri N. Sambasiva Rao, Managing Director, KRIBHCO and Shri S.S. Yadav, CEO, GVT Along with women beneficiaries on the occasion of Kisan Mahila Diwas

A major emphasis was given on to deal with climate change which is increasingly adversely impacting our people, especially the poor, and ecosystems across the country. For building the resilience and adaptive capacities of vulnerable rural communities to climate-related hazards, GVT has undertaken projects on Climate Proofing of developed watersheds on the basis of vulnerability assessment which comprises assessment of climate exposures, climate sensitivity on a GIS platform for 50 years.

During the year, GVT has covered 7000 hectares under watershed development program in Jharkhand, 5000 hectares under climate proofing of developed watershed project in Gujarat, Rajasthan and Jharkhand. Under skill development vertical, GVT has trained and placed 1100 candidates. GVT has made significant contribution in sanitation sector also by constructing public toilets in Haryana and Himachal Pradesh under Swachh Bharat Mission. A major stride of GVT in the agri-business sector was through establishing a value chain where 15 FPOs were linked with market in Gujarat and Madhya



Pradesh. Under the stream of activities, working with renewable energy added a new dimension in the area of introducing clean technology. GVT has distributed, to this effect, 18,300 solar lamps to school going children in various region of Rajasthan where continuous supply of electricity is not available.

This year, GVT teams have also brought multiple rewarding recognitions from State and District level administrations, IIT Bombay etc.

## 20. HUMAN RESOURCE DEVELOPMENT (HRD)

Human Resources Development is the integrated use of training, organization and career development efforts to improve individual, group and organizational effectiveness. HRD develops the key competencies that enable individuals in organizations to perform current and future jobs through planned learning activities.

Your Society has conducted various programs like in-house training, workshops, talks, seminars etc. to develop and update knowledge of employees as well as to enable them to acquire latest skills. International Yoga Day was celebrated on 21<sup>st</sup> June 2017 in KRIBHCO Bhawan premises. Employees were also nominated and sponsored to various institutes for different programs, workshops and conferences. The Society also celebrated "National Productivity Week-2018" on the theme "Industry 4.0, Leapfrog Opportunity for India" by organizing a talk on Artificial Intelligence by an outside expert.

Besides this, 22 students from various management institutes were provided summer training in their respective fields. 34 students from National Centre for Cooperative Education (NCCE) also visited KRIBHCO Corporate Office as a part of their study visit.



Ladies participating in Navratri Festival celebrated at Hazira Township.

## 21. INDUSTRIAL RELATIONS

During the year, Employees' Relations in the Society remained cordial and peaceful. An atmosphere of mutual trust, confidence and goodwill prevailed between the Management and the employees represented by their Unions and Associations. Traditionally, Management maintained an open-door policy with fair and transparent approach while dealing with the employees, their Unions and Associations. As a result, not a single man-day was lost during the year due to Industrial Relations Problems.

The Management of the Society considers its employees as a valuable asset and assigns paramount importance to Employees Relations. Continuous and untiring efforts towards maintaining cordial and harmonious inter-personal relations has been the key factor(s) in achieving all round better performance of the Society.

## 22. INFORMATION TECHNOLOGY

Taking forward the Digital India Initiative of Government of India, the society has been integrating Information and Communication Technology (ICT) into its areas of business in a phased manner

and fundamentally changing how we operate and deliver value to our customers.

The Society has implemented the Goods and Services Tax (GST) in the SAP ERP System. Society has also implemented Video Conferencing facility as a part of its digital drive to reduce travel costs, thereby increasing the operational efficiency. Society's new website provides up to date information about Production, Sales and other Services offered including the CSR Initiatives.

Society is also utilizing e-Reverse Auction facility for procurement of Materials and Services at Corporate Office Noida; this has resulted in significant reduction of procurement costs and time. The society is also using the cloud based mailing solution across the organization for the faster communication within and outside the organization and also established the Disaster recovery (DR) centre to have uninterrupted business operation on SAP ERP Application as business continuity plan (BCP) in case of Failure of data centre operation due to disaster .

The society has carried forward its efforts for protecting environment and e-waste management.

### 23. PROGRESSIVE USE OF HINDI

An Official Language Implementation Committee (OLIC) has been constituted in Corporate Office under the chairmanship of Managing Director. To ensure Hindi activities and its progressive use, one employee in each State Marketing Office/Area Office has been designated. A two days Hindi workshop was organized for employees who were imparted training to work on computer in Hindi. Besides this, Unicode,

Google voice like e-tools and Official Language Act / rules related information was also given.

To motivate the employees for doing their official work in Hindi, a running trophy has been introduced and a cash incentive schemes being continued in the Society. On the eve of New Year, Hindi poems and songs were cited by the employees of KRIBHCO as a part of cultural programmes. Hindi Pakhwara, Hindi Week and Hindi Day were organized at Corporate Office, Plant/State Marketing Offices/ Area Offices during 4<sup>th</sup> to 18 September 2017.

### 24. KRIBHCO SAHAKARITA AWARDS

KRIBHCO Sahakarita Awards for the year 2016-17 were presented to two eminent cooperators in its 37<sup>th</sup> AGM held on September 22, 2017. KRIBHCO Sahakarita Shiromani Award was conferred on Shri Ajaybhai Haribhai Patel from Gujarat.



Shri Ajaybhai Haribhai Patel from Gujarat receiving KRIBHCO Sahakarita Shiromani Award from Dr. Chandra Pal Singh, Chairman and other Directors of KRIBHCO.

and KRIBHCO Sahakarita Vibhushan Award on Shri Raghbir Singh from Punjab for their contributions towards development of the Cooperative Movement.



Shri Raghbir Singh from Punjab receiving KIRIBHCO Sahakarita Vibhushan Award from Dr. Chandra Pal Singh, Chairman and other Directors of KIRIBHCO.

## 25. AWARDS AND HONOURS

Your Society's good work has been recognized by various Organizations and Government of India through various awards and felicitations during the year.

- Innovative traditions award and felicitation for "Swachhata hi Seva" by Government of India in a function at Vigyan Bhawan, New Delhi.



Shri N. Sambasiva Rao, Managing Director & Shri V.S. Sirohi, Marketing Director, KIRIBHCO receiving Innovative Traditions Award & Felicitated for 'Swachhata Hi Seva' from Shri Hardeep Singh Puri, Hon'ble Union Minister of State, Housing & Urban Affairs in the presence of Shri Durga Shankar Mishra, Secretary, Housing & Urban Affairs, Govt. of India.

- Best production performance award for Nitrogenous Plant (Ammonia & Urea) by FAI in the Annual Seminar-2017 held at New Delhi.
- The Second best Video film award of FAI on its film "AA AB LAUT CHALEN" pertaining to Pulses by FAI in the Annual Seminar-2017 held at New Delhi.



Shri V.S. Sirohi, Marketing Director, KIRIBHCO receiving FAI award from Shri Ananth Kumar, Hon'ble Union Minister of Chemicals & Fertilizers and Parliamentary Affairs, in the presence of Ms. Bharathi S. Sihag, Secretary, Fertilizers, Shri S.K. Pattanayak, Secretary, DAC & FW and Dr. Trilochan Mohapatra, Secretary, DARE and DG, ICAR.

- 14th National award for excellence in Cost Management-2016 under the category of "Private Manufacturing Mega" by The Institute of Cost Accountants of India, New Delhi.
- 2<sup>nd</sup> Prize for Corporate Brochure by Public Relations Society of India (PRSI) in National Awards-2017 function held at Vishakhapatnam.
- Mr Vijay Anand, Senior Manager (MS), declared the winner of 'Next 100 CIO of the Country Award-2017' by IT Next 100, 9 Dot 9 Media and supported by Leading Global IT Companies.



Shri Rajan Chowdhry, Finance Director, KRIBHCO receiving 14<sup>th</sup> National Award for Excellence in cost Management from Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs.



Shri N. Sambasiva Rao, Managing Director, KRIBHCO addressing employees during Vigilance Awareness week at Corporate Office, Noida.

## 26. FINANCIAL RATING

Your Society's excellent financials and its core strength have been recognized by ICRA by awarding the rating A1+ for accessing short term borrowing and letters of credit. This rating indicates that the degree of safety regarding timely payment on the instrument is very strong. On the long term, ICRA has rated the Society as AA stable which means high degree of safety with regards to timely payment of financial obligations. The outlook is indicated as "stable".

## 27. VIGILANCE

Your Society considers Vigilance as an integral part of the Management Function. Main stress of the management is on transparency in the organization and accountability in day to day functioning of the Society through Preventive Vigilance. There is a full-fledged Vigilance set up being headed by a Chief Vigilance Officer. The management has been emphasizing on the efficacy of Preventive Vigilance to improve systems and procedures in a way so as to reduce scope of discretion and eliminate corruption.

Efforts are also made to sensitize the public/ customers/ employees about the evil consequences of corruption and ways to prevent it. Vigilance Awareness Week was celebrated in all the offices of Society during 30<sup>th</sup> October to 4<sup>th</sup> November, 2017. On this occasion, pledge was taken in all offices of Society and Lecture on the theme "My Vision – Corruption Free India" emphasizing need for Preventive Vigilance was delivered at Corporate Office by Dr. Bhure Lal, IAS (Retd.), who is Chairman of Environment Pollution (Prevention & Control) Authority (EPCA). Essay writing & Quiz competitions on moral values involving employees were also organized.

## 28. CORPORATE GOVERNANCE

Your Society believes that good Corporate Governance leads to attainment of long term goals and value addition to the Stakeholders of the Society. The Society believes in the system of accountability transparency and business ethics in its business coupled with utmost importance to statutory compliances.





The Thirty Seventh Annual General Body Meeting (AGM) of KRIBHCO was held on 22<sup>nd</sup> September, 2017. During the course of discussion, the delegates appreciated the excellent performance of the Society, especially in production and marketing fronts. The delegates also appreciated the sincere efforts put in by the Society in implementing the suggestions made by them in the last AGM.

Seven Meetings of the Board of Directors, Nine Meetings of the Executive Committee, Three Meetings of the Marketing Sub Committee and Three Meetings of the Audit Committee were held during the year. The observations/recommendations of the members are taken into account while formulating the future strategies and planning of the Society.

### **29. AUDITORS**

M/s V. Sankar Aiyar & Co., M/s S.S. Kothari Mehta & Co. and M/s G.K. Choksi & Co. Chartered Accountants, who are statutory auditors of the Society, hold office until the conclusion of the ensuing Annual General Meeting. Members are requested to consider reappointment of M/s V. Sankar Aiyar & Co., M/s S.S. Kothari Mehta & Co. and M/s G.K. Choksi & Co., Chartered Accountants as Joint Statutory Auditors of the Society for the Financial Year 2018-19.

### **30. DIRECTORS RESPONSIBILITY STATEMENTS**

Your Directors hereby confirm that (a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any. (b) Appropriate Accounting Policies have been selected and applied consistently, and that the judgment and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Society as of March 31, 2018 and of the profit of the Society for the

said period. (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance of the Multi State Cooperative Society Act, 2002 for safeguarding the assets of the Society and for preventing and detecting fraud and irregularities (d) the Annual Accounts have been prepared on a going concern basis.

### **31. ACKNOWLEDGEMENTS**

The Society received full support and cooperation from the Ministry of Chemicals and Fertilizers and other Ministries/Departments concerned of the Government of India and FICC for which the Society expresses its gratefulness.

The Board of Directors also wishes to place on record its gratitude to those National and International Organizations which have provided their valuable support. Special thanks are due to Society's bankers and the Reserve Bank of India. Last but not the least, the Board places on record its high appreciation for the sustained, dedicated and sincere efforts put in by the Officers and Staff of the Society for their sustained high level of performance.

**For and on behalf of the Board of Directors**

**(Chandra Pal Singh)  
Chairman**

**Dated : July 26, 2018**

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Krishak Bharati Cooperative Limited

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of KRISHAK BHARATI COOPERATIVE LIMITED (the Multi State Cooperative Society), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Society in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Multi State Cooperative Societies Act, 2002 (the Act.) This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Society 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Society's preparation of the 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 whether the society has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by Managements, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the profit of the Society for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Society for the year ended on that date.

