

**40<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2019-20**





Dr. Chandra Pal Singh and Shri V. Sudhakar Chowdary are felicitated on the occasion of being elected as Chairman and Vice–Chairman of KRIBHCO respectively.



Shri D.V. Sadananda Gowda, Hon'ble Union Minister of Chemicals & Fertilizers, Govt of India is being felicitated by Dr. Chandra Pal Singh, Chairman and Shri Rajan Chowdhry, Managing Director, KRIBHCO



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## PERFORMANCE HIGHLIGHTS

**Ammonia Production** **13.67 Lakh MT**

**Urea Production** **23.31 Lakh MT**

**Urea Dispatch (Rail + Road)** **23.14 Lakh MT**

**Urea Sales (KRIBHCO - HAZIRA)** **23.37 Lakh MT**

**Total Urea Sales (KRIBHCO + OMIFCO + KFL + Govt. A/C)** **46.41 Lakh MT**

**Imported DAP Sales (KRIBHCO)** **6.94 Lakh MT**

**Bio-Fertilisers Sales (Liquid)** **7.62 Lakh Litre**

**City Compost Sales** **39.64 Thousand MT**



## GROWTH AT A GLANCE

(₹ in crore)

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>EARNINGS</b>										
Sales	4,228.73	3,665.74	3,061.72	3,027.60	3,282.00	2,552.03	2,558.28	2,206.54	2,131.84	2,073.44
Concession/ Remuneration from Govt. of India	5,762.89	5,513.39	3,762.81	3,572.13	4,079.45	3,125.52	2,495.91	2,031.08	1,548.35	1,543.47
Other Revenue	127.24	146.04	128.46	77.44	167.69	72.43	209.83	316.42	333.78	228.24
	<b>10,118.86</b>	<b>9,325.17</b>	<b>6,952.99</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>OUTGOINGS</b>										
Raw Material, Packing, Stores, Power, Fuel, etc.	4,725.25	4,811.62	3,423.23	3,183.62	3,575.79	3,067.52	2,480.54	1,834.45	975.10	1,341.61
Purchases - Fertilisers, Seeds & Chemicals	2,941.53	2,711.81	1,757.05	2,015.88	2,231.21	1,294.90	1,345.87	1,251.56	2,045.77	1,569.82
Changes in Inventory (Accretion/Decretion)	254.33	(212.87)	(28.58)	(393.32)	(138.94)	46.87	(46.70)	(7.21)	(37.22)	(50.50)
Employees' Remuneration & Benefits	391.66	382.33	380.88	342.04	323.21	300.98	304.79	281.22	238.09	241.31
Other Expenses (including Net Prior Period Income/Expenditure)	1,176.79	1,030.97	958.87	1,013.90	942.00	703.93	734.86	622.08	517.54	473.28
Finance Cost	294.95	290.17	194.76	225.21	219.70	178.60	162.14	113.68	49.21	8.89
Depreciation	107.76	105.60	104.22	99.24	101.26	105.18	100.01	93.38	33.32	30.48
	<b>9,892.27</b>	<b>9,119.63</b>	<b>6,790.43</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>Profit before exceptional and extraordinary items &amp; tax</b>	226.59	205.54	162.56	190.60	274.91	52.00	182.51	364.88	192.16	230.26
Exceptional Items	(558.86)	-	-	-	-	-	-	-	-	-
Profit / (Loss) Before Tax	(332.27)	205.54	162.56	190.60	274.91	52.00	182.51	364.88	192.16	230.26
Provision for Taxation ( Net )	(152.24)	37.98	53.25	69.12	86.56	28.12	60.58	69.33	15.40	29.71
<b>PROFIT AFTER TAX</b>	<b>(180.03)</b>	<b>167.56</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>
Opening Balance in Statement of Profit & Loss	77.79	70.15	-	-	-	-	-	-	-	-
Amount Transferred to/ from Div. Equalisation Fund	-	-	(0.72)	-	25.00	(43.78)	-	-	-	-
Dividend Payout*	77.79	70.15	-	58.46	77.85	58.47	73.06	78.03	78.01	69.29
Contribution to Cooperative Education Fund	-	1.67	1.09	1.21	1.63	0.24	1.22	2.95	1.77	2.00
Donations	-	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
<b>RETAINED PROFIT/(LOSS)</b>	<b>(180.03)</b>	<b>165.49</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>

\* Dividend of ₹ 77.79 Crore for the year 2018-19 was paid in FY 2019-20 out of Retained Earnings for the year 2018-19. Dividend of ₹57.94 Crore proposed for the year 2019-20 shall be accounted in the year of payment.



## SOURCES AND APPLICATION OF FUNDS

(₹ in crore)

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>SOURCES</b>										
Share Capital and Application Money	389.35	389.17	389.79	389.85	389.29	389.99	389.92	390.23	390.23	390.23
Reserves and Surplus	2,860.69	3,118.71	3,023.26	2,915.35	2,853.83	2,745.15	2,793.49	2,746.19	2,532.06	2,435.33
<b>Net Worth</b>	<b>3,250.04</b>	<b>3,507.88</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>
Long Term Borrowings	-	-	-	-	75.18	197.36	503.52	584.66	597.50	30.23
Other Long Term Liabilities	14.50	6.03	4.88	10.74	37.41	8.22	20.28	28.85	23.65	15.35
Long term Provisions	213.52	211.73	204.55	185.39	166.44	159.23	149.10	124.68	115.05	99.99
Short Term Borrowings	5,066.69	4,678.35	3,061.98	3,277.90	3,140.73	2,168.58	1,617.90	1,004.14	656.77	-
Deferred Tax Balance	129.82	247.02	251.56	234.01	210.96	178.71	14.60	18.75	18.50	22.50
<b>FUNDS EMPLOYED</b>	<b>8,674.57</b>	<b>8,651.01</b>	<b>6,936.02</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>APPLICATION</b>										
Property, Plant and Equipment										
Gross Block (including Intangible assets and capital work in progress)	3,431.85	3,231.14	3,193.16	3,163.76	3,048.24	3,007.39	2,956.61	2,840.07	2,574.60	2,088.96
Less: Depreciation	1,687.38	1,590.96	1,489.51	1,387.34	1,290.29	1,190.65	1,068.38	977.23	887.20	925.76
<b>Net Block (A)</b>	<b>1,744.47</b>	<b>1,640.18</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>Long Term Investment and Loans &amp; advances (B)</b>	<b>1,633.44</b>	<b>1,627.92</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>Working Capital:</b>										
Current Assets	6,304.41	6,428.49	4,402.41	4,409.44	4,365.74	3,286.65	3,046.37	2,388.68	1,904.66	1,224.02
Less: Current Liabilities and Provisions	1,007.75	1,045.58	803.05	797.72	764.33	676.47	854.41	739.37	667.39	753.71
<b>Net Working Capital (C)</b>	<b>5,296.66</b>	<b>5,382.91</b>	<b>3,599.36</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>NET ASSETS EMPLOYED (A+B+C)</b>	<b>8,674.57</b>	<b>8,651.01</b>	<b>6,936.02</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>

## SIGNIFICANT FINANCIAL RATIOS

### (RATIOS AFTER APPROPRIATION)

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
1. Profit to Average Net Worth (%)	(9.83)	5.94	4.84	5.82	8.62	1.65	5.78	12.04	6.59	8.34
2. Current Ratio	6.26	6.15	5.47	5.52	5.71	5.32	3.57	3.23	2.86	1.99
3. Quick Ratio	5.52	5.19	4.50	4.57	5.17	4.87	3.16	2.84	2.52	1.65
4. Working Capital in terms of Cash Cost of Goods Sold (Months)	6.50	7.17	6.46	6.78	6.04	5.73	5.28	4.83	3.93	1.98
5. Sundry Debtors to Sales (Months)	6.01	6.57	5.76	6.10	5.96	5.74	5.99	5.31	3.76	1.48
6. Inventory of Finished Goods to Sales (Months)	0.76	1.16	1.19	1.18	0.41	0.23	0.37	0.31	0.33	0.21
7. Debt Equity Ratio	1.56:1.0	1.33:1.0	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



**BOARD OF DIRECTORS**

As on March 31, 2020

**CHAIRMAN****Dr. Chandra Pal Singh****VICE-CHAIRMAN****Shri V. Sudhakar Chowdary****DIRECTORS****Dr. Bijender Singh****Dr. Sunil Kumar Singh****Shri Bhanwar Singh Shekhawat****Shri Pareshbhai R. Patel****Shri Maganlal Dhanjibhai Vadaviya****Shri Rajanna Rajendra****Shri Bhikhabhai Zaverbhai Patel****Shri Ponnam Prabhakar** (w.e.f. July 17, 2020)**MANAGING DIRECTOR****Shri Rajan Chowdhry****MARKETING DIRECTOR****Shri V.S. Sirohi****OPERATIONS DIRECTOR****Shri M. R. Sharma**



## BOARD OF DIRECTORS

As on March 31, 2020



**Dr. Chandra Pal Singh**  
Chairman



**Shri V. Sudhakar Chowdary**  
Vice-Chairman



**Dr. Bijender Singh**



**Dr. Sunil Kumar Singh**



**Shri B.S. Shekhawat**



**Shri Pareshbhai R. Patel**



**Shri Maganlal Dhanjibhai Vadaviya**



**Shri Rajanna Rajendra**



**Shri Bhikhabhai Z. Patel**



**Shri Ponnam Prabhakar**



**Shri Rajan Chowdhry**



**Shri V.S. Sirohi**



**Shri M.R. Sharma**

## 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 Pothan**  
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



**Late 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



**Shri N.Sambasiva Rao**  
April 2014 - December 2019

\*\*Additional Charge/Acting managing Director



## EXECUTIVES

As on March 31, 2020

### DIRECTOR (HR)



Shri S.S. Yadav

### EXECUTIVE DIRECTOR (CR &Mktg.)



Shri V.S.R. Prasad

### EXECUTIVE DIRECTOR (F&A)



Shri R. S. Mathur

### CHIEF GENERAL MANAGERS/GENERAL MANAGERS



Ms. Poonam Sharma  
CGM (HR)



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



Sh. N.K. Sahoo  
GM (HR)



Sh. V.K. Singh  
GM (Tech. Serv.)



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



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



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



Sh. R.L. Shukla  
GM (Comm.)



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



Sh. M.C. Dimri  
GM (Mils.)



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



Sh. D.K. Mandal  
GM (Tech. Serv.)



Sh. S.L. Pandya  
GM (Mech.)



Sh. Lalit Anand  
GM (IA)



Sh. Virendra Singh  
GM (F&A)



Sh. S. Banerjee  
GM (Tech. Serv.)



Sh. R.K. Kansal  
GM (HR)

### ADDITIONAL GENERAL MANAGERS



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



Sh. R.K. Singhal  
Addl. GM (Prodn.)



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



Sh. Amarjeet Singh  
Addl. GM (Trg.)



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



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



Sh. M.P. Suthar  
Addl. GM (Mech.)



Sh. Shravan Kumar  
Addl. GM (Mech.)



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



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



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



Sh. Uttam Kumar  
Addl. GM (Mech.)



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



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



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



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



Sh. Pankaj Tayal  
Addl. GM (Prodn.)



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



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



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



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



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



Sh. Upendra Kumar  
Addl. GM (Prodn.)



Sh. A.M. Bhalerao  
Addl. GM (MS)



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

## EXECUTIVES

As on March 31, 2020

### CORPORATE OFFICE

**Shri Laxmi Kant Dingliwala**  
Dy. General Manager (F&A)

**Shri Raghunath Ghosh**  
Dy. General Manager (Proj.)

**Shri Om Pal Singh**  
Dy. General Manager (Mktg.)

### HAZIRA COMPLEX

**Shri Ashesh K Patel**  
Dy. General Manager (Mech.)

**Shri Sanjay Kumar H Nanavati**  
Dy. General Manager (Mech.)

**Shri Mohd. Ikram Khan**  
Dy. General Manager (Mech.)

**Shri Suhas K Dalal**  
Dy. General Manager (Mtls.)

**Shri Sanjiv K Chaturvedi**  
Dy. General Manager (Prodn.)

**Shri Sharad M. Kapadia**  
Dy. General Manager (Mech.)

**Shri Ashwani Kumar**  
Dy. General Manager (Elect.)

**Shri Payoj Tewari**  
Chief Medical Officer

**Shri Maheshkumar L. Panchal**  
Dy. General Manager (Mech.)

**Shri Arun Kumar I. Desai**  
Dy. General Manager (Mech.)

**Shri Kamlesh Kumar R. Kansara**  
Dy. General Manager (Elect.)

### MARKETING DIVISION

**Dr. Brijesh Kumar Singh Chauhan**  
Dy. General Manager (Mktg.)

**Shri Umesh Mishra**  
Dy. General Manager (Mktg.)

**Shri Surya Vir Singh**  
Dy. General Manager (Mktg.)

**Shri P.B. Patel**  
Dy. General Manager (Mktg.)

**Shri Anil Kumar Singh**  
Dy. General Manager (Mktg.)

**Shri Vinod Kumar Tomar**  
Dy. General Manager (Mktg.)

**Shri Adesh Kumar**  
Dy. General Manager (Mktg.)

**Shri N. K. S. Chauhan**  
Dy. General Manager (Mktg.)

### JOINT STATUTORY AUDITORS

**M/s G. K. Choksi & Co.**  
Chartered Accountants  
207, Tolstoy House,  
Tolstoy Marg, Janpath  
New Delhi-110 001

**M/s. G.S. Mathur & Co.**  
Chartered Accountants  
A-160,  
Defence Colony  
New Delhi-110 024

**M/s. Dhawan & Co.**  
Chartered Accountants  
312, Wegmans House,  
21, Veer Savarkar Block, Shakarapur,  
Vikas Marg, Delhi-110 092