#### **5. Other Matter**

We did not audit the financial statements of Sur Branch at Oman included in the financial statements of the Society whose

financial statements reflect total assets of ₹32,863.21 lakh as at 31st March, 2018 and total revenues of ₹7,615.29 lakh for the year ended on that date, as considered in the financial statements. The financial statements of the branch 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 the branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

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

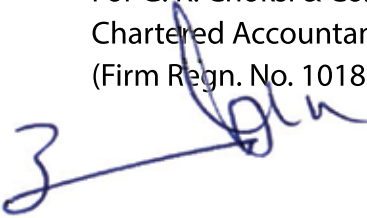
As required under the Multi State Cooperative Societies Act, 2002, we report that:

- a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as specified in the Multi-State Cooperative Societies Rules, 2002 have been kept by the Society so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us;
- c) The report on the accounts of Sur Branch at Oman audited by the local branch auditor has been forwarded to us and same has been appropriately dealt with in preparing this report in the manner considered necessary by us and;

d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the returns received from the branches not visited by us.

e) In our opinion, the aforesaid financial statements comply with the accounting standards issued by the Institute of Chartered Accountant of India.

For G. K. Choksi & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)



(Sandip A. Parikh)  
Partner  
M.No. 040727

For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No. 109208W)



(R. Raghuraman)  
Partner  
M.No. 081350

For S. S. Kothari Mehta & Co  
Chartered Accountants  
(Firm Regn. No. 000756N)



(Yogesh K. Gupta)  
Partner  
M.No. 093214

Place: **New Delhi**

Dated: **June 11, 2018**

**FINANCIAL STATEMENTS****BALANCE SHEET AS AT MARCH 31, 2018**

(₹ in lakh)

Particulars	Note	As at 31.03.2018	As at 31.03.2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	38,978.95	38,984.95
Reserves and Surplus	2.2	302,326.48	291,534.78
		<b>341,305.43</b>	<b>330,519.73</b>
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (Net)	2.3	25,156.20	23,401.20
Other Long Term Liabilities	2.4	942.54	1,073.74
Long-Term Provisions	2.5	20,455.01	18,539.11
		<b>46,553.75</b>	<b>43,014.05</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.6	306,197.85	327,790.04
Trade Payables		51,613.58	44,741.91
Other Current Liabilities	2.7	21,002.30	24,470.12
Short-Term Provisions	2.8	7,983.41	10,560.64
		386,797.14	407,562.71
<b>TOTAL</b>		<b>774,656.32</b>	<b>781,096.49</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2.9	166,055.58	173,660.34
Capital Work-in-Progress	2.10	1,614.18	1,126.28
Intangible Assets	2.11	2,695.77	2,855.79
Non-Current Investments	2.12	154,909.01	154,909.01
Long-Term Loans and Advances	2.13	8,391.73	7,600.12
Other Non-Current Assets	2.14	297.20	297.20
		<b>333,963.47</b>	<b>340,448.74</b>

Continued...

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**BALANCE SHEET AS AT MARCH 31, 2018**

(₹ in lakh)

Particulars	Note	As at 31.03.2018	As at 31.03.2017
<b>Current Assets</b>			
Inventories	2.15	77,656.66	75,856.35
Trade Receivables	2.16	323,543.53	331,081.39
Cash and Bank Balances	2.17	13,418.53	5,972.61
Short-Term Loans and Advances	2.18	24,897.27	26,570.62
Other Current Assets	2.19	1,176.86	1,166.78
		<b>440,692.85</b>	<b>440,647.75</b>
<b>TOTAL</b>		<b>774,656.32</b>	<b>781,096.49</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes on Accounts</b>	<b>2</b>		
<b>Notes referred above form an integral part of the Balance Sheet</b>			

**For and on behalf of Board of Directors**

  
(Rajan Chowdhry)  
Finance Director


  
( N. Sambasiva Rao)  
Managing Director

For G. K. Choksi & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)

**As per our report of even date**  
For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No. 109208W)

For S. S. Kothari Mehta & Co  
Chartered Accountants  
(Firm Regn. No. 000756N)

  
(Sandip A. Parikh)  
Partner  
M.No. 040727

  
(R. Raghuraman)  
Partner  
M.No. 081350

  
(Yogesh K. Gupta)  
Partner  
M.No. 093214

Place: **New Delhi**

Dated: **June 11, 2018**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in lakh)

Particulars	Note	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Revenue:</b>			
Revenue from Operations (Net of Discounts/rebates)		683,242.31	662,655.17
Less: Excise Duty		645.23	2,681.63
Revenue from Operations (Net)	2.20	<b>682,597.08</b>	<b>659,973.54</b>
Other Income	2.21	12,722.84	7,743.64
<b>Total Revenue</b>		<b>695,319.92</b>	<b>667,717.18</b>
<b>Expenses:</b>			
Cost of Materials Consumed	2.22	342,322.75	318,362.61
Purchases of Stock in Trade	2.23	175,704.62	201,587.88
Changes in Inventories of Finished Goods, Semi-Finished, Stock-in-Process and Stock-in-Trade	2.24	(2,858.72)	(39,332.44)
Employee Benefits Expense	2.25	38,088.16	34,204.49
Finance Costs	2.26	19,476.47	22,520.68
Depreciation and Amortization Expense		10,422.29	9,923.84
Other Expenses of Manufacturing, Administration, Selling and Distribution	2.27	95,923.09	104,987.34
Prior Period Items (Net)	2.28	(15.23)	(3,597.20)
<b>Total Expenses</b>		<b>679,063.43</b>	<b>648,657.20</b>
<b>Profit Before Tax</b>		<b>16,256.49</b>	<b>19,059.98</b>
Tax Expense:			
Current Tax		3,570.01	4,600.00
Earlier Years		-	6.52
Deferred Tax		1,755.00	2,305.45
<b>Total Tax Expense</b>		<b>5,325.01</b>	<b>6,911.97</b>
<b>Profit for the year (After Tax)</b>		<b>10,931.48</b>	<b>12,148.01</b>

Continued...

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**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in lakh)

Particulars	Note	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Less: Amount Transferred to:</b>			
Capital Repatriation Fund		20.00	20.00
		<u>20.00</u>	<u>20.00</u>
<b>Net Profit as per the Multi-State Cooperative Societies Act 2002</b>		<u>10,911.48</u>	<u>12,128.01</u>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes on Accounts</b>	<b>2</b>		
<b>Notes referred above form an integral part of the Statement of Profit and Loss</b>			

**For and on behalf of Board of Directors**

  
(Rajan Chowdhry)  
Finance Director

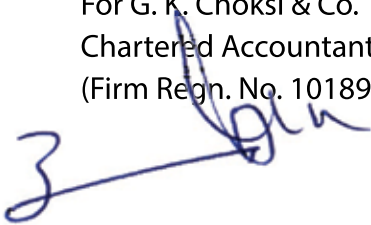
  
( N. Sambasiva Rao)  
Managing Director

For G. K. Choksi & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)

**As per our report of even date**

For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No. 109208W)

For S. S. Kothari Mehta & Co  
Chartered Accountants  
(Firm Regn. No. 000756N)



(Sandip A. Parikh)  
Partner  
M.No. 040727



(R. Raghuraman)  
Partner  
M.No. 081350



(Yogesh K. Gupta)  
Partner  
M.No. 093214

Place: **New Delhi**

Dated: **June 11, 2018**



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	(₹ in lakh)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>(A) Cash Flow from Operating Activities:</b>		
<b>Net Profit Before Tax</b>	<b>16,256.49</b>	<b>19,059.98</b>
Adjustments for:	-	-
Depreciation/Amortisation	10,422.29	9,923.84
Provision for diminution in value of inventory	(339.22)	456.40
Excess Provision Written Back	(451.08)	(350.82)
Profit/Loss on Sale of Assets	(72.07)	(29.10)
Foreign Exchange Variation	226.92	1,272.06
Finance Cost	19,476.47	22,520.68
Interest income	(3,014.27)	(174.61)
Dividend Income	(7,615.32)	(6,098.05)
<b>Operating Profit before working capital changes</b>	<b>34,890.21</b>	<b>46,580.38</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in liabilities and provisions	8,343.02	35,699.75
Decrease/(Increase) in trade receivables	7,537.86	6,145.87
Decrease/(Increase) in inventories	(1,461.10)	(40,034.47)
Decrease/(Increase) in Loans & Advances	(6,542.54)	(7,593.23)
<b>Cash generated from /(used in) operations</b>	<b>42,767.45</b>	<b>40,798.30</b>
Direct Taxes paid (net of refunds)	3,799.31	(5,311.39)
Contribution to Cooperative Education Fund	(121.28)	(163.15)
Donations Paid	(42.20)	(35.75)
<b>Net cash Flow from/ (used in) operating activities (A)</b>	<b>46,403.28</b>	<b>35,288.01</b>

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**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>(B) Cash Flow from Investing Activities:</b>		
Purchase of fixed assets (Including CWIP)	(3,763.18)	(6,072.40)
Proceeds from sale of fixed assets	420.81	722.60
(Increase)/Decrease in fixed deposits	319.40	(85.30)
Purchase of non-current investments	-	(9,578.31)
Interest received	3,235.88	368.53
Dividend received	7,615.32	6,098.05
<b>Net cash Flow from/(used in) investing activities (B)</b>	<b>7,828.23</b>	<b>(8,546.83)</b>
<b>(C) Cash Flow from financing activities:</b>		
Issue/Repatriation of Share Capital (Net)	(6.00)	55.75
Proceeds from long-term borrowings (Net)	(17.34)	(9,518.46)
Proceeds from short-term borrowings (net)	(21,592.18)	13,717.36
Interest Paid	(18,833.03)	(22,801.97)
Dividends paid on equity shares	(5,837.62)	(7,763.52)
Foreign Exchange Variation	(226.92)	(1,272.06)
<b>Net cash flow/(used in) in financing activities (C)</b>	<b>(46,513.09)</b>	<b>(27,582.90)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	7,718.42	(841.72)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,532.74</b>	<b>6,374.46</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,251.16</b>	<b>5,532.74</b>
<b>Components of Cash and cash equivalents (Note 2.17)</b>		
Cash in hand	10.74	5.92
Cheques/ drafts on hand including remittances in transit	7,183.84	602.39
With banks on current account	5,975.74	4,924.43
Other bank balances	80.84	-
<b>Total cash and cash equivalents</b>	<b>13,251.16</b>	<b>5,532.74</b>

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**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018****Notes:**

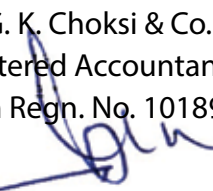
- 1 Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS)-3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 2 Previous year's figures have been regrouped / re- arranged wherever necessary.

**For and on behalf of Board of Directors**


(Rajan Chowdhry)  
Finance Director




( N. Sambasiva Rao)  
Managing Director



For G. K. Choksi & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)

**As per our report of even date**

For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No. 109208W)



For S. S. Kothari Mehta & Co  
Chartered Accountants  
(Firm Regn. No. 000756N)

(Sandip A. Parikh)  
Partner  
M.No. 040727

(R. Raghuraman)  
Partner  
M.No. 081350

(Yogesh K. Gupta)  
Partner  
M.No. 093214

Place: **New Delhi**Dated: **June 11, 2018**

**Note No.1**

**Significant Accounting Policies Forming Part of Financial Statements For the Year Ended March 31, 2018**

**1. BASIS OF PREPARATION**

The Financial Statements are prepared on accrual basis of accounting under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of Multi State Cooperative Societies Act, 2002.

**2. USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialise.

**3. INVENTORIES**

Inventories are valued at lower of cost and net realizable value.

3.1 Cost in respect of various types of inventories is computed as under:

3.1.1 Raw Materials, Packing Materials, Catalysts in stores, Stores and Spares at weighted average cost.

3.1.2 Stock in Process at direct cost and appropriate portion of overheads.

3.1.3 Semi-Finished Goods:

Manufactured Ammonia at Annualised Cost of Production.

3.1.4 Finished Goods:

Manufactured Urea at Annualised Cost of Production.

3.1.5 Traded Goods :

Traded Products at procurement cost determined on weighted average basis plus direct expenses.

3.1.6 Spares, which are repaired either departmentally or through outside agencies, are taken into inventory at a nominal cost of ₹1/- each.

3.2 Net Realisable Value is computed as under:

3.2.1 Finished Goods:

Concession price/Import Parity Price (IPP) determined in accordance with norms of Government of India in respect of manufactured urea less estimated costs necessary to make the sales.



### 3.2.2 Traded Goods:

- (a) Estimated selling price plus subsidy rate notified by Government of India in respect of imported phosphatic/potassic fertilisers less estimated costs necessary to make the sales.
- (b) Estimated selling price plus applicable handling remuneration in respect of imported OMIFCO Urea and imported Pool Urea less estimated costs necessary to make the sales.
- (c) Estimated selling price in respect of stocks of other products lying at warehouses/ports less estimated costs necessary to make the sales.

3.3 The diminution in the value of obsolete, unserviceable, slow moving and surplus stores and spares is ascertained on review and provided for accordingly.

## 4. PRIOR PERIOD INCOME / EXPENDITURE

Income/Expenditure relating to prior period(s) which does not exceed ₹ 50,000/- in each case is treated as Income/Expenditure for the Current Year.

## 5. DEPRECIATION / AMORTISATION

5.1 Depreciation on Property, Plant and Equipment is provided on straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013.

5.2 Based on technical assessment, where useful life of Property, Plant and Equipment is different from the useful life specified in Schedule II to the Companies Act, 2013, depreciation is provided on straight line method on the basis of useful life based on technical assessment.

5.3 Assets individually costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.

5.4 Leasehold lands and buildings:

5.4.1 Leasehold lands are amortized over the period of lease.

5.4.2 Leasehold buildings and buildings constructed on leasehold lands are fully depreciated over the period of lease in case period of lease is less than the useful life prescribed as per Schedule II of the Companies Act 2013.

5.5 Intangible assets comprising of computer software are amortized on straight line method over a period of legal right or three years whichever is earlier on pro-rata basis.

5.6 Intangible assets comprising of licence fee relating to production processes are amortized on straight line method over a useful life of related fixed assets.

## **6. REVENUE RECOGNITION**

### **6.1 Sale of goods :**

Sales are recognized upon the transfer of significant risks and rewards of ownership to the customers, evidenced by issue of Lifting certificates/Invoices to customers.

### **6.2 Subsidy/handling remuneration from Government :**

6.2.1 Subsidy on urea and imported phosphatic/potassic fertiliser, handling remuneration on imported OMIFCO Urea, imported Pool Urea, seeds and bio-fertilisers are recognised based on quantity sold.

6.2.2 Freight Subsidy is recognised on quantity despatched from plant/ports in terms of schemes notified by Government of India(GOI).

### **6.3 Sale of services :**

Revenue from services rendered is recognised as and when the service is performed based on agreements/arrangements with the concerned parties.

### **6.4 Other income :**

6.4.1 Dividend income is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis, taking into account amount outstanding and rate applicable.

6.4.2 Interest on delayed payment from customers, Railway claims for finished goods, Insurance Claims, Claims receivable on account of dispatch money on shipments, Right of use of land and difference in service charges receivable are recognized when no significant uncertainty exists with regard to the amount to be realized and ultimate collection thereof.

6.4.3 Income from Scrap/ salvage and waste material is recognised when sold.

## **7. PROPERTY, PLANT AND EQUIPMENT**

7.1 Property, Plant and Equipment are stated at historical cost less accumulated depreciation/ amortisation and impairment. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

7.2 Assets retired from active use and held for disposal are shown separately under Property, Plant and Equipment at lower of net book value and estimated realizable value.

7.3 Spares are recognised in accordance with AS 16 "Property, Plant and Equipment" when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

7.4 Property, Plant and Equipment which are not ready for their intended use are shown as Capital Work-in-Progress and are carried at cost.

7.5 Intangible Assets: An intangible asset is recognised where it is probable that the future economic benefit attributable to the asset will flow to the Society and the cost of the asset can be measured reliably. Such assets are stated at cost less accumulated amortization.



## **8. FOREIGN CURRENCY TRANSACTIONS**

- 8.1 Foreign currency transactions are recorded on initial recognition at the exchange rate prevailing on the date of the transaction. On settlement of transactions, the realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.
- 8.2 Foreign currency monetary items remaining unsettled at the end of the year are reported at year-end rates. The exchange rate differences arising thereof are recognized in the Statement of Profit and Loss. Non Monetary items which are carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- 8.3 Financial statements of Foreign branch are considered to be integral and are translated as follows:
  - 8.3.1 Monetary assets and liabilities at rates of exchange prevailing at the end of the year.
  - 8.3.2 Non-monetary items at exchange rates prevailing on the date of transaction.
  - 8.3.3 Revenue items are accounted for at the exchange rate, which approximates the rate prevailing as on the date of transaction.
  - 8.3.4 Resultant translation differences arising there from are recognized in the Statement of Profit and Loss.
- 8.4 In respect of forward contracts premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the period of the contract. Forward contracts remaining unsettled at the end of the year are reported at year end rates. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense in the year in which such profit or loss arises.

## **9. GOVERNMENT GRANTS**

- 9.1 Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- 9.2 When the grant relates to a revenue expenditure, it is recognised over period in which the related costs are incurred and are deducted from the related expenses.
- 9.3 Where the grant relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

## **10. INVESTMENTS**

- 10.1 Current investments are valued at lower of cost and fair value determined on an individual assessment basis.
- 10.2 Long Term investments are carried at cost. Provision for diminution in the value of investments is made to recognize a decline, other than temporary, in the value of such investments.

## **11. EMPLOYEE BENEFITS**

11.1 Short term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit & Loss of the year in which the related service is rendered.

11.2 The Employees' Group Gratuity Fund Scheme and Provident Fund Scheme are the Society's defined benefit plans, which are funded by the Society, and are managed by separate trusts.

11.2.1 The present value of Society's obligations under Gratuity Scheme is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligation under gratuity scheme, to recognize the obligation on net basis.

11.2.2 The contribution to Provident Fund and Family Pension Scheme is recognized as expense and is charged to the Statement of Profit & Loss.

The Society has an obligation to make good the shortfall, if any, between the return from the investments of Provident Fund Trust and the Notified interest rates. Liability, on account of such shortfall, if any, is recognized on the basis of actuarial valuation carried out at the year end.

11.3 The liability for other defined benefit plans such as leave encashment/ compensated absences, long service award, farewell gift and travel to home town on superannuation are recognized on the basis of an actuarial valuation made at the end of the year.

11.4 The liability for termination benefits payable in subsequent period to the employees opted for Voluntary Retirement Scheme is recognised on the basis of an actuarial valuation made at the end of the year.

11.5 The liability for contribution to Employees Superannuation Pension Scheme and Post Retirement Assistance Scheme is recognised as expense and charged to Statement of Profit and Loss.

11.6 Gains and Losses arising out of actuarial valuation are recognized immediately in the Statement of Profit and Loss.

## **12. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. All other borrowing costs are recognized as expenses in the period in which they are incurred.

## **13. OPERATING LEASES**

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the Lessors are classified as 'Operating Leases'. Lease rentals paid for such leases are recognised as an expense on straight line basis over the term of lease.





## **14. TAXATION**

14.1 Provision for current income tax is made on the basis of assessable income as per Income Tax Act, 1961.

14.2 Deferred Tax resulting from “timing differences” between taxable income and accounting income is determined by using the tax rates and the tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are carried forward to the extent it is reasonably/virtually certain that future taxable profit will be available against which such Deferred Tax Assets can be realised.

## **15. IMPAIRMENT OF ASSETS**

At each Balance Sheet date a review is made whether indication exists that asset has been impaired. In case such indication exists, an impairment loss is recognized wherever carrying amount of an asset exceeds its recoverable amount. Recoverable amount is higher of the ‘net selling price’ of assets and ‘value in use’.

## **16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

16.1 Provision is recognized when the Society has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

16.2 Contingent Liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

16.3 Contingent Assets are neither recognized nor disclosed in the financial statements.

## **17. CATALYSTS**

Catalysts issued are charged to revenue over their estimated useful life. Value of catalysts yet to be consumed in production process is considered as part of inventories.

## **18. PREPAID EXPENSES**

Expenditure upto ₹ 25,000/- in each case, incurred in advance relating to the following year is accounted for in the year in which the expenditure is incurred.

## Note No. 2.1

### SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31.03.2018		As at 31.03.2017	
<b>Equity Share Capital</b>				
<b>AUTHORISED</b>				
44,000 (44,000) Equity Shares of ₹1,00,000 each	44,000.00		44,000.00	
16,000 (16,000) Equity Shares of ₹25,000 each	4,000.00		4,000.00	
20,000 (20,000) Equity Shares of ₹10,000 each	<u>2,000.00</u>	<u>50,000.00</u>	<u>2,000.00</u>	<u>50,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
33,330(33,331) Equity Shares of ₹1,00,000 each	33,330.00		33,331.00	
15,622 (15,642) Equity Shares of ₹25,000 each	3,905.50		3,910.50	
19,163 (19,163) Equity Shares of ₹10,000 each	<u>1,916.30</u>	39,151.80	<u>1,916.30</u>	39,157.80
Less: Shares under Repatriation		179.23		179.23
<b>Net Paid up capital</b>		<b><u>38,972.57</u></b>		<b><u>38,978.57</u></b>
Add: Forfeited shares		6.38		6.38
<b>Total</b>		<b><u>38,978.95</u></b>		<b><u>38,984.95</u></b>

#### Further Notes:

1) Reconciliation of number of shares outstanding and amount of share capital is set out as follows:

Class of Shares		As on 01.04.2017	Issued during the year	Repatriated during the year	As on 31.03.2018
(1)		(2)	(3)	(4)	(5)
₹1,00,000/- (₹ One Lakh only)	Nos Value ₹ in lakh	33,331 33,331.00	— —	1.00 1.00	33,330 33,330.00
₹25,000/- (₹ Twenty Five Thousand only)	Nos Value ₹ in lakh	15,642 3,910.50	— —	20.00 5.00	15,622 3,905.50
₹10,000/- (₹ Ten Thousand only)	Nos Value ₹ in lakh	19,163 1,916.30	2.00 0.20	2.00 0.20	19,163 1,916.30
Total Value of Fully Paid Up Shares ₹ in lakh		39,157.80	0.20	6.20	39,151.80
Previous Year ₹ in lakh		39,082.05	80.95	5.20	39,157.80

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- 2) Details of share holders holding more than 5% of equity shares in each category:-

<b>Equity Shares of ₹1,00,000 each</b>	<b>Current Year</b>	<b>Previous Year</b>
The Haryana State Cooperative Supply and Marketing Federation Limited		
No of Shares held	2147	2147
% of holding	6.44%	6.44%

- 3) As per provisions of the Multi-State Co-operative Societies Act 2002 and Bye-Laws of the Society, every member has a single voting right irrespective of the number/value of share capital held. The holders of the equity shares are entitled to receive dividends as declared from time to time in proportion to their shareholding.
- 4) Aggregate amount of capital repatriated as per Bye-Laws of the Society during the last five years is ₹9,996.70 lakh (Previous year ₹10,015.65 lakh)..
- 5) The Society has repatriated its equity in terms of Section 35 of the Multi State Cooperative Societies Act, 2002 read with amended Bye Law No. 8(a) of KRIBHCO to the Government of India. As on March 31, 2018, cheques worth ₹18,890 lakh (Previous Year ₹18,890 lakh) towards repatriation of share capital have not been encashed and returned by Government of India and the amount is lying unutilised in the bank accounts of the Society.