### MAIN BANKERS

State Bank of India  
HDFC Bank  
Saraswat Bank  
ICICI Bank.  
Punjab National Bank  
Indusind Bank  
Axis Bank

### REGISTERED OFFICE

A-60  
Kailash Colony  
New Delhi - 110 048

### CORPORATE OFFICE

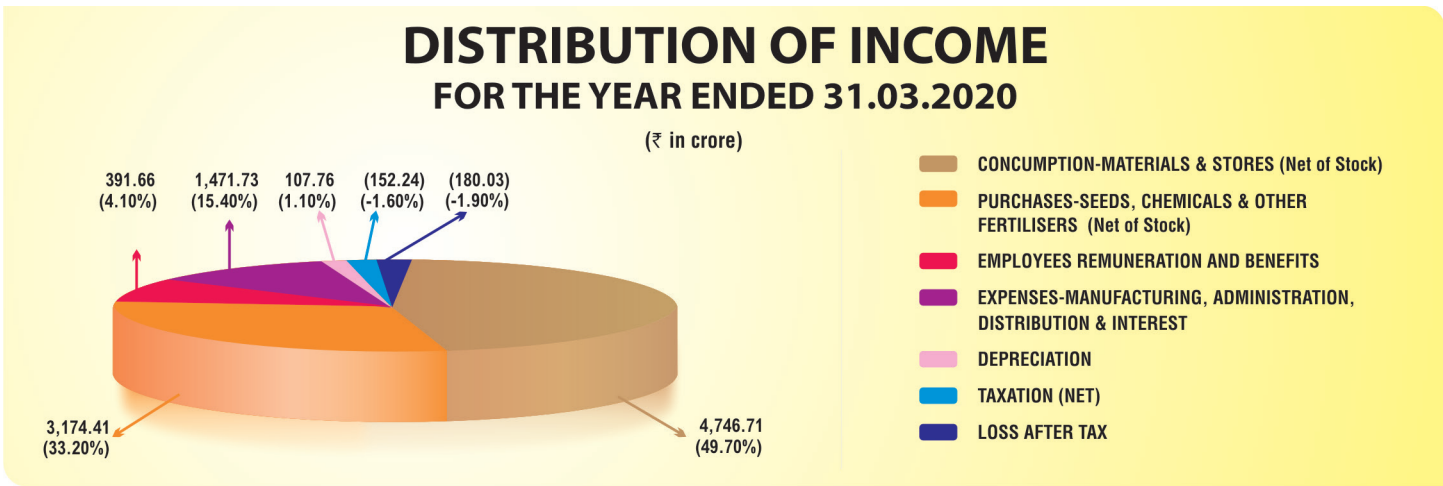
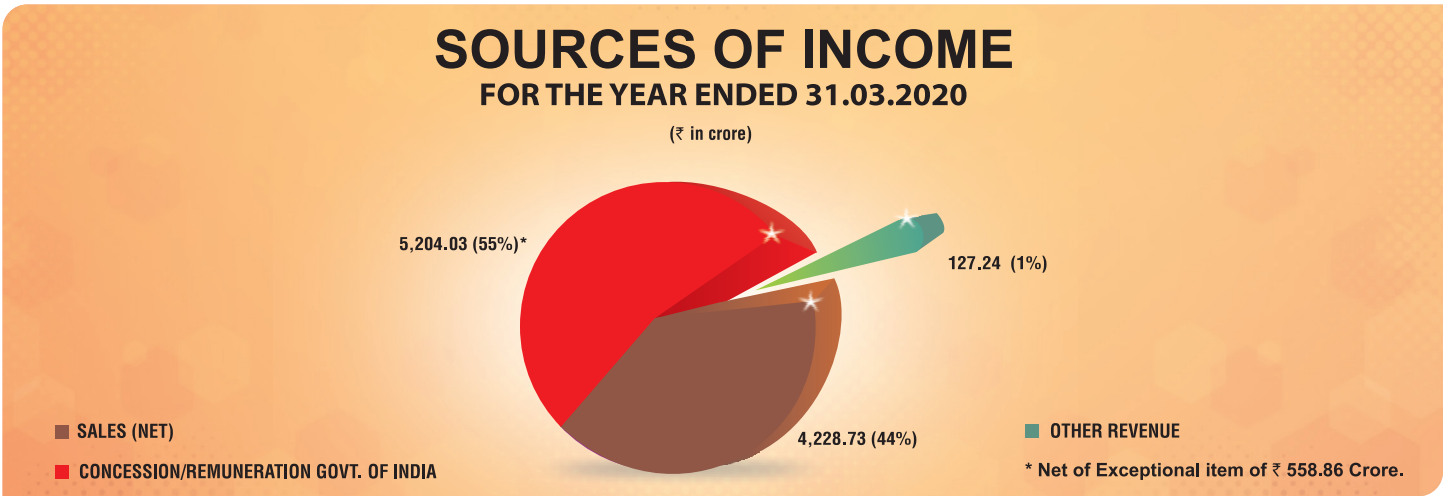
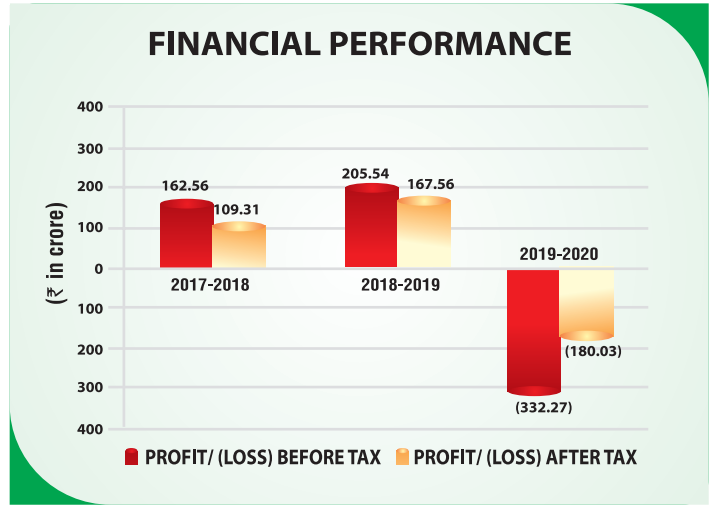
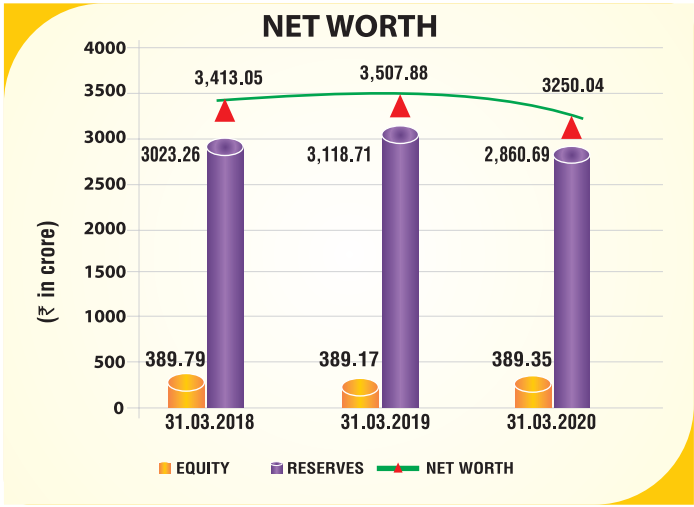
KRIBHCO Bhawan  
A8-10, Sector-1, Noida-201 301  
Distt. Gautam Budh Nagar (U.P.)

### PLANT OFFICE

P.O. KRIBHCO Nagar,  
Distt. Surat-394 515,  
Gujarat



**FINANCIALS AT GLANCE**



## DIRECTORS' REPORT

### Dear Cooperators,

The Directors of your Society feel immense pride in presenting to you the fortieth Annual Report and the Audited Statement of Accounts of your Society for the Financial Year 2019-20 and approval of the programme of activities for the year 2020-21.

Despite several challenges being faced by Industry, we have been able to overcome critical issues with strategic planning and timely corrective measures. The DBT related issues were managed efficiently.

The second estimate of Ministry of Agriculture indicates a positive growth in likely Food grain production of the country by about 2.3% touching an ever highest production of 292 Million Tons



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

Dr. Chandra Pal Singh  
Chairman

KRIBHCO, addressing the RGB  
delegates in 39<sup>th</sup> AGM



Board of Directors, KRIBHCO, addressing 39<sup>th</sup> AGM held on 5<sup>th</sup> September, 2019 in New Delhi.



during 2019-20. This has been possible with above normal monsoon rainfall last year along with contribution of Agri-inputs, where Fertilizer Industry has also played a crucial role.

The Society achieved ever highest sales of 56.21 lakh MT fertilizers during 2019-20 breaking its own record of 53.16 lakh MT during 2018-19. The Society continued to maintain second highest Urea sales in the country and has achieved Urea Sales of 46.41 lakh MT. Similarly, the sale of imported Phosphatic Fertilizers was 9.31lakh MT during the year breaking its own record of 5.92 lakh MT sold in the year 2018-19.

## 2. FINANCIAL PERFORMANCE

Your Society has sustained a Pre Tax Loss of ₹ 332.27 crore. The Net worth of the Society has decreased from ₹3507.88 crore in FY 2018-19 to ₹ 3250.04 crore as on 31<sup>st</sup> March, 2020.

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sales Turnover including Subsidy	9991.62	9179.13
Other Revenue	127.24	146.04
<b>Income</b>	<b>10118.86</b>	<b>9325.17</b>
<b>Profit Before Extra Ordinary &amp; Exceptional Items</b>	<b>226.59</b>	<b>205.54</b>
Exceptional Item *	(558.86)	-
<b>Profit/(Loss) before Tax (PBT)</b>	<b>(332.27)</b>	<b>205.54</b>
<b>Provision for Tax (Net)</b>	<b>(152.24)</b>	<b>37.98</b>
<b>Profit/(Loss) After Tax (PAT)</b>	<b>(180.03)</b>	<b>167.56</b>

\* DoF has notified an amendment dated 30.03.2020 to MNPS-III policy, wherein they have deleted the provision related to minimum fixed cost of ₹ 2300 PMT. Due to this amendment, Society is eligible for only ₹ 350 PMT as additional fixed cost over its NPS-III fixed cost of ₹ 1484 PMT since FY 2014-15 instead of ₹ 2300 PMT as minimum fixed cost already accounted for by the Society as per earlier notification dated 02.04.2014. Accordingly, an amount of ₹558.86 crore for the period 2014-15 to 2018-

19 has been shown as Exceptional Item. The Society has represented to the GOI for reconsideration and reinstating the provision related to minimum fixed cost of ₹ 2300/-pmt.

## 3. APPROPRIATIONS

The provision for Contribution towards Capital Repatriation Fund of ₹ 0.20 crore is reduced from the Loss After Tax for the purpose of arriving at the Net Profit/(Loss) in accordance with the provision of Section 62 of Multi State Cooperative Societies Act (MSCS) 2002. Accordingly, the net loss works out to ₹180.23 crore during the year. As there is no profit, no appropriation has been proposed.

(₹ in Crore)

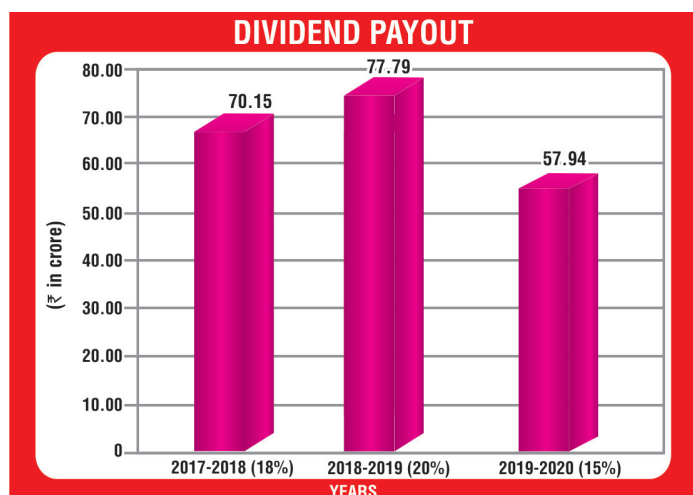
Particulars	2019-2020	2018-2019
<b>Net Profit/(Loss) as per MSCS Act</b>	(180.23)	167.06
<b>Appropriations</b>		
- Reserve Fund as per Bye-Law 58(i) of the Society	-	41.76
- Provision for Contribution to Cooperative Education Fund	-	1.67
- Reserve Fund for Contingency as per Bye-Law 58(iii) of the Society	-	16.71
- Reserve for Donations	-	0.40
<b>Balance in P&amp;L Account</b>	-	77.79
<b>Balance transfer to General Reserve</b>	(180.23)	28.73



Dr. Chandra Pal Singh, Chairman KRIBHCO along with other Directors of KRIBHCO visiting Seed testing Laboratory.

#### 4. DIVIDEND

Honorable members will be pleased to know that despite the loss the Board of Directors of the Society have recommended for the year, a dividend of 15% on the paid up share capital from the Dividend Equalisation Fund. 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, 2020. Accordingly, the amount of proposed dividend payout will be ₹ 57.94 crore.