**Note No. 2.2****RESERVES AND SURPLUS**

(₹ in lakh)

<b>Particulars</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
<b>(a) Reserve Fund (As per Bye-Law 58(i) of the Society)</b>				
As per last Balance Sheet	115,795.76		112,763.76	
Add : Transfer from Surplus Account	<u>2,727.87</u>	118523.63	<u>3,032.00</u>	115,795.76
<b>(b) Reserve Fund for Contingency (As per Bye-Law 58(iii) of the Society)</b>				
As per last Balance Sheet	24,028.49		22,815.69	
Add : Transfer from Surplus Account	<u>1,091.15</u>	25,119.64	<u>1,212.80</u>	24,028.49
<b>(c) Reserve for Donations</b>				
As per last Balance Sheet	75.75		73.50	
Add : Transfer from Surplus Account	40.00		40.00	
Less : Payments during the year	42.20		35.75	
Less : Transfer to General Reserve during the year	<u>1.80</u>	71.75	<u>2.00</u>	75.75
<b>(d) Capital Repatriation Fund</b>				
As per last Balance Sheet	125.00		129.95	
Add : Transfer from Statement of Profit and Loss	20.00		20.00	
Less: Transfer to Share Repatriated Reserve	<u>6.20</u>	<u>138.80</u>	<u>24.95</u>	<u>125.00</u>

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## Note No. 2.2

### RESERVES AND SURPLUS

(₹ in lakh)

Particulars	As at 31.03.2018		As at 31.03.2017	
<b>(e) Share Repatriated Reserve</b>				
As per last Balance Sheet	777.32		752.37	
Add : Transfer from Capital Repatriation Fund	<u>6.20</u>	783.52	<u>24.95</u>	777.32
<b>(f) General Reserve</b>				
As per last Balance Sheet	142,246.14		140,368.36	
Add : Transfer from Surplus Account	-		1,875.78	
Add : Transfer from Reserve for Donation	<u>1.80</u>	142,247.94	<u>2.00</u>	142,246.14
<b>(g) Dividend Equalisation Fund</b>				
As per last Balance Sheet	8,415.99		8,415.99	
Less : Deductions/Adjustments during the year	<u>71.67</u>	8,344.32	-	8,415.99
<b>(h) Cooperative Development Fund</b>				
As per last Balance Sheet	70.33		63.32	
Add : Transfer from Unclaimed Dividend	11.57		7.21	
Less : Payment of Unclaimed Dividends during the year	<u>0.04</u>	81.86	<u>0.20</u>	70.33
<b>(i) Surplus (Balance in Statement of Profit and Loss)</b>				
Opening Balance	-		-	
Add: Net Profit as per the Multi-State Cooperative Societies Act 2002	10,911.48		12,128.01	
Add : Transfer from Dividend Equilisation Fund	<u>71.67</u>		-	
Amount Available for Appropriations:	10,983.15		12,128.01	
Less: Appropriations:				
(1) Reserve Fund as per Bye-Law 58(i) of the Society	2,727.87		3,032.00	
(2) Provision for Contribution to Cooperative Education Fund	109.11		121.28	
(3) Reserve Fund for Contingency as per Bye- Law 58 (iii) of the Society	1,091.15		1,212.80	
(4) Reserve for Donations	40.00		40.00	
(5) Proposed Dividend (Refer Note 2.45)	-		5,846.15	
(6) General Reserve	- <u>3,968.13</u>	<u>7,015.02</u>	<u>1,875.78</u>	<u>12,128.01</u>
<b>Total</b>		<b><u>302,326.48</u></b>		<b><u>291,534.78</u></b>

**Note No. 2.3****DEFERRED TAX LIABILITIES (NET)**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Deferred Tax Liability</b>		
Difference of Book Depreciation and Tax Depreciation/ Allowance (A)	<u>33,480.95</u>	<u>32,325.43</u>
<b>Deferred Tax Assets</b>		
Provision for Employees benefits allowable on payment basis	7,612.88	8,101.29
Provision for Doubtful Debts and Advances	136.04	134.74
Others	575.83	688.20
Total Deferred Tax Assets (B)	<u>8,324.75</u>	<u>8,924.23</u>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b><u>25,156.20</u></b>	<b><u>23,401.20</u></b>

**Further Notes:**

During the year net increase in deferred tax liability of ₹1,755.00 lakh is being recognised in the Statement of Profit & Loss (Previous Year increase of ₹2,305.45 lakh).

**Note No. 2.4****OTHER LONG TERM LIABILITIES**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Retention/Security Deposits	714.04	718.21
Income Received in Advance	228.50	355.53
<b>Total</b>	<b><u>942.54</u></b>	<b><u>1,073.74</u></b>

**Note No. 2.5****LONG TERM PROVISIONS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Employee Benefits*	20,455.01	18,539.11
<b>Total</b>	<b><u>20,455.01</u></b>	<b><u>18,539.11</u></b>

\*Disclosure as required by AS 15 on "Employee Benefits" has been made in Note No. 2.31.

**Note No. 2.6**

**SHORT TERM BORROWINGS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Short Term Loans From Banks:</b>		
<b>Secured</b>		
Rupee Loans	112,710.15	90,575.94
Foreign Currency Loans	-	64,838.60
<b>Unsecured</b>		
Rupee Loans	44,851.55	44,002.44
Foreign Currency Loans	76,778.67	48,287.33
Foreign Currency Loans- Buyers Credit	71,857.48	80,085.73
<b>Total</b>	<b><u>306,197.85</u></b>	<b><u>327,790.04</u></b>

**Further Notes:**

Details of Security for Secured Loans:

- ₹17,210.00 (Previous year ₹60,729.27 lakh) is Secured by hypothecation of subsidy receivable from Government of India and the same will be directly repayable by GOI to the lender on release of subsidy.
- ₹95,500.15 lakh (Previous year ₹94,685.27 lakh) is Secured by first parri-passu charge on all current assets of the Society.

**Note No. 2.7**

**OTHER CURRENT LIABILITIES**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Current maturities of long term borrowings*	-	17.34
Interest accrued but not due on borrowings	779.18	135.73
Income received in advance	179.70	218.77
Unpaid / Unclaimed Dividends**	210.97	167.08
Amount Payable under Forward Contract (Net)	-	9,340.70

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**Note No. 2.7****OTHER CURRENT LIABILITIES**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Other Payables		
Advances from customers and others	10,073.71	4,264.03
Deposits from contractors and others	4,123.10	3,520.92
Statutory Dues	3,261.33	1,818.66
Employees Dues	2,030.91	4,551.05
For Capital Goods	343.40	435.68
Capital Grant Received in Advance	-	0.16
<b>Total</b>	<b><u>21,002.30</u></b>	<b><u>24,470.12</u></b>

**Further Notes:**

\* Loan of ₹Nil (Previous Year ₹17.34 lakh) is secured against pledge of Fixed Deposit Receipt of ₹Nil (Previous year ₹80.84 lakh).

\*\* Unpaid / Unclaimed Dividend represents the amounts which have not been claimed by the investors/ shareholders.

**Note No. 2.8****SHORT TERM PROVISIONS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Employee Benefits*	7,874.30	4,593.21
Others		
Proposed Dividend (Refer Note 2.45)	-	5,846.15
Cooperative Education Fund	109.11	121.28
<b>Total</b>	<b><u>7,983.41</u></b>	<b><u>10,560.64</u></b>

\*Disclosure as required by AS 15 on "Employee Benefits" has been made in Note No. 2.31.

## Note No. 2.9

### PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 01.04.2017	Additions	Sales	Deductions / Adjustments	As at 31.03.2018	Upto 31.03.2017	For the year	Deductions on Sales	Deductions / Adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>LAND</b>												
Freehold*	6,519.86	-	-	-	6,519.86	-	-	-	-	-	6,519.86	6,519.86
Leasehold	1,662.31	-	-	-	1,662.31	470.38	42.65	-	-	513.03	1,149.28	1,191.93
<b>Sub-total</b>	<b>8,182.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,182.17</b>	<b>470.38</b>	<b>42.65</b>	<b>-</b>	<b>-</b>	<b>513.03</b>	<b>7,669.14</b>	<b>7,711.79</b>
<b>BUILDING</b>												
Freehold	16,111.43	10.83	-	-	16,122.26	7,278.25	299.57	-	-	7,577.82	8,544.44	8,833.18
Leasehold	2,327.78	-	-	-	2,327.78	511.19	83.09	-	-	594.28	1,733.50	1,816.59
<b>Sub-total</b>	<b>18,439.21</b>	<b>10.83</b>	<b>-</b>	<b>-</b>	<b>18,450.04</b>	<b>7,789.44</b>	<b>382.66</b>	<b>-</b>	<b>-</b>	<b>8,172.10</b>	<b>10,277.94</b>	<b>10,649.77</b>
<b>ROADS, CULVERTS &amp; DRAINS</b>	<b>4,018.71</b>	<b>110.92</b>	<b>-</b>	<b>-</b>	<b>4,129.63</b>	<b>3,313.16</b>	<b>141.58</b>	<b>-</b>	<b>-</b>	<b>3,454.74</b>	<b>674.89</b>	<b>705.55</b>
PLANT AND EQUIPMENTS**	264,493.07	2,247.06	413.33	-	266,326.80	113,000.95	8,947.46	104.95	-	121,843.46	144,483.34	151,492.12
ROLLING STOCK	4,162.57	-	-	-	4,162.57	4,162.56	-	-	-	4,162.56	0.01	0.01
RAILWAY SIDINGS***	3,676.89	-	-	-	3,676.89	2,309.73	128.46	-	-	2,438.19	1,238.70	1,367.16
FURNITURE AND FIXTURES	1,556.24	33.86	10.51	-	1,579.59	1,283.59	55.43	6.65	-	1,332.37	247.22	272.65
VEHICLES	906.15	64.12	92.82	-	877.45	447.71	94.09	65.74	-	476.06	401.39	458.44
OFFICE EQUIPMENTS	3,180.46	442.03	29.38	-	3,593.11	2,640.60	284.49	24.69	-	2,900.40	692.71	539.86
OTHERS	1,289.54	33.88	8.06	-	1,315.36	826.55	121.89	3.32	-	945.12	370.24	462.99
<b>Sub-total</b>	<b>279,264.92</b>	<b>2,820.95</b>	<b>554.10</b>	<b>-</b>	<b>281,531.77</b>	<b>124,671.69</b>	<b>9,631.82</b>	<b>205.35</b>	<b>-</b>	<b>134,098.16</b>	<b>147,433.61</b>	<b>154,593.23</b>
<b>Total</b>	<b>309,905.01</b>	<b>2,942.70</b>	<b>554.10</b>	<b>-</b>	<b>312,293.61</b>	<b>136,244.67</b>	<b>10,198.71</b>	<b>205.35</b>	<b>-</b>	<b>146,238.03</b>	<b>166,055.58</b>	<b>173,660.34</b>
Previous year's Total	299,070.71	11,745.87	295.13	616.44	309,905.01	126,765.67	9,697.06	220.85	(2.79)	136,244.67	173,660.34	-

\*Title deed for land acquired at Krishnapatnam for ₹2,926.90 lakh (Previous Year ₹2,926.90 lakh) is pending for execution.

\*\*Net off ₹Nil (Previous Year ₹0.82 lakh) towards capital grant received from Government.

\*\*\*An amount of ₹Nil (Previous Year ₹138.42 lakh) deducted from Depreciation on Railway Siding, as a result of receipt of ONGC's share for Upgradation..

## Note No. 2.10

### CAPITAL WORK-IN-PROGRESS

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Civil Construction		
Office and Factory	-	254.99
Plant & Equipments	660.54	193.61
Railway Sidings	378.75	146.97
Computer Equipment	-	339.79
Others	574.89	190.92
<b>Total</b>	<b>1,614.18</b>	<b>1,126.28</b>




**Note No. 2.11**
**INTANGIBLE ASSETS**

(₹ in lakh)

Particulars	Gross Block				Amortisation					Net Block		
	As at 01.04.2017	Additions	Sales	Ded/ Adj	As at 31.03.2018	Upto 31.03.2017	For the year	Ded on Sales	Ded / Adj	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	1,500.54	63.56	-	-	1,564.10	1,500.51	21.22	-	-	1,521.73	42.37	0.03
Licence Fee	3,844.83	-	-	-	3,844.83	989.07	202.36	-	-	1,191.43	2,653.40	2,855.76
<b>Total</b>	<b>5,345.37</b>	<b>63.56</b>	-	-	<b>5,408.93</b>	<b>2,489.58</b>	<b>223.58</b>	-	-	<b>2,713.16</b>	<b>2,695.77</b>	<b>2,855.79</b>
Previous year's Total	5,345.37	-	-	-	5,345.37	2,262.80	226.78	-	-	2,489.58	2,855.79	-

**Note No. 2.12**
**NON CURRENT INVESTMENTS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Long Term and Trade</b>		
<b>Equity Instruments</b>		
<b>(Fully paid up unless otherwise stated)</b>		
<b>Quoted</b>		
1,00,00,000 (1,00,00,000) Equity Shares of ₹1/- each of Nagarjuna Oil Refinery Ltd.	476.19	476.19
1,10,00,000 (1,10,00,000) Equity Shares of ₹1/- each, of Nagarjuna Fertilizers and Chemicals Ltd.	523.81	523.81
	<u>1,000.00</u>	<u>1,000.00</u>
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
18,50,00,000 (18,50,00,000) Equity shares of ₹10/- each, of Kribhco Infrastructure Ltd.	18,500.00	18,500.00
80,00,57,143 (80,00,57,143) Equity Shares of ₹10/- each, of Kribhco Fertilizers Ltd.	91,468.55	91,468.55
	<u>109,968.55</u>	<u>109,968.55</u>
<b>Joint Venture Companies</b>		
2,67,57,500 (2,67,57,500) Shares of OMANI RO 1/- each, of Oman India Fertiliser Company, SAOC .	32,853.46	32,853.46
9,71,95,453 (9,71,95,453) Equity Shares of ₹10/- each, of Gujarat State Energy Generation Ltd.	10,204.00	10,204.00
1,80,002 (1,80,002) Equity Shares of ₹10/- each, of Urvarak Videsh Ltd.	18.00	18.00
	<u>43,075.46</u>	<u>43,075.46</u>

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**Note No. 2.12**

**NON CURRENT INVESTMENTS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Others</b>		
1,34,00,000 (1,34,00,000) Equity Shares of ₹5/- each of Indian Commodity Exchange Ltd.	840.00	840.00
80 (80) Equity Shares of ₹25,000/- each of National Agricultural Cooperative Marketing Federation of India Ltd.	20.00	20.00
50 (50) Equity Shares of ₹10,000/- each of Cooperative Bank of India Ltd.	5.00	5.00
	<u>865.00</u>	<u>865.00</u>
<b>Total</b>	<b><u>154,909.01</u></b>	<b><u>154,909.01</u></b>

**Further Notes:**

- |  |            |            |
|--|------------|------------|
| 1. (i) Aggregate amount of quoted investments  | 1,000.00   | 1,000.00   |
| (ii) Market value of quoted investments  | 2,055.50   | 2,410.00   |
| (iii) Aggregate amount of un-quoted investments  | 153,909.01 | 153,909.01 |
| 2. Investments have been valued as per Accounting Policy No. 10 disclosed in Note No. 1 to the financial statements. |            |            |
| 3. Figures in brackets relates to previous year.   |            |            |

**Note No. 2.13**

**LONG TERM LOANS AND ADVANCES**

**(Unsecured Considered good, unless otherwise stated)**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Advances	442.73	266.00
Security Deposits	15.36	16.12
Loans:		
Employees (including interest accrued)		
Secured	3,099.97	3,572.93
Un-Secured	<u>17.25</u>	<u>4.98</u>
	3,117.22	3,577.91
Recoverable towards Employee Benefits from HAEP	4,816.42	3,740.09
<b>Total</b>	<b><u>8,391.73</u></b>	<b><u>7,600.12</u></b>

**Note No. 2.14****OTHER NON CURRENT ASSETS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Deposits with remaining maturity for more than 12months*	297.20	297.20
<b>Total</b>	<b>297.20</b>	<b>297.20</b>

\* Fixed Deposit receipts of ₹297.20 lakh (Previous Year ₹297.20 lakh) held as margin money, Security against other commitments.

**Note No. 2.15****INVENTORIES****(As taken, valued and certified by the Management)**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Stock-in-Process	86.14	76.40
Semi-Finished Goods	1,291.62	1,272.40
Finished Goods -Manufactured	31,996.31	21,635.63
Traded Products	33,476.41	41,093.61
Stores and Spares	8,019.48	7,974.41
Loose Tools	18.94	21.43
Packing Materials	1,175.74	1,990.21
Chemicals and Catalysts	3,234.87	3,774.67
Construction Materials	6.37	6.03
	<b>79,305.88</b>	<b>77,844.79</b>
Less:		
Provision for Obsolete, Surplus and Non-Moving Stores	1,649.22	1,988.44
<b>Total</b>	<b>77,656.66</b>	<b>75,856.35</b>

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**Note No. 2.15**

**INVENTORIES**

(As taken, valued and certified by the Management)

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Further Notes:</b>		
<b>1. Inventories include Material in Transit and Inspection</b>		
Finished Goods-Manufactured	6382.57	2902.34
Traded Products	11062.70	130.21
Stores and Spares	251.09	54.12
	<b><u>17,696.36</u></b>	<b><u>3,086.67</u></b>

**2. Inventory items have been valued considering the Significant Accounting Policy (Point no.3) disclosed in Note No. 1 of financial statements.**

**3. Break up of Inventories**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>i) Stock in Process</b>		
Ammonia	86.00	76.22
Bio-Fertilisers	0.14	0.18
<b>Total</b>	<b><u>86.14</u></b>	<b><u>76.40</u></b>
<b>ii) Semi-Finished Goods-Manufactured</b>		
Ammonia for Urea	1,291.62	1,272.40
<b>Total</b>	<b><u>1,291.62</u></b>	<b><u>1,272.40</u></b>
<b>iii) Finished Goods-Manufactured</b>		
Urea	31,916.18	21,529.79
Argon	7.69	18.90
Bio-Fertilisers	56.48	73.88
Others	15.96	13.06
<b>Total</b>	<b><u>31,996.31</u></b>	<b><u>21,635.63</u></b>
<b>iv) Traded Products</b>		
OMIFCO Urea	7,862.53	19,538.80
Imported DAP	14,345.19	15,521.30
Imported MOP	-	32.20
Imported NPK	59.05	660.68
Imported NPS	7,237.57	352.70
Imported Pool Urea	1,024.92	890.53
KSFL Urea	-	49.88
Seeds	2,613.62	2,927.66
Raw Seeds	179.59	726.53
Others	153.94	393.33
<b>Total</b>	<b><u>33,476.41</u></b>	<b><u>41,093.61</u></b>

**Note No. 2.16****TRADE RECEIVABLES****(Unsecured Considered good, unless otherwise stated)**

(₹ in lakh)

<b>Particulars</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
<b>Outstanding for a period exceeding six months</b>				
<b>Claims Due from Government</b>				
- Considered Good	115,282.04		85,458.49	
- Considered doubtful	24.13	115,306.17	24.13	85,482.62
<b>Others</b>				
- Considered Good	3,500.45		12,466.70	
- Considered doubtful	357.64	3,858.09	357.64	12,824.34
<b>Others</b>				
Claims Due from Government of India	175,059.29		172,850.62	
Others	29,701.75	204,761.04	60,305.58	233,156.20
		323,925.30		331,463.16
Less: Provision for bad and doubtful receivables*		381.77		381.77
<b>Total</b>		<b>323,543.53</b>		<b>331,081.39</b>
*Details of provision for bad and doubtful receivables outstanding for a period exceeding six months		381.77		381.77
		<b>381.77</b>		<b>381.77</b>

**Further Notes:**

(i) Refer Note 2.34 for breakup of balance due from the related parties ₹1,587.57 lakh (Previous Year ₹3,543.04 lakh).

**Note No. 2.17****CASH & BANK BALANCES**

(₹ in lakh)

<b>Particulars</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
<b>Cash and Cash Equivalents</b>				
- Balances with banks				
- Current/Cash Credit Accounts		5,975.74		4,924.43
- Fixed Deposits with original Maturity upto three months				
- With Scheduled Banks		80.84		-
- Remittances-in-transit		5,684.92		-
- Cheques & drafts on hand		1,498.92		602.39
- Cash in hand		10.74		5.92
		13,251.16		5,532.74
<b>Other Bank Balances (Non available for use)</b>				
- Unpaid/Unclaimed dividend account balance	162.13		115.23	
- Amount held as margin money, Security against borrowings and Other Commitments				
- Deposits with remaining maturity for less than 12 months	5.24		324.64	
- Deposits with remaining maturity for more than 12 months	297.20		297.20	
	464.57		737.07	
Less				
- Deposits with remaining maturity for more than 12 months disclosed under 'Other Non Current Assets' (refer Note 2.14)	297.20	167.37	297.20	439.87
<b>Total</b>		<b>13,418.53</b>		<b>5,972.61</b>

**Note No. 2.18**

**SHORT TERM LOANS AND ADVANCES**

**(Unsecured considered good, unless otherwise stated)**

(₹ in lakh)

<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>LOANS</b>		
Related Parties	50.00	50.00
Employees (including interest accrued)-Current Maturities		
Secured	793.86	859.70
Un-Secured	<u>7.68</u>	<u>0.83</u>
<b>Sub Total</b>	<b><u>851.54</u></b>	<b><u>910.53</u></b>
<b>ADVANCES</b>		
Related Parties	79.93	34.86
Employees	229.77	227.30
Contractors & Suppliers, including material issued on loan		
Unsecured		
Considered Good	7343.95	7893.51
Considered Doubtful	<u>7.54</u>	<u>7.54</u>
Balance with Revenue Authorities	6,710.54	1,317.84
Income Tax Advance including TDS (Net of provision of ₹ 17,318.70 (Previous Year ₹ 16,718.70 lakh))	7,696.01	15,065.33
Recoverable towards Employee Benefits from HAEP	251.03	179.51
Others	<u>1,734.50</u>	<u>941.74</u>
	<b><u>24,053.27</u></b>	<b><u>25,667.63</u></b>
Less: Provision for bad & doubtful advances	7.54	7.54
<b>Sub Total</b>	<b><u>24,045.73</u></b>	<b><u>25,660.09</u></b>
<b>Total</b>	<b><u>24,897.27</u></b>	<b><u>26,570.62</u></b>

**Further Notes:**

- (i) Refer Note 2.34 for breakup of balance outstanding for Loans and Advances due from related parties ₹ 50 lakh and ₹ 79.93 lakh respectively (Previous Year ₹ 50 lakh and ₹ 34.86 lakh respectively).
- (ii) The advance to contractors and suppliers of ₹ 7,343.95 lakh (Previous Year ₹ 7,893.51 lakh) includes a sum of ₹ 4,134.28 lakh (Previous Year ₹ 4,134.28 lakh) towards debit note raised for amount recoverable from an entity of Govt. of People's Republic of China on account of loss of subsidy consequent to DAP cargo supplied by them having declared "non-standard" in the year 2013-2014 by Govt. of India and the same has been considered good in view of unconditional acceptance of terms and conditions of purchase order and acknowledgement of Debit note by the said supplier, which as per the legal opinion amounts to acceptance of claim. The matter was pending before Arbitrational Tribunal from 2013-14. The learned Arbitrational Tribunal has awarded its judgement in favour of the Society on 14.02.2018, where the Society (the claimant) is held entitled to an award of ₹ 4,134.28 lakh with interest @9% p.a. from 26.08.2013 till the date of award.

**Note No. 2.19****OTHER CURRENT ASSETS**

(₹ in lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest Accrued but not due:		
Term Deposits	18.73	25.10
Amount Receivable in Forward Contract (Net)	450.04	-
Deferred Premium of Forward Contract	708.09	1,141.68
<b>Total</b>	<b><u>1,176.86</u></b>	<b><u>1,166.78</u></b>

**Note No. 2.20****REVENUE**

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Sale of Products (Net of Discounts/Rebates)	299,386.47	297,413.26
Subsidy/Remuneration from Central/State Governments	376,280.76	357,212.61
Sale of Services	6,210.50	6,247.77
Other Operating Revenue	1,364.58	1,781.53
<b>Revenue from Operations (Gross)</b>	<b><u>683,242.31</u></b>	<b><u>662,655.17</u></b>
Less: Excise Duty	645.23	2,681.63
<b>Revenue from Operations (Net)</b>	<b><u>682,597.08</u></b>	<b><u>659,973.54</u></b>

**Further Notes:****1 Subsidy from Government of India**

- Subsidy of Nitrogenous fertilisers are under the Concession Scheme and as per New Urea Policy 2015.
- Subsidy on imported phosphatic fertilisers has been accounted for based on the concession rate as notified by GOI under Nutrient Based Subsidy Scheme (NBS).
- Freight Subsidy has been accounted for in terms of the schemes notified by GOI.