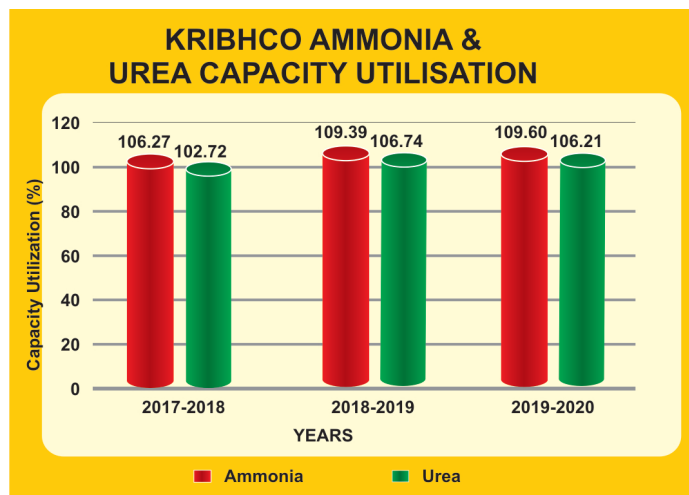
Proposed Dividend of ₹ 57.94 crore @ 15% of equity capital for the year 2019-20 shall be accounted in the year of payment after approval of the Annual General Meeting.

#### 5. MEMBERSHIP AND SHARE CAPITAL

A Cooperative thrives on the trust of its members. The total membership of KRIBHCO consists of 9479 cooperative societies and paid up share capital of the Society was ₹ 389.28 crores as on 31st March, 2020.

#### 6. PRODUCTION PERFORMANCE

The Financial Year 2019-20 was the 34<sup>th</sup> year of commercial production of the Society's Plant at Hazira, Surat. The plants achieved the production of 13.67 lakh MT Ammonia & 23.31 lakh MT Urea, which corresponds to a capacity utilization of 109.60% for Ammonia and 106.21% for Urea.



During the Year, Society achieved annual specific energy consumption of 5.601 GCal/MT for Urea and 8.184GCal/MT for Ammonia.

The cumulative production has been 370.68 lakh MT of Ammonia & 613.32 lakh MT of Urea up to 31.03.2020 at Society's Plant at Hazira, since its inception

## 7. HAZIRA JETTY OPERATIONS:

KRIBHCO Hazira Jetty is located on the northern bank of Tapti estuary. During the financial year 2019-20 approx. 3.80 lakh MT Urea was handled (0.88 lakh MT OMIFCO Urea and 2.92 lakh MT Imported Urea). Apart from urea, 1.95 lakh MT gypsum was also handled as 3<sup>rd</sup> party cargo from the jetty. Total volume of approx. 5.75 lakh MT total cargo was handled at jetty in the year 2019-20.

## 8. 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 18001 Management Systems has been incorporated as an integral part of Society'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 the 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.

In line with its commitment to the safety and well-being of employees and contract staffs

working in its premises, your Society has embarked upon a major safety initiative to achieve a zero loss time incident and zero reportable incident.

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. KRIBHCO Plant has achieved zero reportable accident for the year 2019-20.



Installation and Commissioning of Motor Driven CO<sub>2</sub> Compressors at Hazira Plant (Surat)

## 9. ENVIRONMENT PROTECTION

Your Society is concerned for sustainable environmental protection, therefore, products are being manufactured through best available technology in the world and subsequently the best and sustainable practices are being adopted to achieve and maintain the highest standard of quality for better ambient air, water for environment protection. Society is committed for fulfilling compliance obligations, and achieving environmental objectives. Society has implemented ISO 140001: 2015, Environmental Management System to comply with applicable laws, regulations,



and other environmentally oriented requirements; and continually improve practices. ISO 45001:2018 occupational health and safety (OH&S), has also been adopted for reduction of occupational injuries and diseases, including promoting and protecting physical and mental health of the workers in plant complex.

Considering the importance of water conservation, Society implemented tertiary treated water for reuse for water make up in its Cooling towers. Deep Hydrolyser has been commissioned to reuse the effluent of Urea plant as boiler feed water. Low Pressure section off gases and waste water section off gases carrying ammonia are recycled for recovery of ammonia.

In order to improve product quality with minimal dust generations from the reclaimed product new vibrating screens are being undertaken. Vibro-Priller has been installed in prilling towers of Urea Phase I & II to improve the Urea product quality with reduction in Urea dust emission from prilling tower top along with new wet scrubbing systems for recovering the Urea dust and the Urea bearing solution is recycled back to Urea plant.

Your Society's endeavour to protect environment has resulted in emissions from all the stacks within the prescribed limits. Online continuous effluent monitoring system and continuous emission monitoring system have been installed. All the stack and liquid effluent quality data are being displayed continuously at factory main gate and also have been linked to CPCB/GPCB server.

## 10. FERTILIZER POLICY

Government of India (GOI) has notified New Urea Policy – 2015, for the period 01.06.2015 to 31.03.2019 which has been extended till further orders by GOI. Under the said Policy existing pre-set energy norm of 5.952 Gcal/MT of urea was to be revised to 5.500 Gcal/MT w.e.f. 01.04.2018. However, considering the difficulties in achieving the specific energy target by certain fertiliser companies' w.e.f. 01.04.2018, the Government extended existing energy norm till 30.09.2020 with certain penalty for 14 fertiliser companies including KRIBHCO who were not able to achieve the target energy norm by 01.04.2018. With effect from 01.10.2020, the energy saving which was available to the Society earlier would not be available to that extent.

KRIBHCO is implementing various energy saving schemes in order to achieve the revised energy norm of 5.500 Gcal/MT.

Department of Fertiliser (DoF) vide its letter dated 30<sup>th</sup> March, 2020 has amended the Modified NPS-III by deleting para 3.2 w.r.t. the provision of Minimum Fixed Cost of ₹ 2300 per MT w.e.f. 02.04.2014. Society will now be eligible for additional fixed cost of ₹ 350 PMT only over its NPS-III fixed cost of ₹ 1484 PMT instead of ₹ 2300 PMT w.e.f. 02.04.2014.

GOI has implemented Gas Pooling System with effect from 01.06.2015. This has resulted in increase in working capital requirements of the Society resulting in increase in the finance cost.

## **11. MARKETING**

### **11.1 WEATHER SITUATION (2019-20)**

The rainfall in main season (June-September, 2019) has been 10% higher than Long Period Average (LPA). Accordingly, the production of most of the crops for the agricultural year 2019-20 was estimated higher than their normal production.

The Agriculture Ministry's second advance estimates of major crops pegged the output at 291.95 million tons during the year against the previous best of 285.21 million tons achieved in 2018-19. This indicates a marginal increase over previous year; however, Rice and Wheat production is going to be ever highest in the country.

### **11.2 FERTILIZER SCENARIO IN THE COUNTRY**

There was an upward trend in the sales of major fertilizers. The fertilizers sales have witnessed increase in Urea sales to the tune of 5.23 % with a total sales volume of 336.95 lakh MT in the country as compared to 320.19 lakh MT during 2018-19. The DAP sales was 100.99 lakh MT as against 87.37 lakh MT, resulting in increase of 15.58 % over previous year. Similarly, the sales of complex fertilizers (NP/NPK) also registered an increase of 2.45 % at 98.57 lakh MT as compared to last year sales of 90.79 lakh MT. The sale of MOP was recorded marginally low from 27.87 lakh MT during 2018-19 to 27.36 lakh MT during 2019-20.

### **11.3 MARKETING INFRASTRUCTURE**

Marketing Channel of KRIBHCO includes Cooperative Apex Federations, Institutional

Agencies and grass root level Primary Agriculture Cooperative societies. The Society's cooperative development programmes help its channel partners, especially Primary Agriculture Cooperative Societies (PACS) to acquire marketing skill and other agriculture practices for inclusive development of the cooperatives. The direct supplies to PACS help these societies enormously as 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 cooperative's 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, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttrakhand and West Bengal.

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

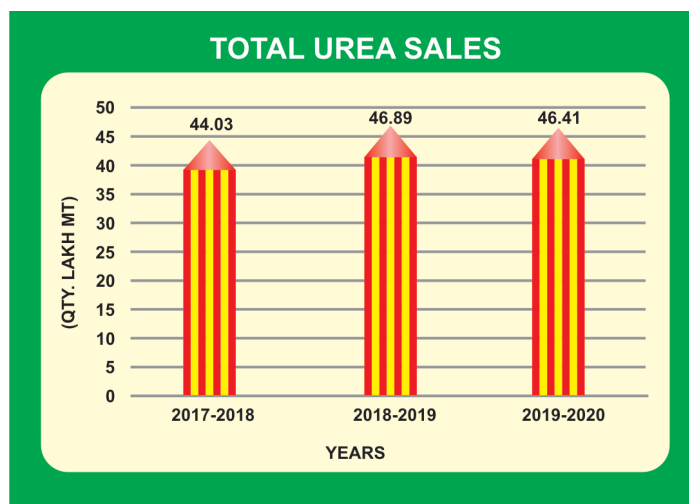
### **11.4 SALES AND DISTRIBUTION OF FERTILIZERS**

The Society made timely dispatches of KRIBHCO Urea, as per Monthly Movement Order issued by

DoF for ECA and de-regulated quantity, from Hazira Plant to various destinations. The Society dispatched 23.14 lakh MT of KRIBHCO Urea during the year.

- **Record Breaking Performance of Society in the year 2019-20**

The Society continued to maintain second highest Urea sales in the country and has achieved Urea Sales of 46.41 lakh MT (23.37 lakh MT of KRIBHCO Urea, 9.84 lakh MT of OMIFCO Urea, 10.30 lakh MT of KFL Urea & 2.90 lakh MT of Government Account Urea) during the year. Similarly, the sale of imported Phosphatic Fertilizers was 9.31 lakh MT during the year breaking its own record of 5.92 lakh



### 11.5 HANDLING OF IMPORTED FERTILIZERS AND OTHER PRODUCTS

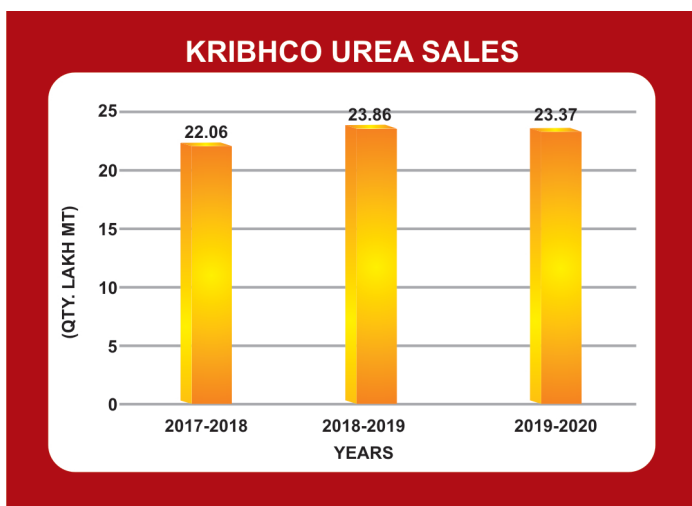
- **OMIFCO Urea**

The Society successfully completed 15 consecutive years of Handling & Marketing of OMIFCO Urea under the agreement with Department of fertilisers, GOI. During the year, 23 vessels with 9.98 lakh MT granular urea were handled at eight Indian ports. The Society has, so far, handled 394 vessels containing 143.02 lakh MT of OMIFCO urea, since inception, of imports from OMIFCO, Oman. The Society dispatched 9.70 lakh MT and sold 9.84 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 most of the vessels of OMIFCO Urea.

- **Imported Urea in Government Account**

During the year 2019-20, the Society handled six vessels containing 2.93 lakh MT of urea imported



MT sold in the year 2018-19. The Society achieved ever highest sales of 56.21 lakh MT fertilizers during 2019-20 breaking its own record of 53.16 lakh MT during 2018-19.

Apart from above, your Society also sold 33,671.60 MT of Surplus Ammonia and 5,714.14 Thousand NM<sup>3</sup> of liquid Argon during 2019-20.



on Government Account at Adani Hazira Port and dispatched 2.92 lakh MT after Neem coating at KRIBHCO's jetty at Hazira. The Society sold 2.90 lakh MT urea imported on GOI Account in its marketing territory within the financial year.

- **Import of De-controlled Fertilizers**

The Society handled 6.46 lakh MT of imported DAP through 15 vessels at Pipavav, Mundra & Vizag ports. The Society sold 6.94 lakh MT DAP through its marketing network. Besides DAP, the Society also imported 0.46 lakh MT NPK 10-26-26, 1.04 lakh MT NPS 20-20-0-13 and 0.76 lakh MT NPK 12-32-16. It is worth mentioning that all the DAP, NPK & NPS vessels were handled efficiently.

- **Infrastructure at Ports**

The infrastructure developed by the Society at Visakhapatnam port and its Hazira Jetty were used for storage and bagging of imported fertilisers. The Society could handle 3.81 lakh MT of OMIFCO urea and Government Account urea at Hazira Jetty and 4.55 lakh MT imported fertilizers at Visakhapatnam port.

## 11.6 OTHER TRADED PRODUCTS

- **Single Super Phosphate (SSP)**

Your Society has marketed 7,965 MT of Single Super Phosphate (SSP) in the states of UP, Haryana, Punjab and Gujarat.

## 11.7 SEEDS BUSINESS

- **Certified Seeds**

Quality agriculture input plays a key role in enhancing the agricultural production and



Dr. Chandra Pal Singh, Chairman, Shri V.S. Sirohi, Marketing Director of KRIBHCO visited Seed Testing Exhibition in 39<sup>th</sup> AGM.

productivity. Arable land being a shrinking resource, seed is the most vital and critical input which would facilitate in sustainable agriculture.

Your Society has been continuously undertaking the seed multiplication programme since 1990-91, to provide quality seeds of the main crops to farmers. The seed 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 programme undertaken by your Society are Wheat, Gram, Mustard, Soybean and Moong.

In order to provide quality seed, your Society has been operating 11 modern seed processing plants in various states and one custom processing unit. The total capacity of Society's seed plants is 28 TPH comprising of all the units.

During the year, despite several challenges in the certified seeds marketing, the Society produced

1.72 lakh qtls. and sold 1.72 lakh qtls. of certified seed of various crops.

- **Hybrid Seeds**

To enhance the agricultural productivity by providing quality Hybrid Seeds of appropriate characteristics to the farming community, Society has tied up with a leading Hybrid Seed Company for marketing of their produce through Society's marketing network in KRIBHCO's own brand.

During the Financial Year 2019-20, Society sold 58,050 Packets of Bt. Cotton, 301.42 quintals of Paddy Hybrid, 2307.30 quintals of Paddy Research, 4774.52 quintals of Hybrid Maize and 39.98 quintals of Hybrid Bajra Seeds.

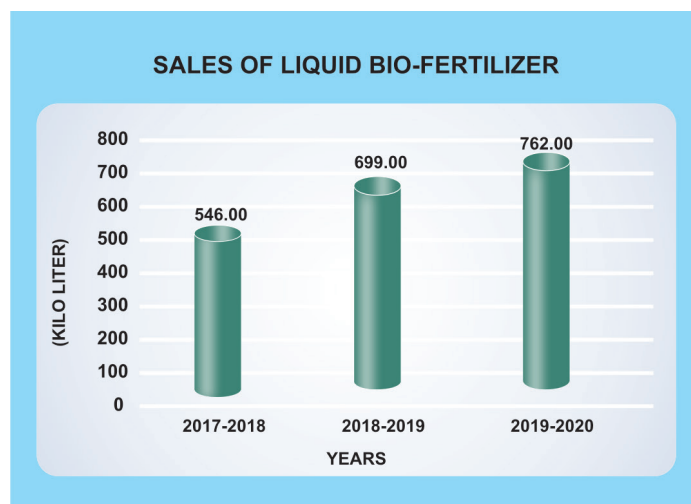
## 11.8 ORGANIC FERTILIZERS

- **City Compost**

Your Society is constantly educating farmers about the benefits of application of Compost, which improves organic carbon in the soil. Your Society has sold 39,635 MT of City Compost during the year 2019-20.

- **Liquid Bio- Fertilizers**

Your Society is producing 10 types of bacterial strains of liquid bio-fertilizers namely Azotobacter, Azospirillum, Rhizobium, Acetobacter, Phosphorus Solubilizing Bacteria (PSB), Potash Mobilizing Bacteria (KMB), Zinc Solubilizing Bacteria (ZSB), Liquid Consortia NPK-1 (strains of Azotobacter + PSB + KMB), Liquid Consortia NPK-2 (strains of Azospirillum + PSB + KMB) and Liquid Consortia NPK-3 (strains of Rhizobium+ PSB +KMB).



During the year 2019-20, your Society sold 7.62 lakh litres 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.

## 12. 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 image. The farmers are constantly educated on latest agricultural 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 paintings, 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 and Govt. agencies. Your Society has

been continuously receiving awards and honours from various organizations in recognition of its credible work.

### **13. SERVICES TO FARMERS, COOPERATIVES AND RURAL DEVELOPMENT**

Agriculture income is the main strength of farmers. A large number of them are members of our member cooperatives. Your Society with its large dedicated team of agriculture professionals continued its significant contribution in latest farm



Shri V.S. Sirohi, Marketing Director, KRIBHCO visiting stall during India International Cooperatives Trade Fair ( IICTF) 2019 , New Delhi.

technology transfer and other rural welfare activities for improving the profitability and livelihood of farming community.

During 2019-20, your Society organized more than 5085 programmes for our farming community such as farmer’s meetings, field demonstrations, field days, cooperative conferences, group discussions, technical wall paintings etc. benefiting 5.81 lakh



Dr. Chandra Pal Singh, Chairman, KRIBHCO was the chief guest in the “Chachar event” organized by KRIBHCO in Daker village. Farmers had come to witness the event, Chachar being popular rural sports and dance event in Bundelkhand region. Prize were distributed to the winners.

farmers and cooperatives across the country. To back up the Agriculture Technology transfer, the Society also made available 12.83 lakh technical folders on various crops to the farmers and cooperatives.

Strengthening cooperatives and rural development always remained a top priority for KRIBHCO. In this direction, 119 cooperative societies were adopted, 20,494 cooperative managers were trained through 174 cooperative conferences and workshops, wherein they were educated about the use of Society’s products for improving farm productivity and also enhanced Society’s image. The Society also organized 62 health check-up campaigns for livestock and human, promoted 29 drinking water facilities, 44 income generation programme, 32 sanitation campaigns and 33 rural sports for integrated rural development.





Dr. Chandra Pal Singh, Chairman, KRIBHCO addressing a cooperative conference at Amritsar (Punjab).

As a step towards modernization, your Society continued to promote Information Communication Technology (ICT) through KRIBHCO Kisan Helpline using e-mail, phone and KRIBHCO website for informing farmers about latest farm technology alongside traditional tools.

KRIBHCO Krishi Pramash Kendra, a high-tech centre at KRIBHCO Bhawan, NOIDA continued free consultancy on farm-related problems. The centre also propagated efficient and balanced use of fertilizers by testing 4,668 soil samples collected scientifically for micro-nutrients and 2,636 samples for macro-nutrients & irrigation water from 14 states free of cost. Results along-with recommendations were forwarded through electronic medium to farmers at their door-steps, apart from using KRIBHCO website for display of results. Kisan helpline is also available for farmers for providing them advice on farming related issues.

## 14. COMMUNITY DEVELOPMENT

Your Society is dedicated to serve 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 items to rural children, Rural Sports, Hygiene & Sanitation Campaigns etc.

Your Society is dedicated for the welfare and development of various sections of communities at large. Accordingly, the Society has undertaken extensive community development activities throughout the country. Your Society offered support by providing relief through 3000 Agro-input Mini-kit distribution to Fani Cyclone affected farmers of 05 blocks in Puri and Cuttack Districts of Odisha State.

The Society's initiative to construct Storage-cum-community centres was well appreciated by communities and so far 193 community centres have been established, which are in full use under the scheme.

## 15. KRISHAK BHARATI SEWA KENDRAS (KBSKs)

Your Society has been operating 62 Krishak Bharati Sewa Kendras (KBSKs) in Uttar Pradesh (38), Haryana (16), Punjab (6), Rajasthan (1) and Madhya



A view of Krishak Bharati Sewa Kendra (KBSK)

Pradesh (1). These are Society's own retail outlets located in countryside to cater to the farmers' needs for quality Agro- inputs at a reasonable price at their doorstep. KBSKs are also instrumental in transmitting to the farming community the latest technical knowledge of agricultural practices. These centres fulfil twin objective of "Sales and Service" under one roof. They bridge the gap between KRIBHCO and rural masses for socio-economic development as well as provide first-hand information about actual needs of the farming community.

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

### 16.1 Joint Ventures and Subsidiaries

- **Oman India Fertilizer Company SAOC (OMIFCO)**

Your Society invested USD 69.5 MM ₹328.53 crore) in Oman India Fertilizer Company (OMIFCO), representing 25% of paid up equity capital. OMIFCO owns a world class fertilizer plant at Sur Industrial estate in the Sultanate of OMAN, having annual capacity 16.52 lakh MTPA of granular Urea and 11.90 lakh MTPA of Ammonia.

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".



OMIFCO urea being shipped from Oman

For the calendar year 2019, OMIFCO produced 19.30 lakh MT Urea and 13.15 lakh MT of Ammonia which is 117.10% and 108.61% of the annual rated capacity. Society is Handling & Marketing 50% of the Urea produced by OMIFCO. For the calendar year 2019, OMIFCO paid a dividend of 18.88% on paid up capital of USD 278 million. KRIBHCO received USD 13.125 million as dividend income from OMIFCO during the calendar year.

- **KRIBHCO Fertilizers Limited (KFL)**

KRIBHCO Fertilizers Limited (KFL) is a wholly owned subsidiary of your Society, which owns

and operates a gas based Fertilizer Complex at Shahjahanpur, U.P., consisting of Ammonia Plant of annual capacity of 5.02 lakh MT (1520 MTPD) and Urea Plant with annual capacity of 8.64 lakh MT (2620 MTPD). The entire marketing rights of Urea and other products of KFL are with KRIBHCO.

During the year, KFL has surpassed its previous specific energy consumption record and set a new record of achieving lowest ever specific energy consumptions for ammonia as well as urea. KFL produced 10.336 lakh MT of Urea and 6.261 lakh MT of Ammonia. The capacity utilization was 119.55% and 124.82% for Urea and Ammonia respectively. The specific energy consumption for Urea and Ammonia was 5.4622 Gcal/MT and 7.7089 Gcal/MT respectively. The surplus Ammonia sale was 27,443 MT.

During the year, the marketing environment was satisfactory in all respect. KFL has achieved excellent performance in its dispatch and sales operations. During the year, 10.28 lakh MT Urea was dispatched to various destinations in 10 states by KFL and a total of 10.30 lakh MT was sold.

The Company's financial results for the year 2019-20 shows an EBIDTA of ₹208.42 crore on a turnover of ₹ 2471.97 crore against the previous year EBIDTA of ₹ 209.93 crore on a turnover of ₹ 2629.01 crore. The bottom line stands at loss of ₹ 30.03 crore for FY 2019-20 against a loss of ₹ 6.67 crore for FY 2018-19.

- **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 share capital of ₹185 crore.

KRIL possesses Category -1 License to operate container trains on Indian Railway network on PAN India Basis. KRIL owns eight container rakes 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), offering comprehensive door to door logistics 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, Rewari and Modinagar Terminals.

KRIL has recorded total revenue of ₹ 205.46 crore during 2019-2020, which is the highest so far and as against ₹ 186.64 crore achieved during 2018-19, higher by 10.07%. KRIL has earned EBDITA from operations of ₹ 24.61 crore, which is 11.98% of Revenue.

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

Gujarat State Energy Generation Limited (GSEG) is a joint venture between Gujarat State Petroleum Corporation Ltd (GSPC), other companies of Government of Gujarat, 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 (19.16%).

During the year, GSEG made gross revenue of ₹453 crore. GSEG has earned profit after tax of ₹ 30.12 crore against ₹ 53.59 crore in FY 2018-19. Total Net worth as on 31.03.2020 is ₹ 554.91 crore.



## 16.2 OTHER INVESTMENTS

- **Indian Commodity Exchange (ICEX)**

Your Society holds 2.51% equity (₹8.40 crore) in the Indian Commodity Exchange (ICEX). Indian Commodity Exchange Limited (ICEX) is a SEBI regulated online Commodity Derivative Exchange, Headquartered at Mumbai. Some of prominent shareholders of ICEX are MMTC Ltd, Central Warehousing Corporation, Indian Potash Ltd, KRIBHCO, Punjab National Bank, IDFC Bank Ltd, Gujarat Agro Industries Corporation, Reliance Exchange next Ltd, Bajaj Holdings & Investment Ltd, Gujarat State Agricultural Marketing Board, NAFED and India Bulls Housing Finance Ltd.

ICEX aims to provide futures trading products in India's economically relevant commodities. At present, it offers futures contract in Diamond and is the first Exchange in India to adopt global hi-tech platform.

- **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 2019-20, NFCL produced 6.93 Lakh MT of Urea and sold 6.88 Lakh MT of Urea. Total Urea sales for both manufactured and imported was 7.14 Lakh MT.

## 17. Gramin Vikas Trust (GVT)

Gramin Vikas Trust is gearing up to take-up higher challenges of growth and visibility in competitive environment and committed to improve rural economy through its relentless efforts. GVT has brought a positive change to uplift quality of living standard of marginalized and tribal folks.



GVT & Krishi Vigyan Kendra Godda had organized a large scale Tree Plantation Programme.

GVT has expanded its operations into 3,951 villages from 104 Districts of 17 States of the country. Presently, GVT is implementing and managing 9 WADI (orchards) projects funded by NABARD, and has impacted 19,441 rural households under diversified agriculture practices including horticulture, fisheries, agro forestry, floriculture and apiculture. Under watershed programme, GVT has served 1,16,636 hectares covering about 17 lakh beneficiaries in different states of the country. Under

Skill development and capacity building training vertical, GVT has trained rural youths and school dropouts coming from marginalized communities in construction skills, motor driving, mechanics, hospitality, and Information and Communication Technology (ICT). GVT has also capitalized its exceptionality for the development of “Aspirational Districts” – a distinctive initiative of NITI Aayog. Under Swachh Bharat Mission, GVT has made significant contribution in sanitation sector.