**2 Breakup of Sale of Products including Subsidy (Net of Discounts)**

(₹ in lakh)

Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
	Sales	Subsidy/ Concessions/ Remuneration	Sales	Subsidy/ Concessions/ Remuneration
<b>(a) Manufactured</b>				
Ammonia	10,803.53	-	11,762.93	-
Urea (NFU & FU)	117,892.32	298,450.23	121,646.95	276,364.44
Bio-Fertilisers	720.15	-	849.31	-
Argon (NM <sup>3</sup> )	1,360.58	-	1,309.63	-
Power	304.24	-	20.53	-
Others	404.73	-	264.33	-
<b>Sub Total</b>	<b><u>131,485.55</u></b>	<b><u>298,450.23</u></b>	<b><u>135,853.68</u></b>	<b><u>276,364.44</u></b>

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**Note No. 2.20**

**REVENUE**

**2 Breakup of Sale of Products including Subsidy (Net of Discounts)**

(₹ in lakh)

Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
	Sales	Subsidy/ Concessions/ Remuneration	Sales	Subsidy/ Concessions/ Remuneration
<b>(b) Traded Products</b>				
OMIFCO Urea	63,843.32	30,727.79	44,787.00	25,997.28
Imported DAP	72,056.17	38,224.33	74,950.26	41,150.70
Imported MOP	18.82	16.56	1,945.76	2,069.14
Imported NPK	402.84	228.63	7,095.29	3,768.17
Imported NPS	8,578.95	4,597.19	4,358.24	2,027.26
Imported Urea	4,922.98	2,783.19	8,545.89	4,886.62
Compost	615.49	306.45	722.57	182.73
Seeds	12,059.11	946.39	14,158.96	766.27
Others	5,403.24	-	4,995.61	-
<b>Sub Total</b>	<b>167,900.92</b>	<b>77,830.53</b>	<b>161,559.58</b>	<b>80,848.17</b>
<b>Total (a+b)</b>	<b>299,386.47</b>	<b>376,280.76</b>	<b>297,413.26</b>	<b>357,212.61</b>

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>3 Breakup of Sale of Services</b>		
Service Charges from HAEP	2,062.05	2,257.68
Urea Sales Fee from OMIFCO	2,494.14	2,469.40
TSA/PSA from OMIFCO	207.26	101.00
Marketing Service Charges from KFL	1,056.36	1,083.66
Leave and License Fee from KRIL	332.82	316.97
Deputation Services/Others	-	0.08
Lease of Wagons to Railways	57.87	18.98
<b>Total</b>	<b>6,210.50</b>	<b>6,247.77</b>
<b>4 Breakup of Other Operating Revenue</b>		
Recovery from Employees	144.05	115.28
Despatch Money	45.69	96.75
Insurance Claims Received	579.89	1,159.82
Claims/Recoveries from contractors & Others (including ₹293.57 lakh (Previous Year ₹222.06 lakh) from HAEP for use of Public services)	594.95	409.68
<b>Total</b>	<b>1,364.58</b>	<b>1,781.53</b>



**Note No. 2.21****OTHER INCOME**

(₹ in lakh)

Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
<b>Interest</b>				
From Employees	122.09		139.36	
From Indian Banks	20.94		27.40	
On Income Tax Refunds	2,855.04		-	
From Others	16.20	3,014.27	7.85	174.61
<b>Dividend</b>				
From non current investments-Trade				
Joint Ventures	7,615.17		6,097.90	
Others	0.15	7,615.32	0.15	6,098.05
<b>Other Non-Operating Income</b>				
Profit on disposal/retirement of fixed assets		93.42		62.23
Lease and Equipment hire charges		1.07		1.25
Rental Income		716.82		672.24
Sale of Scrap and Other items		614.49		137.85
Penalties & Liquidated damages		172.62		128.62
Excess Provision Written back/Unclaimed Amount (Net)		451.08		350.81
Others		43.75		117.98
<b>Total</b>		<b>12,722.84</b>		<b>7,743.64</b>

**Note No. 2.22****COST OF MATERIALS CONSUMED**

(₹ in lakh)

Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
Raw Materials	264,501.35		243,722.32	
Packing Materials	11,961.96		13,973.56	
Chemicals and Catalysts*	2,824.22		3,455.67	
Power, Fuel and Water	63,035.22		57,211.06	
<b>Total</b>		<b>342,322.75</b>		<b>318,362.61</b>
<b>Further Notes:</b>				
<b>1 Breakup of Raw Materials</b>				
Natural Gas	264,501.35		243,722.32	
<b>Total</b>		<b>264,501.35</b>		<b>243,722.32</b>
<b>2 Break up of Power, Fuel and Water</b>				
Power	3,171.42		3,664.52	
Fuel (Boiler Gas)	57,042.20		51,019.23	
Water Charges	2,821.60		2,527.31	
<b>Total</b>		<b>63,035.22</b>		<b>57,211.06</b>

\*Net off ₹ 0.16 lakh (Previous Year ₹Nil) towards grant received from Government.

## Note No. 2.23

### PURCHASES OF STOCK-IN-TRADE

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
OMIFCO Urea	51,074.37	50,697.35
Imported DAP/ DAP Lite	88,230.63	107,967.25
Imported MOP	-	3,466.75
Imported NPK	-	8,599.30
Imported NPS	16,994.49	5,726.60
Imported Urea	4,853.55	8,492.13
Other Indigenous Fertilisers	5,671.19	5,085.30
Seeds, Chemicals and Other Products	8,880.39	11,553.20
<b>Total</b>	<b><u>175,704.62</u></b>	<b><u>201,587.88</u></b>

## Note No. 2.24

### CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Opening Stock:</b>		
Stock-in-Process	76.40	173.39
Semi Finished Goods	1,272.40	1,151.02
Finished Goods-Manufactured	21,635.63	7,904.13
Stock-in-Trade	<u>41,093.61</u>	<u>15,458.47</u>
	64,078.04	24,687.01
<b>Closing Stock:</b>		
Stock-in-Process	86.14	76.40
Semi Finished Goods	1,291.62	1,272.40
Finished Goods-Manufactured	31,996.31	21,635.63
Stock-in-Trade	<u>33,476.41</u>	<u>41,093.61</u>
	66,850.48	64,078.04
<b>(Accretion)/Decretion in inventory</b>	<b><u>(2,772.44)</u></b>	<b><u>(39,391.03)</u></b>
Less: Excise Duty included in change in inventories	86.28	(58.59)
<b>Net (Accretion)/Decretion</b>	<b><u>(2,858.72)</u></b>	<b><u>(39,332.44)</u></b>

## Note No. 2.25

### EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Salaries and Wages	30,751.39	28,283.76
Contribution to Provident and Other Funds	4,840.73	3,580.23
Staff Welfare Expenses	2,496.04	2,340.50
<b>Total</b>	<b><u>38,088.16</u></b>	<b><u>34,204.49</u></b>

The recoverable amount of ₹ 1147.86 (Previous Year ₹ 315.45 lakh) from HAEP on account of employee benefits has been netted off.

**Note No. 2.26****FINANCE COSTS**

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>Interest on :</b>		
Rupee Term Loans	22.51	346.20
Foreign Currency Short Term Loans	9,075.36	7,871.99
Cash Credit and Short Term Loans	7,161.65	9,599.38
Buyer's Credit	3,201.08	4,701.85
Others	15.87	1.26
<b>Total</b>	<b>19,476.47</b>	<b>22,520.68</b>

**Note No. 2.27****OTHER EXPENSES OF MANUFACTURING, ADMINISTRATION, SELLING AND DISTRIBUTION**

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Electricity and Water Charges	395.06	362.49
Rent	517.61	352.37
Rates and Taxes	277.52	251.91
Repairs and Maintenance		
Buildings	495.11	932.38
Plant, Machinery and Other Equipments*	2,559.44	2,721.94
Others	846.13	1,217.26
Insurance	928.18	965.27
Travelling Expenses	784.20	803.63
Printing and Stationery Expenses	77.41	76.32
Communication Expenses	157.80	176.41
Farmers Benefit and Publicity	658.86	813.31
Warehousing	2,884.83	3,938.41
Packing, Freight and Handling	81,989.29	87,196.54
Seed Multiplication Expenses	365.74	584.38
Directors' Sitting Fees	28.20	24.95
Vehicle Hire, Running and Maintenance Expenses	692.53	657.98
Legal and Professional Charges	374.55	279.80
Bank and Other Finance Charges	80.37	101.04
Payment to Auditors		
Audit Fees (includes ₹ Nil (Previous year ₹ 2.87 lakh for FY2015-16) and ₹ 2.93 lakh for Branch Audit (Previous year ₹ 3.00 lakh))	22.93	28.87
Tax audit fee to one of the Joint Auditor	1.75	2.01
Other services to two Joint Auditors	10.60	2.90
Out of Pocket expenses	18.71	13.80
	53.99	47.58

Continued...

Continued...

**Note No. 2.27**

**OTHER EXPENSES OF MANUFACTURING, ADMINISTRATION, SELLING AND DISTRIBUTION**

Particulars	(₹ in lakh)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Foreign Currency Transaction and Translation	226.92	1,272.06
Loss on Sale of Fixed Assets/Written Off	21.35	33.13
Provision for Surplus and Non-Moving Stores	(339.22)	456.40
E.D.P. Expenses	391.84	361.15
Security Expenses	412.19	411.47
Miscellaneous Expenses	943.19	949.16
Donations	100.00	-
<b>Total</b>	<b><u>95,923.09</u></b>	<b><u>104,987.34</u></b>

\*Repair and Maintenance includes cost of Stores & Spares Consumed ₹ 811.95 lakh (Previous year ₹ 1,142.70 lakh).

**Note No. 2.28**

**PRIOR PERIOD ITEMS (NET)**

Particulars	(₹ in lakh)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>INCOME</b>		
Income towards Employee Benefits from HAEP	-	3,604.13
Others	15.23	0.01
	<u>15.23</u>	<u>3,604.14</u>
<b>EXPENDITURE</b>		
Others	-	6.94
	-	6.94
<b>Net Expenditure/(Income)</b>	<b><u>(15.23)</u></b>	<b><u>(3,597.20)</u></b>

**Other Notes****2.29 CAPITAL AND OTHER COMMITMENTS:**

Estimated Value of contracts remaining to be executed on Capital Account (Net of Advances and Letters of Credit for capital items) and not provided for is ₹ 3,203.31 lakh (Previous Year ₹ 1,245.18 lakh).

**2.30 CONTINGENT LIABILITIES:**

(₹ in lakh)

		<b>As At 31.03.2018</b>	<b>As At 31.03.2017</b>
(i)	Claims against the Society not acknowledged as debts (disputed liability relating to various matters)		
	(a) Claims against Society/Disputed Liabilities	449.92	1,032.08
	(b) Disputed liability relating to Tax matters		
	(i) VAT/Sales Tax matters	2,674.46	2,413.11
	(ii) Excise / Custom / Service Tax matters	8,139.96	8,045.04
	(iii) Income Tax matters	2,516.44	2,380.30
	(iv) Cess matters	2,762.50	2,691.21
	(c) Disputed liability relating to Labour matters	17,391.02	15,810.32
	(d) Court cases/ Arbitration with Contractors/Suppliers	1,490.38	1,637.79
	<b>Total</b>	<b>35,424.68</b>	<b>34,009.85</b>
(ii)	Guarantees/Counter Guarantees to lenders and others given by the Society in respect of Joint Ventures/Subsidiaries (including Surety Bonds and Letters of Comfort).	195,875.00	189,308.00

In respect of item (i) (a), (b), (c) and (d) above, the Society is contesting the demand and the management including its legal advisor believe that its position will likely be upheld in the adjudicating/appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Society's financial position and results of operations.

**2.31 EMPLOYEE BENEFITS:**

2.31.1 Disclosures as required under Accounting Standard 15 (Revised) "Employee Benefits", issued by the Institute of Chartered Accountants of India, in respect of Defined Benefit Obligations are as under:-

(a) The principal actuarial assumptions used are as below –

		<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
(i)	Method Used	<b>Projected Unit Credit Method</b>	
(ii)	Discount Rate	7.65%	7.00%
(iii)	Expected rate of return on Plan Assets-Gratuity Fund	8.40%	8.40%
(iv)	Expected rate of increase in Compensation Level	6.25%	6.25%

The estimate of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(b) Changes in the present value of the obligations -

(₹ in lakh)

	Gratuity		Leave Encashment/ Compensated Absences	
	(Funded)		(Unfunded)	
	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
Present Value of Obligations as at beginning of year	23,449.67	22,435.48	20,548.00	19,888.60
Interest Cost	1,641.48	1,738.75	1,438.36	1,541.36
Current Service Cost	1,045.20	934.31	947.31	912.50
Benefits Paid	(2,473.25)	(1,739.01)	(2,985.21)	(2,078.53)
Actuarial Loss on Obligations	2,851.26	80.14	2,966.32	284.07
Present Value of Obligations as at end of the year	26,514.36	23,449.67	22,914.78	20,548.00

(c) Changes in the fair value of the plan assets -

(₹ in lakh)

	Gratuity		Leave Encashment / Compensated Absences	
	(Funded)		(Unfunded)	
	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
Fair Value of Plan Assets as at beginning of the year	21,970.88	21,377.78	-	-
Actual return on Plan Assets	1,810.70	1,599.02	-	-
Employers' Contribution	956.88	733.09	-	-
Benefits Paid	(2,473.25)	(1,739.01)	-	-
Fair Value of Plan Assets as at end of the year*	22,265.21	21,970.88	-	-

\*Gratuity Fund is managed by Life Insurance Corporation of India (LIC). Individual investment-wise details of Plan Assets are not provided by the LIC.