In order to address the sustainable development goal (SDG) of ‘Zero Hunger’ and the adversities of increasing drought as a result of ongoing climate change, GVT in partnership with researchers from Bangor University, U.K. have developed an improved high-yielding and drought-resistant rice cultivar (PY- 84). This has the potential to benefit > 2 million subsistence farmers.

GVT is scaling up its working for strengthening and institutionalising of Farmers Producers organisations (FPO) in different part of the country. This year, GVT has revived Jagnnath Crop Producer Co. Ltd, (JCPCL) Baripada, Odisha apart from handholding of 7 FPOs in M.P. and 5 FPOs in Gujarat.

## **18. HUMAN RESOURCE DEVELOPMENT (HRD)**

Your Society focuses on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. With an aim to develop and motivate the workforce, the Society has conducted various in-house and external training programs, workshops, talks, seminars, employee



Shri Rajan Chowdhry, Managing Director, KRIBHCO lighting the lamp inaugurating New Year 2020, celebration at Corporate Office, Noida.

engagement activities etc. The topics focus on not only the work-related growth but also the physical and mental health of the employees. The trainings are conducted based on the training needs identified through Performance Management System.

International Yoga Day was celebrated on 21<sup>st</sup> June, 2019 at corporate office as well as in Hazira Plant. “27<sup>th</sup> Annual World Picture Contest” was organized at KRIBHCO Township in Noida and in Hazira Plant for the wards of employees of the age group 6-15 years shared by IE-NO-HIKARI Association (Japanese National Agricultural Cooperative Group), Japan.

Your Society believes that to get the best out of employees, it is necessary to keep them happy, therefore, organized picnic for all employees on KRIBHCO Day. To bring out the potential skills of employees and their wards, the Society celebrated New Year 2020 with the performances of internal talent. The Society also celebrated National Productivity Week-2020 by organizing the activities such as Slogan, Essay writing and Think-out-of-the-box.

Your Society is complying with the provisions of Prevention of Sexual Harassment at workplace 2013 Act by having a duly constituted Internal Complaints Committee (ICC) in place. Further, the members of ICC as well as other employees are regularly nominated for training programs on the subject as well as on gender sensitisation to familiarise them and keep them updated on the latest developments regarding the provisions of the Act.

Your Society has also taken-up a new initiative- "Campaign to donate to Earth Saviours foundation" to promote charity, Rangoli Competition during Diwali week to add colours and enthusiasm to festival of lights, and Treasure Hunt on KRIBHCO Day to increase the awareness of the employees about KRIBHCO and improve employee inter-personal relations.

Human Resource Development is a continuous process and thus, the Society aims to sharpen the skills till the retirement of employees.

## **19 INDUSTRIAL RELATIONS**

During the year, the Industrial Relations environment in your Society remained peaceful and cordial. Our continued focus on proactive action, employee-friendly practices/policies, as well as two-way communication mechanisms, helped to enhance the atmosphere of mutual trust, confidence and goodwill between the management and the employees represented by their Unions and Associations. Issues were amicably and peacefully resolved through the process of dialogue without loss of man-days.

The Management of the Society considers its employees as a valuable asset and assigns

paramount importance to Employees Relations. The Industrial Relation department zealously continued the above drive of the Management towards maintaining cordial and harmonious inter-personal relations for better performance of the Society.

Our Reward and Recognition Schemes, Annual sports activities, various facilities like canteen, transport, loans, medical facility, celebrations etc. are the key factors which also contributed in achieving all round excellence & model behaviour of employees at workplace.

## **20. INFORMATION TECHNOLOGY**

Your Society is committed to deliver value to its customers and has implemented various cutting-edge technologies in the process.

Your Society's endeavour to implement video conference facility in its four State Marketing Offices of UP, Telangana, Gujarat, Punjab/ Haryana with its Corporate Office in Noida and Plant in Surat, has been very effective enabling management to interact and collaborate in real time, thus facilitating faster and better decision making in addition reduction in cost on constant travel for Face to Face Communication. It is planned to equip more state offices with this facility.

The Society's new corporate website based on latest technology provides updated information about the organization. In compliance with Government Notification, your Society is implementing E-Invoicing solution for online invoice generation. Online Recruitment Portal has recently been developed by the in-house IT team and incorporated in the website. Society is continuing



“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 has been facilitating numerous consultation services through the use of Information Technology to farmers free of cost through its state of the art modern Soil and Seed Testing Laboratories at Corporate Office Noida.

In wake of Covid-19 pandemic, Society provided its employees with the facility to work from home (WFH). Accordingly, necessary IT Infrastructure/Solutions have been provisioned for employees to securely access their workstations and applications remotely. Society also provided facility of cloud based collaboration and conferencing tools Like Microsoft Teams, Google meet, etc to enable faster and seamless decision making for top management as well as employees. These meeting are also being utilized for Board Meetings and internal resource training.

Your society has enhanced the security measures in place at perimeter as well as endpoint level in order to counter the increasing cyber threats and attacks. Business Continuity is also being ensured through the remote location Disaster Recovery setup. Your Society is committed towards serving the customers and stakeholders in a better way and is constantly upgrading technologically.

## 21. KRIBHCO SAHAKARITA AWARDS

KRIBHCO Sahakarita Awards for the year 2018-19 were presented to two eminent cooperators in its 39<sup>th</sup> AGM held on 05th September, 2019.

KRIBHCO Sahakarita Shiromani Award was conferred on Shri Ramjan Ansari from Bihar &



Shri Ramjan Ansari from Bihar receiving KRIBHCO Sahakarita Shiromani Award from Dr. Chandra Pal Singh, Chairman and other Directors of KRIBHCO.

KRIBHCO Sahakarita Vibhushan Award on Shri Maganlal Premjibhai Ghoniya from Gujarat for their contributions towards development of the Cooperative Movement.



Shri Maganlal Premjibhai Ghoniya from Gujarat receiving KRIBHCO Sahakarita Vibhushan Award from Dr. Chandra Pal Singh, Chairman and other Directors of KRIBHCO.

## 22. AWARDS AND HONOURS

Your Society's outstanding performance in various areas has earned recognition by various Organizations through awards and felicitations during the year.

- FAI awarded 1st prize for video film on Agriculture Water Management titled “Boond-Boond se Khushhali”



Shri V.S. Sirohi, Marketing Director, KRIBHCO receiving FAI award for Best Video Film from Shri Mansukh Mandaviya, Hon'ble Minister of State of Chemicals & Fertilizers in the presence of Shri Chhabilendra Roul, Secretary Fertilizers, Govt. of India.

- FAI award for Production, Promotion and Marketing of Bio-Fertiliser/Organic Fertiliser.
- The best Technical Innovation award on “In-house Development of Electronic Governor of Ammonia Refrigeration Compressor Turbine (105-JT).
- FAI award for the best Technical Article on “Inspection and Maintenance of Rotating Machinery in Fertilizer Plant” published in FAI Journals.
- Green rating project award of Centre for Science & Environment (CSE).



Shri V.S. Sirohi, Marketing Director and Shri M.R. Sharma, Operations Director, KRIBHCO receiving FAI award for Production, Promotion & Marketing of Bio-Fertilizers from Shri Mansukh Mandaviya, Hon'ble Minister of State of Chemicals & Fertilizers in the presence of Shri Chhabilendra Roul, Secretary Fertilizers, Govt. of India.

### 23. PROGRESSIVE USE OF HINDI

Your Society is fully committed to implement Official Language Policy as mandated by Govt. of India. For the purpose, an Official Language Implementation Committee (OLIC) has been constituted in Corporate Office under the Chairmanship of Managing Director. The top echelons of the Society review its strategic and significant decisions taken during OLIC meetings on regular basis. As a motivational measure a running trophy is awarded to a Section at Head Office setting an epitome in Hindi correspondence annually. In addition to it, umpteen employees were awarded cash prizes under cash incentive schemes prevalent in the Society. Hindi Teaching Scheme implementation is continuing. Special allowance is given to those English stenographers/typists, which are doing Hindi typing, too. Apart from it, a Hindi library is also managed

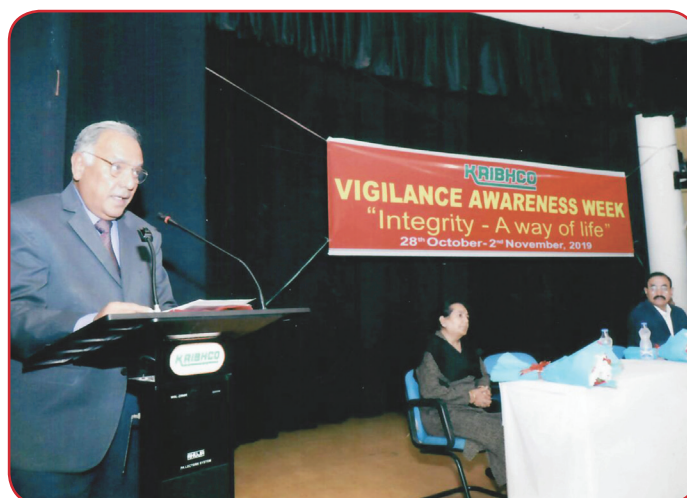
where employees can select books for reading from a collection of more than 550 Hindi literature books. Your Society celebrated Hindi Pakhwara, Hindi Week /Hindi Day, Hindi dictation, Hindi essay writing, Hindi noting/drafting, Hindi grammar knowledge and Hindi general knowledge quiz

## 24. FINANCIAL RATING

Your Society's excellent financials and its core strength have been recognized by the credit rating agency, ICRA, by awarding the rating A1+ for accessing short term borrowings. 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".

## 25. VIGILANCE

Your Society considers Vigilance as an important and integral part of the Management Function. The main stress of the management is on transparency in the Society and accountability in the day to day functioning of the organization through Preventive Vigilance. There is a full-fledge Vigilance set up being headed by Chief Vigilance Officer. Efforts are made towards sensitization of employees through Group Discussions and Presentations organised in respective regions during surprise and regular inspections by Vigilance Officers. On the basis of findings, remedial action is taken by the Management whenever adverse findings come to the notice.



Shri Sunil Krishna, IPS( Retired) addressing employees during Vigilance Awareness Week at Corporate Office, Noida .

Besides the above, efforts are also made to sensitize the public/customers/employees about the evil consequences of corruption and ways to prevent it. Your Society observed Vigilance Awareness Week during 28<sup>th</sup> October to 2<sup>nd</sup> November, 2019 in all the units of Society, wherein pledge ceremonies were undertaken, Guest Lecture was delivered at KRIBHCO Auditorium NOIDA on Preventive Vigilance emphasizing this year theme "Integrity - A Way of Life" by the eminent speaker Sh. Sunil Krishna IPS (Retd.), Former Director of Vigilance (UP) & Former Director General (Investigation) NHRC. The Society also organized Essay writing & Quiz competitions on Moral Values involving employees. To create public awareness, a pamphlet on "KRIBHCO believes in Corruption Free Environment" was printed and distributed to Vendors, service providers, farmers and societies.



## **26. 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 Ninth Annual General Body Meeting (AGM) of KRIBHCO was held on 05<sup>th</sup> September, 2019. 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.

09 Meetings of the Board of Directors, 07 Meetings of the Executive Committee, 02 Meetings of the Marketing Sub Committee and 04 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.

- **FORMATION OF NINTH REPRESENTATIVE GENERAL BODY OF KRIBHCO**

In accordance with Bye-laws 27, 28 and 29 of the Society, election of delegates for the Ninth Representative General Body (RGB) was completed on October 22, 2019. The total number of delegates in the newly constituted Ninth RGB is 623.

- **RECONSTITUTION OF BOARD OF DIRECTORS**

A Special General Body Meeting of the Society was held on January 09, 2020 at New Delhi, wherein nine Directors were elected as per Bye-law 38(i) of the Society. Thus, with the election of nine Directors, the ninth elected Board of Directors was reconstituted on January 09, 2020 in accordance with Bye-law 37 of the Society. The members of the newly constituted Board have unanimously elected Dr. Chandra Pal Singh Yadav and Sh. V Sudhakar Chowdary as Chairman and Vice-Chairman of the Society respectively.

## **27. AUDITORS**

M/s. G.K. Choksi & Co., M/s. G.S. Mathur & Co. and M/s. Dhawan & 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. G.K. Choksi & Co., M/s. G.S. Mathur & Co., and M/s. Dhawan & Co., Chartered Accountants as Joint Statutory Auditors of the Society for the Financial Year 2020-21.

## **28. 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, 2020 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.

## 29. ACKNOWLEDGEMENTS


The election for 09 Directors on the Board of Society was held on 9<sup>th</sup> January 2020 and accordingly new Board was constituted. The Board of Directors in its 337<sup>th</sup> Meeting held on 3<sup>rd</sup> February March 2020 had authorized the Chairman to co-opt two Directors as per provision of Bye-Law No. 38(vi). Accordingly, the Chairman had co-opted one Director on the Board.

The Board of Directors place on record its deep appreciation for the excellent contributions made by Shri V.R. Boda, Vice Chairman and Shri N. Sambasiva Rao, Managing Director on the Board of KRIBHCO during deliberations on various important issues and guidance provided by them.

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: **November 24<sup>th</sup> , 2020**

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Bharati Cooperative Limited

#### 1. Opinion

We have audited the financial statements of KRISHAK BHARATI COOPERATIVE LIMITED (the Multi State Cooperative Society) ("Society"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This includes the Returns of Society's Branch at Oman for the year ended on that date of, which have been audited by the Branch Auditors at Oman.