## (d) Liability recognized in the Balance Sheet -

(₹ in lakh)

	Gratuity		Leave Encashment/ Compensated Absences	
	(Funded)		(Unfunded)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Present Value of Obligations as at end of the year	26,514.36	23,449.67	22,914.79	20,548.00
Fair Value of Plan Assets as at end of the year	22,265.21	21,970.88	-	-
Net unfunded Liability/(Assets) recognized in Balance Sheet	4,249.15	1,478.79	22,914.79	20,548.00

## (e) Expenses recognized in the Statement of Profit and Loss-

(₹ in lakh)

	Gratuity		Leave Encashment/ Compensated Absences	
	(Funded)		(Unfunded)	
	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
Current Service Cost	1,045.20	934.31	947.31	912.50
Interest Cost	1,641.48	1,738.75	1,438.36	1,541.36
Expected return on Plan Assets	(1,845.64)	(1,781.61)	-	-
Net Actuarial (Gain)/Loss recognized during the year	2,883.95	94.54	2,966.32	284.07
Total Expense recognized in the Statement of Profit and Loss	<b>3,724.99</b>	<b>985.99</b>	<b>5,351.99</b>	<b>2,737.93</b>

## (f) Experience adjustments

(₹ in lakh)

	Year Ended 31.03.2018	Year Ended 31.03.2017
Gratuity		
(i) Plan Assets- Loss/(Gain)	-	(250.74)
(ii) Obligations- Loss/(Gain)	3,794.91	173.46
Leave Encashment/Compensated Absences (Obligations)-Loss/(Gain)	2,966.32	284.07

## (g) The Society's best estimate of contribution towards gratuity for the financial year 2018-19 will be ₹ 2,876.95 lakh (Previous Year ₹ 2,639.74 lakh).

- 2.31.2 Provision for long service award, farewell gift and travel to home town on superannuation amounting to ₹ 92.04 lakh (Previous Year ₹ 77.61 lakh) have been made on the basis of actuarial valuation at the year end and expensed in Statement of Profit & Loss.
- 2.31.3 The Society pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ 2,142.59 lakh (Previous year ₹ 1,762.72 lakh) for the year is recognized as expense and is charged to the Statement of Profit & Loss. The obligation of the Society is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India. As per report of the actuary, no expected shortfall has been observed considering the surplus in the Provident Fund Trust hence no provision has been made for the year.
- 2.31.4 Provision for additional monthly payments payable in subsequent periods to the employees opted for Voluntary Retirement Scheme 2011 amounting to ₹ 77.72 lakh (Previous Year ₹ 109.93 lakh) have been made on the basis of actuarial valuation at the year end and decrease in liability for the year is accounted for ₹ 32.20 lakh in the Statement of Profit & Loss (Previous Year ₹ 32.05 lakh).
- 2.31.5 During the year the Society has provided a sum of ₹ 308.00 lakh (Previous Year ₹ 402.86 lakh) towards Employees Superannuation Pension Scheme and the same has been charged to Statement of Profit and Loss.
- 2.31.6 During the year the Society has provided a sum of ₹ 39.00 lakh (Previous year ₹ 50.00 lakh) towards contribution to Employees Benevolent Fund Trust for Post Retirement Medical Assistance Scheme and the same has been charged to Statement of Profit and Loss.

## 2.32 BORROWING COST

Borrowing cost capitalised during the year is ₹ Nil (Previous Year ₹ Nil lakh).

## 2.33 SEGMENT INFORMATION:

Disclosures as required under AS 17 - Segment Reporting:-

### 2.33.1 PRIMARY SEGMENT

#### a) Business Segments:

The Society's operating business are organized and managed according to the nature of products and services provided. The three identified segments are 'Urea and Ammonia-Manufactured', 'Imported Fertilizers' and 'Other Products'. The 'Urea and Ammonia-Manufactured' segment includes manufacture and marketing of Urea and Ammonia. 'Imported Fertilizers' segment includes trading of Imported OMIFCO Urea, Imported Pool Urea, Imported Phosphatic/ Potasic Fertilizers. 'Other Products' segment includes Trading and Manufacturing of bio-fertilizers, seeds, pesticides, indigenous fertilizers, agro inputs, argon gas etc.

#### b) Segment Accounting Policies:

Direct revenue and expenses are allocated to respective segments. Indirect revenue and expenses are allocated amongst the segments on a reasonable basis. Segment Assets include all operating assets used by segment comprising Non Current Assets and Current Assets. Segment Liabilities include all operating liabilities and consist principally of trade payables and other current liabilities. Unallocated items include general corporate income and expense items which are not allocated to any business segment.





## SEGMENT REPORTS AS AT MARCH 31, 2018

### PRIMARY SEGMENT

(₹ in lakh)

	Business Segments						Total	
	Urea & Ammonia- Manufactured		Imported Fertilisers		Other Products			
	Year Ended		Year Ended		Year Ended		Year Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Revenue :</b>								
- Sales	128,474.27	131,138.10	149,825.07	142,405.40	20,441.90	21,188.13	298,741.24	294,731.63
- Concession/Remuneration from GOI	298,450.23	276,364.44	76,577.68	79,899.17	1,252.84	949.00	376,280.75	357,212.61
Other Revenue	2,132.21	2,364.27	461.19	239.17	7,074.49	6,896.84	9,667.89	9,500.28
<b>Total Revenue</b>	<b>429,056.71</b>	<b>409,866.81</b>	<b>226,863.94</b>	<b>222,543.74</b>	<b>28,769.23</b>	<b>29,033.97</b>	<b>684,689.88</b>	<b>661,444.52</b>
<b>Expenditure</b>								
- Operating and Other Expenses	412,522.56	382,837.80	225,460.65	221,637.49	21,603.74	21,656.52	659,586.95	626,131.81
<b>Total Expenditure</b>	<b>412,522.56</b>	<b>382,837.80</b>	<b>225,460.65</b>	<b>221,637.49</b>	<b>21,603.74</b>	<b>21,656.52</b>	<b>659,586.95</b>	<b>626,131.81</b>
<b>Segment Operating Result</b>	<b>16,534.15</b>	<b>27,029.01</b>	<b>1,403.29</b>	<b>906.25</b>	<b>7,165.49</b>	<b>7,377.45</b>	<b>25,102.93</b>	<b>35,312.71</b>
<b>Unallocated Expenses</b>								
- Interest and Financial charges							19,476.47	22,520.69
- Other Unallocated							-	4.71
<b>Total Unallocated</b>							<b>19,476.47</b>	<b>22,525.40</b>
- Other Revenue including Dividend							7,615.76	6,098.05
- Interest Income							3,014.27	174.61
<b>Profit Before Tax</b>							<b>16,256.49</b>	<b>19,059.97</b>
- Income Tax (Net)							5,325.01	6,911.96
<b>Net Profit after Tax</b>							<b>10,931.48</b>	<b>12,148.01</b>
<b>Capital Employed</b>								
- Segment Assets	456,422.11	464,453.36	128,205.48	117,723.69	18,030.22	19,952.19	602,657.81	602,129.24
- Unallocated Corporate Assets							170,384.33	177,840.97
- Capital Work-in-Progress							1,614.18	1,126.28
<b>Total Assets</b>	<b>456,422.11</b>	<b>464,453.36</b>	<b>128,205.48</b>	<b>117,723.69</b>	<b>18,030.22</b>	<b>19,952.19</b>	<b>774,656.32</b>	<b>781,096.49</b>
- Segment Liabilities	58,295.06	126,096.91	52,525.59	11,474.04	7,556.89	9,119.19	118,377.54	146,690.14
- Unallocated Corporate Liabilities							314,973.35	303,886.61
<b>Total Liabilities</b>	<b>58,295.06</b>	<b>126,096.91</b>	<b>52,525.59</b>	<b>11,474.04</b>	<b>7,556.89</b>	<b>9,119.19</b>	<b>433,350.89</b>	<b>450,576.75</b>
<b>Other Information</b>								
- Capital Expenditure incurred during the year (including CWIP)	3,494.16	12,464.85					3,494.16	12,464.85
- Depreciation	7,526.39	7,713.20	465.75	278.20	2,430.15	1,932.44	10,422.29	9,923.84
- Unallocated								
- Non Cash Expenditure (other than depreciation)	(300.59)	482.96	2.71	5.83	3.46	0.74	(294.42)	489.53

### 2.33.2 SECONDARY SEGMENT

The operation of the Society is mainly carried out within the country and therefore there is no reportable geographical segments.

## 2.34 RELATED PARTY DISCLOSURES:

### 2.34.1 Related parties:

#### 2.34.1.1 Key Management Personnel:

(i) Mr. N. Sambasiva Rao	Managing Director
(ii) Mr. R.K. Aggarwal **	Operations Director
(iii) Mr. Rajan Chowdhry	Finance Director
(iv) Mr. V S Sirohi	Marketing Director

#### 2.34.1.2 Subsidiary Companies:

- (i) KRIBHCO Infrastructure Limited (KRIL)
- (ii) KRIBHCO Fertilisers Limited (KFL)

#### 2.34.1.3 Joint ventures:

- (i) Oman India Fertiliser Co.SAOC (OMIFCO)
- (ii) Urvarak Videsh Limited. (UVL)
- (iii) Gujarat State Energy Generation Limited (GSEG)
- (iv) Anya Polytech & Fertilizers Pvt. Limited (APFPL)-  
[Joint Venture of KRIL, subsidiary of the Society]

#### 2.34.1.4 Associates:

- (i) Gramin Vikas Trust (GVT)

2.34.2 Transactions with the related parties at (2.34.1) above are as follows:

(₹ in lakh)

Nature of Transaction	Related Party	2017-2018	2016-2017
Investment during the year	KFL	-	9,238.31
	<b>Total</b>	-	<b>9,238.31</b>
Dividend Received	OMIFCO	7,615.17	6,097.90
	<b>Total</b>	<b>7,615.17</b>	<b>6,097.90</b>
Receipts for Fee/ Services	KRIL	396.34	316.97
	KFL	1,058.27	1,083.66
	OMIFCO	2,701.41	2,570.40
	GSEG	107.62	96.92
	<b>Total</b>	<b>4,263.64</b>	<b>4,067.95</b>
Payment of Fee for Management & Erection Services for Railway Siding	KRIL	5.82	5.70
	<b>Total</b>	<b>5.82</b>	<b>5.70</b>
Rental Income	KFL	16.28	15.82
	KRIL	46.54	48.36
	APFPL	3.63	3.63
	GVT	17.67	18.90
	GSEG	8.80	8.80
	<b>Total</b>	<b>92.92</b>	<b>95.51</b>

Continued...


 Continued...  
 (₹ in lakh)

<b>Nature of Transaction</b>	<b>Related Party</b>	<b>2017-2018</b>	<b>2016-2017</b>
Interest Income	APFPL	14.13	5.17
	<b>Total</b>	<b>14.13</b>	<b>5.17</b>
Purchases of Traded Products/ Other Material	KFL	2,664.86	2,113.75
	APFPL	3,625.67	2,828.64
	<b>Total</b>	<b>6,290.53</b>	<b>4,942.39</b>
Grants/Contribution/ Donations	GVT	100.00	100.00
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>
Recovery towards expenses incurred	KRIL	44.55	95.86
	KFL	11.16	20.21
	GSEG	88.32	77.28
	OMIFCO	6.63	10.25
	APFPL	0.30	0.81
	GVT	7.65	9.49
	<b>Total</b>	<b>158.61</b>	<b>213.90</b>
Amount paid and received back	KFL	3.00	1.00
	<b>Total</b>	<b>3.00</b>	<b>1.00</b>
Amount Payable	KRIL	1.41	1.50
	GSEG	58.36	65.08
	GVT	0.88	0.88
	APFPL	-	48.29
	KFL	58.37	145.88
	<b>Total</b>	<b>119.02</b>	<b>261.63</b>
Deposit Received	KFL	2.66	2.66
	GSEG	42.00	40.00
	APFPL	48.04	51.33
	GVT	1.00	1.00
	<b>Total</b>	<b>93.70</b>	<b>94.99</b>
Amount Recoverable	APFPL	79.93	34.86
	<b>Total</b>	<b>79.93</b>	<b>34.86</b>
Trade Receivable	KFL	225.08	2,417.11
	OMIFCO	836.23	582.65
	GVT	29.98	11.07
	KRIL	485.73	522.63
	GSEG	10.55	9.58
	<b>Total</b>	<b>1,587.57</b>	<b>3,543.04</b>

Continued...