In our opinion and to the best of our information and according to the explanation given to us the aforesaid financial statements give the information required by the Multi State Cooperative Societies Act 2002 ("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, 2020;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that

are relevant to our audit of financial statements under the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethic. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### 3. Emphasis of Matter

- a) Refer to Note No. 2.42 of the financial statement regarding reversal of fixed cost subsidy by the Society in terms of Department of fertilizer circular dated 30.03.2020.
- b) Refer to Note No. 2.45 of the financial statements which describe the impact of COVID-19 on the operation and financials of the Society.

Our opinion is not modified in respect of these matters.

#### 4. Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the 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 ICAI and the provisions of the Act. This responsibility also includes the design, implementation and maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the society and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of



the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting Process .

## **5. Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, related safeguards.

**6. Other Matters**

- a) 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 nil as at 31st March, 2020 and total revenues of ₹ 9,701.50 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 under IFRS whose reports have been furnished to us. These financial statements were converted into Indian GAAP by the management of the Society. Our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the financial statement provided by the management & report of such branch auditors.
- b) The financial statements of the Society for the year ended March 31, 2019 were audited by joint auditors of the Society, two of whom were predecessor audit firms, and they have expressed an unmodified opinion dated June 06, 2019 on such financial statements.

Our opinion is not modified on these matters

**7. Report on Other Legal and Regulatory Requirements**

As required under the Act, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as specified in the Multi State Cooperative Societies Act, 2002 have been kept by the Society so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- c) The accounts of the Society's Branch at Oman have been audited by the Auditor other than the Society's Auditors and the financial statements as received from the Society's Branch at Oman have been incorporated in the financial statements as audited by us, in accordance with the accounting policies of the Society and the Auditor's Report thereon has been considered in our Report;
- d) The financial statements i.e. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branch 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. Chopki & Co.  
Chartered Accountants  
(Firm Regn. No. 101895W)



(Sandip A. Parikh)  
Partner

M.No. 040727  
UDIN 20040727AAAAYJ1756

For G.S. Mathur & Co.  
Chartered Accountants  
(Firm Reg. No. 08744N)



(Rajiv Kumar Wadhawan)  
Partner

M.No. 091007  
UDIN 20091007AAAACY3579

For Dhawan & Co.  
Chartered Accountants  
(Firm Reg. No. 002864N)



(Rakesh Kumar)  
Partner

M.No. 085244  
UDIN 20085244AAAIEW7528

Place: **New Delhi**

Dated: **24<sup>th</sup> Nov., 2020**

## FINANCIAL STATEMENTS

### BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakh)

Particulars	Note	As at 31.03.2020	As at 31.03.2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	38,934.95	38,917.20
Reserves and Surplus	2.2	2,86,069.24	3,11,870.95
		<b>3,25,004.19</b>	<b>3,50,788.15</b>
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (Net)	2.3	12,982.20	24,702.20
Other Long Term Liabilities	2.4	1,449.85	603.49
Long-Term Provisions	2.5	21,351.92	21,173.18
		<b>35,783.97</b>	<b>46,478.87</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.6	5,06,669.46	4,67,835.29
Trade Payables		7,285.36	74,423.97
Other Current Liabilities	2.7	19,539.82	23,517.93
Short-Term Provisions	2.8	8,384.11	6,615.06
		<b>6,07,444.75</b>	<b>5,72,392.25</b>
<b>TOTAL</b>		<b>9,68,232.91</b>	<b>9,69,659.27</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Property, Plant and Equipment	2.9	1,69,125.02	1,56,847.29
Capital Work-in-Progress	2.10	2,953.58	4,652.86
Intangible Assets	2.11	2,369.08	2,517.36
Non-Current Investments	2.12	1,54,417.11	1,54,909.01
Long-Term Loans and Advances	2.13	8,926.63	7,883.08
		<b>3,37,791.42</b>	<b>3,26,809.60</b>

Continued...



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

(₹ in lakh)

Particulars	Note	As at 31.03.2020	As at 31.03.2019
<b>Current Assets</b>			
Inventories	2.14	74,398.73	99,802.12
Trade Receivables	2.15	4,95,915.81	4,98,110.98
Cash and Bank Balances	2.16	10,709.31	11,275.07
Short-Term Loans and Advances	2.17	43,553.17	32,364.60
Other Current Assets	2.18	5,864.47	1,296.90
		<b>6,30,441.49</b>	<b>6,42,849.67</b>
<b>TOTAL</b>		<b>9,68,232.91</b>	<b>9,69,659.27</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>			



(R. S. Mathur)  
Executive Director (F&A)

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



(Rajan Chowdhry)  
Managing Director

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



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

**As per our report of even date**

For G. S. Mathur & Co.  
Chartered Accountants  
(Firm Reg. No. 08744N)



(Rajiv Kumar Wadhawan)  
Partner  
M.No. 091007

For Dhawan & Co.  
Chartered Accountants  
(Firm Reg. No. 002864N)



(Rakesh Kumar)  
Partner  
M.No. 085244

Place: **New Delhi**

Dated: **24<sup>th</sup> Nov., 2020**

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

(₹ in lakh)

Particulars	Note	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Revenue:</b>			
Revenue from Operations (Net of Discounts/rebates)	2.19	9,99,161.50	9,17,912.83
Other Income	2.20	12,724.18	14,604.20
<b>Total Revenue</b>		<b><u>1,011,885.68</u></b>	<b><u>9,32,517.03</u></b>
<b>Expenses:</b>			
Cost of Materials Consumed	2.21	4,72,525.70	4,81,161.86
Purchases of Stock in Trade	2.22	2,94,152.91	2,71,180.71
Changes in Inventories of Finished Goods, Semi-Finished, Stock-in-Process and Stock-in-Trade	2.23	25,433.05	(21,287.06)
Employee Benefits Expense	2.24	39,165.62	38,233.33
Finance Costs	2.25	29,494.65	29,016.56
Depreciation and Amortization Expense		10,776.14	10,560.19
Other Expenses of Manufacturing, Administration, Selling and Distribution	2.26	1,17,679.83	1,03,225.93
Prior Period Items (Net)	2.27	(0.92)	(128.96)
<b>Total Expenses</b>		<b><u>9,89,226.98</u></b>	<b><u>9,11,962.56</u></b>
<b>Profit before exceptional and extraordinary items &amp; tax</b>		<b><u>22,658.70</u></b>	<b><u>20,554.47</u></b>
<b>Exceptional Items (Refer Note No 2.42)</b>		<b><u>(55,885.50)</u></b>	<b><u>-</u></b>
<b>Profit / (Loss) Before Tax</b>		<b><u>(33,226.80)</u></b>	<b><u>20,554.47</u></b>
<b>Tax Expense:</b>			
Current Tax		-	6,629.00
Earlier Years		(3,504.08)	(2,376.51)
Deferred Tax		(11,720.00)	(454.00)
		<u>(15,224.08)</u>	<u>3,798.49</u>
<b>Profit / (Loss) for the year</b>		<b><u>(18,002.72)</u></b>	<b><u>16,755.98</u></b>

Continued...

Continued...

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

(₹ in lakh)

Particulars	Note	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Less: Amount Transferred to:</b>			
Capital Repatriation Fund		20.00	50.00
		<u>20.00</u>	<u>50.00</u>
<b>Net Profit as per the Multi-State Cooperative Societies Act 2002</b>		<u>(18,022.72)</u>	<u>16,705.98</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**



(R. S. Mathur)  
Executive Director (F&A)



(Rajan Chowdhry)  
Managing Director

**As per our report of even date**

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



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

For G. S. Mathur & Co.  
Chartered Accountants  
(Firm Reg. No. 08744N)



(Rajiv Kumar Wadhawan)  
Partner  
M.No. 091007

For Dhawan & Co.  
Chartered Accountants  
(Firm Reg. No. 002864N)



(Rakesh Kumar)  
Partner  
M.No. 085244

Place: **New Delhi**

Dated: **24<sup>th</sup> Nov., 2020**



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

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>(A) Cash Flow from Operating Activities:</b>		
<b>Net Profit Before Tax</b>	<b>(33,226.80)</b>	<b>20,554.47</b>
Adjustments for:		
Depreciation/Amortisation	10,776.14	10,560.19
Provision for diminution in value of inventory	37.20	307.31
Provision for diminution in value of investments	491.90	-
Excess Provision Written Back	(204.15)	(453.34)
Profit/Loss on Sale of Assets	36.24	132.21
Amount Written Off	43.66	55.48
Foreign Exchange Variation	3,310.65	(42.61)
Finance Cost	29,494.65	29,016.56
Interest income	(1,245.85)	(452.90)
Dividend Income	(9,735.81)	(12,035.53)
<b>Operating Profit before working capital changes</b>	<b>(222.17)</b>	<b>47,641.84</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in liabilities and provisions	(2,921.72)	25,160.34
Decrease/(Increase) in trade receivables	2,195.16	(1,74,567.45)
Decrease/(Increase) in inventories	25,366.19	(22,452.78)
Decrease/(Increase) in Loans & Advances	(10,141.51)	(9,763.47)
<b>Cash generated from /(used in) operations</b>	<b>14,275.95</b>	<b>(1,33,981.52)</b>
Direct Taxes paid (net of refunds)	(3,418.12)	(2,892.32)
Contribution to Cooperative Education Fund	(167.06)	(109.11)
Donations Paid	(39.00)	(45.00)
<b>Net cash Flow from/ (used in) operating activities (A)</b>	<b>10,651.77</b>	<b>(1,37,027.95)</b>

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

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>(B) Cash Flow from Investing Activities:</b>		
Purchase of fixed assets (Including CWIP)	(20,791.19)	(3,989.47)
Proceeds from sale of fixed assets	55.62	420.83
(Increase)/Decrease in fixed deposits	296.74	(0.42)
Interest received	1,433.28	629.76
Dividend received	9,735.81	12,035.53
<b>Net cash Flow from/(used in) investing activities (B)</b>	<b>(9,269.74)</b>	<b>9,096.23</b>
<b>(C) Cash Flow from Financing Activities</b>		
Issue/Repatriation of Share Capital (Net)	17.75	(61.75)
Proceeds from long-term borrowings(Net)	38,834.16	1,61,637.43
Interest Paid	(29,509.78)	(29,158.74)
Dividends paid on equity shares	(7,752.26)	(6,985.95)
Foreign Exchange Variation	(3,310.65)	42.61
<b>Net cash flow/(used in) in financing activities ( C)</b>	<b>(1,720.78)</b>	<b>1,25,473.60</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(338.75)	(2,458.12)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,793.04</b>	<b>13,251.16</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>10,454.29</b>	<b>10,793.04</b>
<b>Components of Cash and cash equivalents (Note 2.16)</b>		
Cash in hand	8.92	3.75
Cheques/ drafts on hand including remittances in transit	7,352.72	7,755.97
With banks on current account	3,092.65	3,033.32
<b>Total cash and cash equivalents</b>	<b>10,454.29</b>	<b>10,793.04</b>

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

- 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 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**



(R. S. Mathur)  
Executive Director (F&A)



(Rajan Chowdhry)  
Managing Director

**As per our report of even date**

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



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

For G. S. Mathur & Co.  
Chartered Accountants  
(Firm Reg. No. 08744N)



(Rajiv Kumar Wadhawan)  
Partner  
M.No. 091007

For Dhawan & Co.  
Chartered Accountants  
(Firm Reg. No. 002864N)



(Rakesh Kumar)  
Partner  
M.No. 085244

Place: **New Delhi**

Dated: **24<sup>th</sup> Nov., 2020**



## Note No.1

### Significant Accounting Policies Forming Part of Financial Statements for the Year Ended March 31, 2020

#### 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 is recognized at the price determined according to the provisions of NUP 2015 on the quantity sold. Further, the subsidy is accounted based on estimation of the

management considering the notifications and guidelines issued by the Department of Fertilizers (DoF) and Govt. of India (GOI) from time to time including escalation/ de-escalation towards input price.

6.2.2 Subsidy on Phosphatic and Potassic Fertilizers is recognized on quantity sold on the basis of NBS Policy notified by the GOI from time to time.

6.2.3 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 31.03.2020		As at 31.03.2019	
<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>				
33,134 (33,120) Equity Shares of ₹1,00,000 each	33,134.00		33,120.00	
15,578 (15,577) Equity Shares of ₹25,000 each	3,894.50		3,894.25	
19,175 (19,158) Equity Shares of ₹10,000 each	<u>1,917.50</u>	<u>38,946.00</u>	<u>1,915.80</u>	<u>38,930.05</u>
Less: Shares under Repatriation		17.43		19.23
<b>Net Paid up capital</b>		<b><u>38,928.57</u></b>		<b><u>38,910.82</u></b>
Add: Forfeited shares		6.38		6.38
<b>Total</b>		<b><u>38,934.95</u></b>		<b><u>38,917.20</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 01.04.2019	Issued during the year	Repatriated during the year	As on 31.03.2020
(1)		(2)	(3)	(4)	(5)
₹1,00,000/- (₹ One Lakh only)	Nos Value ₹ in lakh	33,120 33,120.00	657 657.00	643 643.00	33,134 33,134.00
₹25,000/- (₹ Twenty Five Thousand only)	Nos Value ₹ in lakh	15,577 3,894.25	1 0.25	- -	15,578 3,894.50
₹10,000/- (₹ Ten Thousand only)	Nos Value ₹ in lakh	19,158 1,915.80	24 2.40	7 0.70	19,175 1,917.50
Total Value of Fully Paid Up Shares ₹ in lakh		38,930.05	659.65	643.70	38,946.00
Previous Year ₹ in lakh		39,151.80	38.00	259.75	38,930.05

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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 ₹217.60 lakh (Previous year ₹236.60 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, 2020, 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 31.03.2020</b>		<b>As at 31.03.2019</b>	
<b>(a) Reserve Fund (As per Bye-Law 58(i) of the Society)</b>				
As per last Balance Sheet	1,22,700.12		1,18,523.63	
Add : Transfer from Surplus Account	-	1,22,700.12	4,176.49	1,22,700.12
<b>(b) Reserve Fund for Contingency (As per Bye-Law 58(iii) of the Society)</b>				
As per last Balance Sheet	26,790.24		25,119.64	
Add : Transfer from Surplus Account	-	26,790.24	1,670.60	26,790.24
<b>(c) Reserve for Donations</b>				
As per last Balance Sheet	66.00		71.75	
Add : Transfer from Surplus Account	-		40.00	
Less : Payments during the year	39.00		45.00	
Less : Transfer to General Reserve during the year	-	27.00	0.75	66.00
<b>(d) Capital Repatriation Fund</b>				
As per last Balance Sheet	89.05		138.80	
Add : Transfer from Statement of Profit and Loss	20.00		50.00	
Less: Transfer to Share Repatriated Reserve	15.30	93.75	99.75	89.05

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**Note No. 2.2**

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**RESERVES AND SURPLUS**

(₹ in lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
<b>(e) Share Repatriated Reserve</b>				
As per last Balance Sheet	883.27		783.52	
Add : Transfer from Capital Repatriation Fund	<u>15.30</u>	898.57	<u>99.75</u>	883.27
<b>(f) General Reserve</b>				
As per last Balance Sheet	145,121.65		1,42,247.94	
Add : Transfer from Surplus Account	(18,022.72)		2,872.96	
Add : Transfer from Reserve for Donation	<u>-</u>	1,27,098.93	<u>0.75</u>	1,45,121.65
<b>(g) Dividend Equalisation Fund</b>				
As per last Balance Sheet	8,344.32		8,344.32	
Less : Deductions/Adjustments during the year	<u>-</u>	8,344.32	<u>-</u>	8,344.32
<b>(h) Cooperative Development Fund</b>				
As per last Balance Sheet	97.43		81.86	
Add : Transfer from Unclaimed Dividend	18.88		16.54	
Less : Payment of Unclaimed Dividends during the year	<u>-</u>	116.31	<u>0.97</u>	97.43
<b>(i) Surplus (Balance in Statement of Profit and Loss)</b>				
Opening Balance (Retained Earnings for Dividend)	7,778.87		7,015.02	
Less Dividend Declared and Paid	<u>7,778.87</u>		<u>7,015.02</u>	
	-		-	
Add: Net Profit / (Loss) as per the Multi-State Cooperative Societies Act 2002	(18,022.72)		16,705.98	
Amount Available for Appropriations:	(18,022.72)		16,705.98	
Less: Appropriations:				
(1) Reserve Fund as per Bye-Law 58(i) of the Society	-	4,176.49		
(2) Provision for Contribution to Cooperative Education Fund	-	167.06		
(3) Reserve Fund for Contingency as per Bye- Law 58 (iii) of the Society	-	1,670.60		
(4) Reserve for Donations	-	40.00		
(5) General Reserve	<u>(18,022.72)</u>	<u>(18,022.72)</u>	<u>2,872.96</u>	<u>8,927.11</u>
<b>Total</b>		<b><u>2,86,069.24</u></b>		<b><u>3,11,870.95</u></b>



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

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Liability</b>		
Difference of Book Depreciation and Tax Depreciation/ Allowance (A)	34,819.60	33,510.54
<b>Deferred Tax Assets</b>		
Provision for Employees benefits allowable on payment basis	8,339.43	7,988.04
Provision for Doubtful Debts and Advances	154.56	136.04
Provision for Diminution of Investment	171.89	-
Unabsorbed losses as per Income Tax Act	12,455.71	-
Others	715.81	684.26
Total Deferred Tax Assets (B)	21,837.40	8,808.34
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>12,982.20</b>	<b>24,702.20</b>

**Further Notes:**

During the year net decrease in deferred tax liability of ₹11,720.00 lakh is being recognised in the Statement of Profit & Loss (Previous Year increase of ₹454.00 lakh).

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

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Retention/Security Deposits	1,106.46	442.15
Income Received in Advance	343.39	161.34
<b>Total</b>	<b>1,449.85</b>	<b>603.49</b>

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

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Employee Benefits*	21,351.92	21,173.18
<b>Total</b>	<b>21,351.92</b>	<b>21,173.18</b>

\*Disclosure as required by AS 15 on "Employee Benefits" has been made in Note No. 2.30.

**Note No. 2.6**

**SHORT TERM BORROWINGS**

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Short Term Loans</b>		
<b>From Banks:</b>		
<b>Secured</b>		
Rupee Loans	89,828.81	2,01,710.98
Foreign Currency Loans-Buyer's Credit	23,223.54	21,822.92
<b>Unsecured</b>		
Rupee Loans	2,36,510.92	1,34,795.20
Foreign Currency Loans	10,157.09	-
Foreign Currency Loans- Buyers Credit	1,46,949.10	1,09,506.19
<b>Total</b>	<b><u>506,669.46</u></b>	<b><u>467,835.29</u></b>

**Further Notes:**

Details of Security for Secured Loans:

- ₹81,328.85 lakh (Previous year ₹66,655.39 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.
- ₹31,723.50 lakh (Previous year ₹156,878.51 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 31.03.2020	As at 31.03.2019
Interest accrued but not due on borrowings	34.48	1.07
Interest accrued and due on borrowings	587.38	613.08
Interest Payable-Deposit from Customers /Others	-	22.83
Income received in advance	198.58	120.24
Unpaid / Unclaimed Dividends*	318.96	241.52
Amount Payable under Forward Contract (Net)	-	5,915.95

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

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Other Payables		
Advances from customers and others	3,863.77	2,519.81
Margin Money Payable-Customers	6,877.49	4,785.23
Deposits from contractors and others	4,604.37	4,628.93
Statutory Dues	1,240.06	1,275.08
Employees Dues	660.67	1,655.13
For Capital Goods	1,050.52	620.12
Others	103.54	1,118.94
<b>Total</b>	<b><u>19,539.82</u></b>	<b><u>23,517.93</u></b>

**Further Notes:**

\*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 31.03.2020	As at 31.03.2019
Employee Benefits*	8,384.11	6,448.00
Others		
Cooperative Education Fund	-	167.06
<b>Total</b>	<b><u>8,384.11</u></b>	<b><u>6,615.06</u></b>

\*Disclosure as required by AS 15 on "Employee Benefits" has been made in Note No. 2.30.

**Note No. 2.9**

**PROPERTY, PLANT AND EQUIPMENT**

(₹ in lakh)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 01.04.2019	Additions	Sales	Deductions / Adjustments	As at 31.03.2020	Upto 31.03.2019	For the year	Deductions on Sales	Deductions / Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>LAND</b>												
Freehold*	6,519.86	-	-	-	6,519.86	-	-	-	-	-	6,519.86	6,519.86
Leasehold**	1,662.31	1,503.75	-	-	3,166.06	555.68	47.72	-	-	603.40	2,562.66	1,106.63
<b>Sub-total</b>	<b>8,182.17</b>	<b>1,503.75</b>	<b>-</b>	<b>-</b>	<b>9,685.92</b>	<b>555.68</b>	<b>47.72</b>	<b>-</b>	<b>-</b>	<b>603.40</b>	<b>9,082.52</b>	<b>7,626.49</b>
<b>BUILDING</b>												
Freehold	16,116.50	-	-	-	16,116.50	7,857.11	292.01	-	-	8,149.12	7,967.38	8,259.39
Leasehold	2,337.36	0.18	-	-	2,337.54	677.45	83.39	-	-	760.84	1,576.70	1,659.91
<b>Sub-total</b>	<b>18,453.86</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>18,454.04</b>	<b>8,534.56</b>	<b>375.40</b>	<b>-</b>	<b>-</b>	<b>8,909.96</b>	<b>9,544.08</b>	<b>9,919.30</b>
<b>ROADS, CULVERTS &amp; DRAINS</b>	<b>4,129.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,129.63</b>	<b>3,602.50</b>	<b>132.79</b>	<b>-</b>	<b>-</b>	<b>3,735.29</b>	<b>394.34</b>	<b>527.13</b>
PLANT AND EQUIPMENTS	2,66,477.73	21,178.33	1,055.78	-	2,86,600.28	1,30,834.15	9,375.75	992.62	-	1,39,217.28	1,47,383.00	1,35,643.58
ROLLING STOCK	4,442.57	-	-	-	4,442.57	4,173.44	18.56	-	-	4,192.00	250.57	269.13
RAILWAY SIDINGS	3,840.84	-	-	-	3,840.84	2,481.69	138.54	-	-	2,620.23	1,220.61	1,359.15
FURNITURE AND FIXTURES	1,605.64	16.86	20.80	0.10	1,601.60	1,373.58	53.58	14.71	-	1,412.45	189.15	232.06
VEHICLES	913.66	48.47	70.50	-	891.63	489.44	79.45	54.63	-	514.26	377.37	424.22
OFFICE EQUIPMENTS	3,598.18	102.62	65.31	(3.70)	3,639.19	3,066.46	219.15	62.80	-	3,222.81	416.38	531.72
OTHERS	1347.34	45.37	13.26	-	1,379.45	1,032.83	88.64	9.02	-	1,112.45	267.00	314.51
<b>Sub-total</b>	<b>2,82,225.96</b>	<b>21,391.65</b>	<b>1,225.65</b>	<b>(3.60)</b>	<b>3,02,395.56</b>	<b>1,43,451.59</b>	<b>9,973.67</b>	<b>1,133.78</b>	<b>-</b>	<b>1,52,291.48</b>	<b>1,50,104.08</b>	<b>1,38,774.37</b>
<b>Total</b>	<b>3,12,991.62</b>	<b>22,895.58</b>	<b>1,225.65</b>	<b>(3.60)</b>	<b>3,34,665.15</b>	<b>1,56,144.33</b>	<b>10,529.58</b>	<b>1,133.78</b>	<b>-</b>	<b>1,65,540.13</b>	<b>1,69,125.02</b>	<b>1,56,847.29</b>
Previous year's Total	3,12,293.61	1,533.48	454.55	380.92	3,12,991.62	1,46,238.03	10,321.58	415.28	-	156,144.33	156,847.29	-

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

\*\*Title deed for land acquired during the year at Shahjahanpur for ₹ 1,503.75 lakh is pending for execution.

**Note No. 2.10**

**CAPITAL WORK-IN-PROGRESS**

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Civil Construction		
Office and Factory	20.70	18.74
Plant & Equipments	2,595.53	4,028.17
Railway Sidings	27.97	27.97
Others	309.38	577.98
<b>Total</b>	<b><u>2,953.58</u></b>	<b><u>4,652.86</u></b>



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

(₹ in lakh)

Particulars	Gross Block					Amortisation					Net Block	
	As at 01.04.2019	Additions	Sales	Deductions / Adjustments	As at 31.03.2020	Upto 31.03.2019	For the year	Deductions on Sales	Deductions / Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Computer Software	1,624.30	98.28		-	1,722.58	1,557.98	44.20		-	1,602.18	120.40	66.32
Licence Fee	3,844.83	-	-	-	3,844.83	1,393.79	202.36	-	-	1,596.15	2,248.68	2,451.04
<b>Total</b>	<b>5,469.13</b>	<b>98.28</b>	-	-	<b>5,567.41</b>	<b>2,951.77</b>	<b>246.56</b>	-	-	<b>3,198.33</b>	<b>2,369.08</b>	<b>2,517.36</b>
Previous year's Total	5,408.93	60.20	-	-	5,469.13	2,713.16	238.61	-	-	2,951.77	2,517.36	-

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

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<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
Less: Provision for diminution in value of investment	<u>(476.19)</u>	-
1,10,00,000 (1,10,00,000) Equity Shares of ₹1/- each, of Nagarjuna Fertilizers and Chemicals Ltd.	523.81	523.81
	<u>523.81</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>1,09,968.55</u>	<u>1,09,968.55</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
Less: Provision for diminution in value of investment	<u>(15.71)</u>	-
	<u>43,059.75</u>	<u>43,075.46</u>

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**Note No. 2.12**

**NON CURRENT INVESTMENTS**

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<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>1,54,417.11</u></b>	<b><u>1,54,909.01</u></b>

**Further Notes:**

- (i) Aggregate amount of quoted investments 523.81 1,000.00  
(ii) Market value of quoted investments 370.20 794.00  
(iii) Aggregate amount of un-quoted investments 1,53,893.30 1,53,909.01
- Investments have been valued as per Accounting Policy No. 10 disclosed in Note No. 1 to the financial statements.
- 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 31.03.2020	As at 31.03.2019
Capital Advances	-	76.57
Security Deposits	13.12	30.18
Loans:		
Employees (including interest accrued)		
Secured	2,914.46	2,884.18
Un-Secured	<u>35.89</u>	<u>-</u>
	2,950.35	2,884.18
Recoverable towards Employee Benefits from HAEP	5,963.16	4,892.15
<b>Total</b>	<b><u>8,926.63</u></b>	<b><u>7,883.08</u></b>