Continued...  
(₹ in lakh)

Nature of Transaction	Related Party	2017-2018	2016-2017
Amount recoverable towards Loan	GVT	50.00	50.00
	<b>Total</b>	<b>50.00</b>	<b>50.00</b>
Corporate/Other Guarantees given for	KRIL	36,483.00	35,208.00
	KFL	159,392.00	154,100.00
	OMIFCO	-	-
	<b>Total</b>	<b>195,875.00</b>	<b>189,308.00</b>
Managerial Remuneration*			
Mr. N. Sambasiva Rao	Managing Director	49.55	43.02
Mr. R. K. Aggarwal	Operations Director**	50.76	41.35
Mr. Rajan Chowdhry	Finance Director	54.70	39.95
Mr. V S Sirohi	Marketing Director	49.52	37.65
	<b>Total</b>	<b>204.53</b>	<b>161.97</b>

\* The provisions for other employees benefits viz. contribution to gratuity, leave encashment/ compensated absences and other defined benefit plans are ascertained on actuarial valuation done on overall Company basis and hence not ascertainable separately.

\*\* Superannuated on 31.03.2018

### 2.35 OPERATING LEASE

The Society's significant leasing arrangements are in respect of Operating Lease of premises for offices of the Society and residential use of employees. These leasing agreements are usually renewable on mutually agreed terms but are cancelable. These payments are shown as "Rent" in Note 2.27 of 'Other Expenses of Manufacturing, Administration, Selling and Distribution.'

### 2.36 FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES

Investments include ₹ 43,075.46 lakh (Previous Year ₹ 43,075.46 lakh) representing Society's interest in the following jointly controlled entities as at March 31, 2018.

(₹ in lakh)

Name of the Company	Country of Residence	Contribution towards Equity		Percentage of holding of KRIBHCO	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
i) Oman India Fertiliser Company SAOC (OMIFCO)*	Oman	32,853.46	32,853.46	25.00	25.00
ii) Gujarat State Energy Generation Ltd (GSEG)**	India	10,204.00	10,204.00	27.90	27.90
iii) Urvarak Videsh Ltd. (UVL)**	India	18.00	18.00	33.33	33.33

The Society's share in the Assets, Liabilities, Capital Commitments and Contingent Liabilities as at 31.03.2018 and Income and Expenses for the year ended 31.03.2018 in respect of jointly controlled entities are given below:

Continued...

Continued...  
(₹ in lakh)

	As at 31.03.2018	As at 31.03.2017
<b>Liabilities:</b>		
Non-current Liabilities	16,616.84	18,054.31
Current Liabilities	26,414.20	31,315.98
<b>Total Liabilities</b>	<b>43,031.04</b>	<b>49,370.29</b>
<b>Assets:</b>		
Non-Current Assets	96,625.01	107,730.97
Current Assets	18,049.95	12,413.34
<b>Total Assets</b>	<b>114,674.96</b>	<b>120,144.31</b>

	Year Ended 31.03.2018	Year Ended 31.03.2017
Income	64,831.00	66,602.37
Expenses	53,552.19	57,608.49
Profit Before Tax	11,278.81	8,993.88
Tax Expense	2,846.28	805.09
Profit After Tax	8,432.53	8,188.79
Capital Commitments	1,154.85	1,857.29
Contingent Liabilities	18.06	689.82

\* Accounting period of OMIFCO is from January to December and its Financial Statements are prepared as per IFRS.

\*\* Accounting period of GSEG and UVL is from April to March and financial data are based on provisional accounts for the current year prepared as per IND AS.

### 2.37 IMPAIRMENT OF ASSETS

In accordance with Accounting Standard (AS) 28 on "Impairment of Assets", the Society has assessed as on the balance sheet date whether there are any indications with regard to impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

**2.38 FOREIGN CURRENCY EXPOSURE**

2.38.1 Particulars of foreign currency exposure not hedged by derivative instruments or otherwise:

Sl. No.	Particulars	Amount of Foreign Currency		Amount ₹ in lakh	
		As At 31.03.2018	As At 31.03.2017	As At 31.03.2018	As At 31.03.2017
(i)	Borrowings, including interest accrued but not due thereon				
		US \$ 4,82,545.00	US \$ 2,04,056.00	313.87	132.31
(ii)	Trade Payables/deposits and retention money /Advance from Customers				
		US \$76,08,992.00	US \$ 8,52,594.85	4,929.25	551.33
		Euro 2,76,613.00	Euro 2,76,613.00	233.01	191.55
		RO 1,750.00	RO 5,420.00	2.96	9.18
(iii)	Trade Receivable Debtors and Bank Balances/Advance to Suppliers				
		US \$ 34,53,992.39	US \$ 94,76,331.83	2,231.86	5,806.53
		Euro 1,03,488.00	-	80.28	-
		RO 5,095.25	RO 9,521.76	8.61	16.03

2.38.2 Particulars of hedged foreign currency exposure

Particulars	Amount of Foreign Currency		Amount ₹ in lakh	
	As At 31.03.2018	As At 31.03.2017	As At 31.03.2018	As At 31.03.2017
Import Credit including interest	US \$ 23,75,15,972	US \$ 29,79,88,634	154,467.91	193,211.66

**2.39 INFORMATION IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 AS AT 31.03.2018**

Sr. No.	Particulars	2017-18	2016-17
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	(i) Principal Amount due	Nil	Nil
	(ii) Interest due thereon	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year as announced by any dispute resolution council/ authority	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act:	Nil	Nil
	(i) Payment made to supplier (Other than interest) beyond the appointed day during the year	Nil	Nil
	(ii) Interest paid to supplier on principal amount paid beyond the appointed day during the year	Nil	Nil
	(iii) Interest due and payable to supplier on principal amount paid beyond the appointed day during the year	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information has been provided to the extent such parties have been identified on the basis of information available with the Society.

## 2.40 VALUE OF IMPORTS CALCULATED ON C.I.F.:

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
2.40.1 Components and Spare parts	34.49	28.90
2.40.2 Capital Goods	795.88	2,726.00
<b>Total</b>	<b>830.37</b>	<b>2,754.90</b>

## 2.41 EXPENDITURE IN FOREIGN CURRENCY:

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
2.41.1 Legal & professional Charges	133.71	-
2.41.2 Purchase of Imported Fertilisers	101,057.07	118,339.43
2.41.3 Purchase of Raw Material (Gas Supply)	5,298.50	4,074.65
2.41.4 Others	727.12	303.23
<b>Total</b>	<b>107,216.40</b>	<b>122,717.31</b>

## 2.42 EARNINGS IN FOREIGN EXCHANGE:

(₹ in lakh)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>2.42.1 Dividend</b>	<b>7,615.17</b>	<b>6,097.90</b>
2.42.2 Other Income		
Urea Sales Fee	2,701.41	2,570.40
Others	17.03	52.90
<b>Total</b>	<b>2,718.44</b>	<b>2,623.30</b>





- 2.43** Balances of some of the contractors/customers/suppliers/receivable/payable and deposits with others are subject to confirmation/ reconciliation and consequential adjustments, if any, which in the opinion of the management would not be material.
- 2.44** In the opinion of the management, the value of any of the assets other than Fixed Assets and Non-Current Investments on realisation in the ordinary course of business will not be less than the value at which these are stated.
- 2.45** **EVENTS AFTER THE REPORTING PERIOD:**
- The Board of Directors, in its meeting held on 26.04.2018, have proposed dividend of ₹ 70.15 Crore (₹ Seventy crore and fifteen lakh only) @ 18% of equity capital for the financial year 2017-18 which is subject to members approval at the ensuing 38th Annual General Meeting.
- 2.46** The Previous Year figures have been re-grouped/rearranged, wherever considered necessary, to make them comparable with the Current Year figures.
- 2.47** Amount in financial statements are presented ₹ in lakh except as otherwise stated.

**For and on behalf of Board of Directors**


  
(Rajan Chowdhry)  
Finance Director


  
( N. Sambasiva Rao)  
Managing Director

For G. K. Choksi & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)

**As per our report of even date**  
For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No. 109208W)

For S. S. Kothari Mehta & Co  
Chartered Accountants  
(Firm Regn. No. 000756N)

  
(Sandip A. Parikh)  
Partner  
M.No. 040727

  
(R. Raghuraman)  
Partner  
M.No. 081350

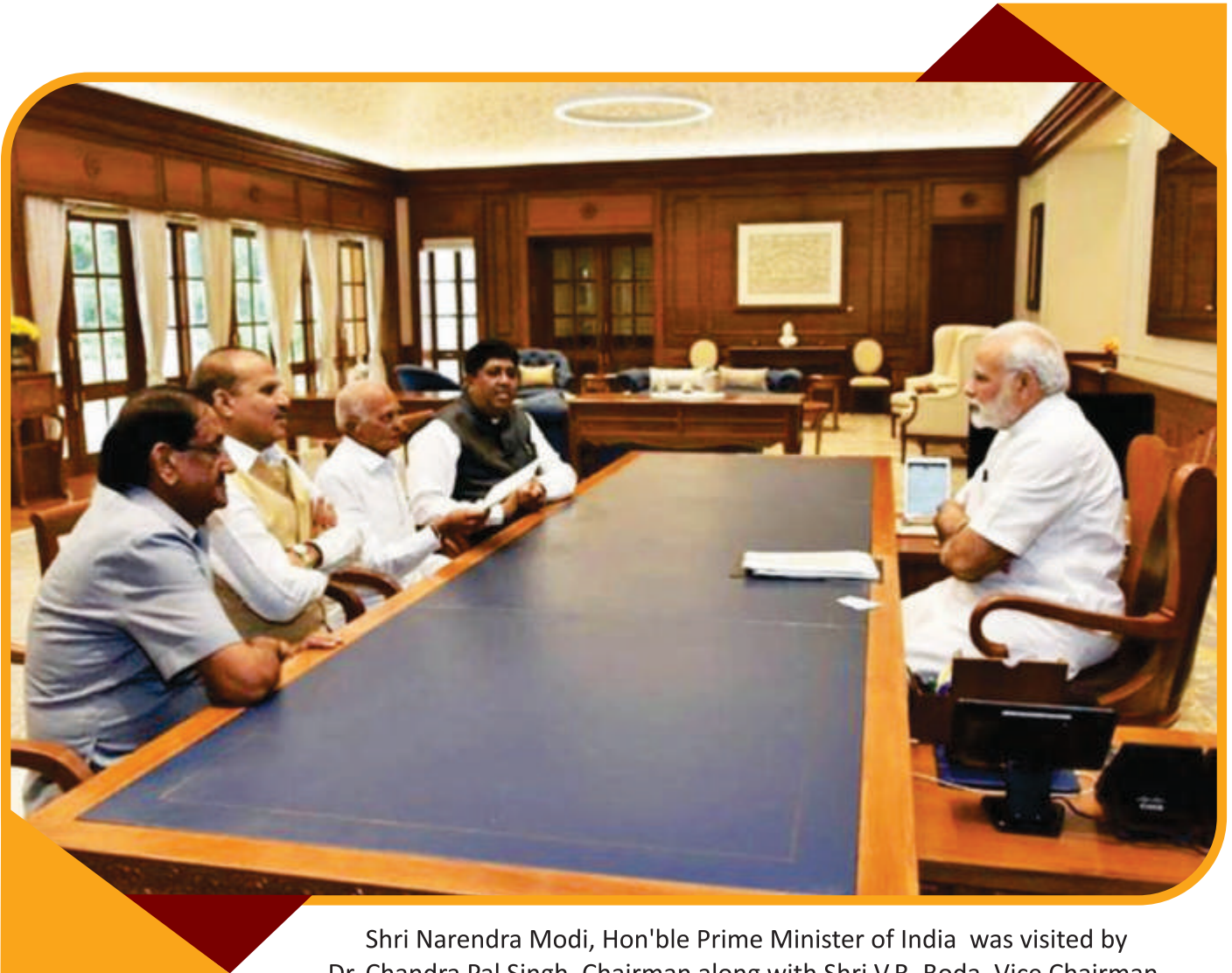
  
(Yogesh K. Gupta)  
Partner  
M.No. 093214

Place: **New Delhi**

Dated: **June 11, 2018**



Dr. Chandra Pal Singh, Chairman, KRIBHCO & President, NCUI along with Dr. Sunil Kumar Singh, Director KRIBHCO inaugurating New Lobby of BISCOAUN at Patna.



Shri Narendra Modi, Hon'ble Prime Minister of India was visited by Dr. Chandra Pal Singh, Chairman along with Shri V.R. Boda, Vice Chairman, Dr. Bijender Singh, Director, KRIBHCO and Shri Dilipbhai Nanubhai Sanghani, Chairman, GUJCOMASOL.



## Krishak Bharati Cooperative Limited

### REGISTERED OFFICE

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