**Note No. 2.14**
**INVENTORIES**
**(As taken, valued and certified by the Management)**

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Stock-in-Process	232.50	233.84
Semi-Finished Goods	2,241.71	1,758.37
Finished Goods -Manufactured	30,414.45	33,041.49
Traded Products	29,815.83	53,103.84
Stores and Spares	9,060.60	8,059.54
Loose Tools	26.16	23.89
Packing Materials	1,028.13	1,318.09
Chemicals and Catalysts	3,568.08	4,207.13
Construction Materials	5.01	12.47
	<b>76,392.47</b>	<b>1,01,758.66</b>
Less:		
Provision for Obsolete, Surplus and Non-Moving Stores	1,993.74	1,956.54
<b>Total</b>	<b><u>74,398.73</u></b>	<b><u>99,802.12</u></b>

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**Note No. 2.14**

**INVENTORIES**

(As taken, valued and certified by the Management)

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Further Notes:</b>		
<b>1. Inventories include Material in Transit and Inspection</b>		
Finished Goods-Manufactured	7,979.34	6,561.99
Traded Products	442.67	1,576.43
Stores and Spares	157.47	57.70
	<b><u>8,579.48</u></b>	<b><u>8,196.12</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 31.03.2020	As at 31.03.2019
<b>i) Stock in Process</b>		
Ammonia	232.50	233.84
<b>Total</b>	<b><u>232.50</u></b>	<b><u>233.84</u></b>
<b>ii) Semi-Finished Goods-Manufactured</b>		
Ammonia for Urea	2,241.71	1,758.37
<b>Total</b>	<b><u>2,241.71</u></b>	<b><u>1,758.37</u></b>
<b>iii) Finished Goods-Manufactured</b>		
Urea	30,329.46	32,949.71
Argon	40.42	22.02
Bio-Fertilisers	33.78	50.44
Others	10.79	19.32
<b>Total</b>	<b><u>30,414.45</u></b>	<b><u>33,041.49</u></b>
<b>iv) Traded Products</b>		
OMIFCO Urea	5,161.07	4,574.55
Imported DAP	8,959.06	26,390.10
Imported NPK	8,660.92	21,206.88
Imported NPS	5,925.83	-
Imported Pool Urea	157.88	4.89
Seeds	302.81	475.59
Raw Seeds	93.88	86.01
Others	554.38	365.82
<b>Total</b>	<b><u>29,815.83</u></b>	<b><u>53,103.84</u></b>



**Note No. 2.15**
**TRADE RECEIVABLES**

(Unsecured Considered good, unless otherwise stated)

(₹ in lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
<b>Outstanding for a period exceeding six months (Unsecured)</b>				
<b>Claims Due from Government</b>				
- Considered Good	153,377.48		147,028.18	
- Considered doubtful	<u>77.12</u>	153,454.60	<u>24.13</u>	147,052.31
<b>Others</b>				
- Considered Good	3,021.43		957.22	
- Considered doubtful	<u>357.64</u>	3,379.07	<u>357.64</u>	1,314.86
<b>Others</b>				
Claims Due from Government of India	285,139.15		313,193.95	
Others	<u>54,377.75</u>	<u>339,516.90</u>	<u>36,931.63</u>	<u>350,125.58</u>
		496,350.57		498,492.75
Less: Provision for bad and doubtful receivables*		434.76		381.77
<b>Total</b>		<b><u>495,915.81</u></b>		<b><u>498,110.98</u></b>
*Details of provision for bad and doubtful receivables outstanding for a period exceeding six months		434.76		381.77
		<b><u>434.76</u></b>		<b><u>381.77</u></b>

**Further Notes:** (i) Refer Note 2.33 for breakup of balance due from the related parties ₹ 1,593.07 lakh (Previous Year ₹ 749.67 lakh).

**Note No. 2.16**
**CASH & BANK BALANCES**

(₹ in lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
<b>Cash and Cash Equivalents</b>				
Balances with banks				
- Current/Cash Credit Accounts		3,092.65		3,033.32
- Remittances-in-transit		7332.04		6,568.71
- Cheques & drafts on hand		20.68		1,187.26
- Cash in hand		<u>8.92</u>		<u>3.75</u>
		10,454.29		10,793.04
<b>Other Bank Balances (Non available for use)</b>				
- Unpaid/Unclaimed dividend account balance	248.90		179.17	
<b>Amount held as margin money, Security against borrowings and Other Commitments</b>				
- Deposits with remaining maturity for less than 12 months	<u>6.12</u>	255.02	<u>302.86</u>	482.03
<b>Total</b>		<b><u>10,709.31</u></b>		<b><u>11,275.07</u></b>

**Note No. 2.17**

**SHORT TERM LOANS AND ADVANCES**

(Unsecured considered good, unless otherwise stated)

(₹ in lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
<b>LOANS</b>				
Related Parties		170.00		170.00
Employees (including interest accrued)-Current Maturities				
Secured	707.93		749.60	
Un-Secured	3.28	711.21	-	749.60
<b>Sub Total</b>		<b>881.21</b>		<b>919.60</b>
<b>ADVANCES</b>				
Related Parties		69.25		65.59
Employees		256.49		250.11
Contractors & Suppliers, including material issued on loan				
Unsecured				
Considered Good	13,427.33		9746.12	
Considered Doubtful	7.54	13,434.87	7.54	9,753.66
Balance with Revenue Authorities		14,517.89		14,000.81
Income Tax Advance including TDS (Net of provisions of ₹ 11,302.72 lakh (Previous Year ₹ 18,818.70 Lakh).		13,258.04		6,335.84
Recoverable towards Employee Benefits from HAEP		360.41		323.17
Others		782.55		723.36
		<b>42,679.50</b>		<b>31,452.54</b>
Less: Provision for bad & doubtful advances		7.54		7.54
<b>Sub Total</b>		<b>42,671.96</b>		<b>31,445.00</b>
<b>Total</b>		<b>43,553.17</b>		<b>32,364.60</b>

**Further Notes:**

- Refer Note 2.33 for breakup of balance outstanding for Loans and Advances due from related parties ₹170 lakh and ₹ 80.06 lakh respectively (Previous Year ₹ 170 lakh and ₹ 65.59 lakh respectively).
- The advance to contractors and suppliers of ₹ 13,427.33 lakh (Previous Year ₹ 9,746.12 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. This advance 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 under Arbitration Tribunal from 2013-14, the learned Arbitration 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. Against the aforesaid award the respondent has filed an application before the Hon'ble High Court of Delhi u/s 34 of Arbitration & Conciliation Act, 1996 to set aside the said award. The case is listed for further hearing on 10.11.2020.

**Note No. 2.18**
**OTHER CURRENT ASSETS**

(₹ in lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Interest Accrued but not due:		
Term Deposits	2.36	25.79
Interest Receivable on Loans	10.80	6.23
Amount Receivable in Forward Contract (Net)	4,784.81	-
Deferred Premium of Forward Contract	1,066.50	1,264.88
<b>Total</b>	<b>5,864.47</b>	<b>1,296.90</b>

**Note No. 2.19**
**REVENUE**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Sale of Products (Net of Discounts/Rebates)	4,14,370.43	3,58,674.14
Subsidy/Remuneration from Central/State Governments	5,76,289.00	5,51,339.32
Sale of Services	6,506.21	6,441.13
Other Operating Revenue	1,995.86	1,458.24
<b>Revenue from Operations (Net)</b>	<b>9,99,161.50</b>	<b>9,17,912.83</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 31.03.2020		Year Ended 31.03.2019	
	Sales	Subsidy/ Concessions/ Remuneration	Sales	Subsidy/ Concessions/ Remuneration
<b>(a) Manufactured</b>				
Ammonia	10,684.88	-	8,742.58	-
Urea (NFU & FU)	1,22,225.28	4,33,960.92	1,24,556.06	4,48,043.05
Bio-Fertilisers	963.30	-	897.51	-
Argon (NM <sup>3</sup> )	2,390.66	-	2,431.37	-
Power	1,290.76	-	175.49	-
Others	346.60	-	276.16	-
<b>Sub Total</b>	<b>1,37,901.48</b>	<b>4,33,960.92</b>	<b>1,37,079.17</b>	<b>4,48,043.05</b>

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**Note No. 2.19**

**REVENUE**

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

(₹ in lakh)

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	Sales	Subsidy/ Concessions/ Remuneration	Sales	Subsidy/ Concessions/ Remuneration
<b>(b) Traded Products</b>				
OMIFCO Urea	51,431.88	26,327.30	52,442.70	25,661.47
Imported DAP	1,50,051.04	83,046.40	133,189.54	65,274.39
Imported NPK	34,384.29	16,657.65	3,068.24	1,545.04
Imported NPS	13,476.88	6,449.01	6,107.70	3,026.19
Imported Urea	15,169.68	8,738.50	10,797.50	6,203.13
Compost	1,064.39	589.63	754.51	408.12
Seeds	6,130.11	519.59	9,179.38	1,177.93
Others	4,760.68	-	6,055.40	-
<b>Sub Total</b>	<b><u>2,76,468.95</u></b>	<b><u>1,42,328.08</u></b>	<b><u>2,21,594.97</u></b>	<b><u>1,03,296.27</u></b>
<b>Total (a+b)</b>	<b><u>4,14,370.43</u></b>	<b><u>5,76,289.00</u></b>	<b><u>3,58,674.14</u></b>	<b><u>5,51,339.32</u></b>

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>3 Breakup of Sale of Services</b>		
Service Charges from HAEP	2,322.29	2,438.42
Urea Sales Fee from OMIFCO	2,426.98	2,027.78
TSA/PSA from OMIFCO	110.97	201.15
Marketing Service Charges from KFL	1,193.28	1,260.00
Leave and License Fee from KRIL	363.97	346.64
Others	88.72	167.14
<b>Total</b>	<b><u>6,506.21</u></b>	<b><u>6,441.13</u></b>
<b>4 Breakup of Other Operating Revenue</b>		
Despatch Money	195.61	144.96
Insurance Claims Received	1,218.80	844.65
Claims/Recoveries from contractors & Others	581.45	468.63
<b>Total</b>	<b><u>1,995.86</u></b>	<b><u>1,458.24</u></b>



**Note No. 2.20**
**OTHER INCOME**

(₹ in lakh)

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
<b>Interest</b>				
Loan to subsidiary companies/Associate	13.69		10.35	
From Employees	110.98		112.94	
From Indian Banks	3.80		14.00	
On Income Tax Refunds	1,098.47		298.04	
From Others	18.91	1,245.85	17.57	452.90
<b>Dividend</b>				
From non current investments-Trade				
Joint Ventures	9,733.41		12,035.38	
Others	2.40	9,735.81	0.15	12,035.53
<b>Other Non-Operating Income</b>				
Net Gain on Foreign Currency translation and transactions		-		42.61
Lease and Equipment hire charges		1.92		1.88
Rental Income		874.88		737.31
Sale of Scrap and Other items		342.80		638.04
Recovery from Employees		119.08		114.90
Penalties & Liquidated damages		169.95		195.12
Excess Provision Written back/Unclaimed Amount (Net)		204.15		320.50
Others		29.74		65.41
<b>Total</b>		<b>12,724.18</b>		<b>14,604.20</b>

**Note No. 2.21**
**COST OF MATERIALS CONSUMED**

(₹ in lakh)

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
Raw Materials	3,72,085.12		3,72,988.13	
Packing Materials	13,877.01		13,954.90	
Chemicals and Catalysts	3,083.91		2,964.30	
Power, Fuel and Water	83,479.66		91,254.53	
<b>Total</b>		<b>4,72,525.70</b>		<b>4,81,161.86</b>
<b>Further Notes:</b>				
<b>1 Breakup of Raw Materials</b>				
Natural Gas	3,72,085.12		3,72,988.13	
<b>Total</b>		<b>3,72,085.12</b>		<b>3,72,988.13</b>
<b>2 Break up of Power, Fuel and Water</b>				
Power	3,769.96		3,258.74	
Fuel (Boiler Gas)	76,388.34		84,750.09	
Water Charges	3,321.36		3,245.70	
<b>Total</b>		<b>83,479.66</b>		<b>91,254.53</b>

**Note No. 2.22**

**PURCHASES OF STOCK-IN-TRADE**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
OMIFCO Urea	49,634.98	47,172.85
Imported DAP/ DAP Lite	1,66,979.29	1,77,830.70
Imported NPK	30,204.47	24,378.48
Imported NPS	22,123.82	-
Imported Urea	14,575.18	9,462.99
Other Indigenous Fertilisers	5,946.22	5,676.84
Seeds, Chemicals and Other Products	4,688.95	6,658.85
<b>Total</b>	<b><u>2,94,152.91</u></b>	<b><u>2,71,180.71</u></b>

**Note No. 2.23**

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

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Opening Stock:</b>		
Stock-in-Process	233.84	86.14
Semi Finished Goods	1,758.37	1,291.62
Finished Goods-Manufactured	33,041.49	31,996.31
Stock-in-Trade	<u>53,103.84</u>	<u>33,476.41</u>
	88,137.54	66,850.48
<b>Closing Stock:</b>		
Stock-in-Process	232.50	233.84
Semi Finished Goods	2,241.71	1,758.37
Finished Goods-Manufactured	30,414.45	33,041.49
Stock-in-Trade	<u>29,815.83</u>	<u>53,103.84</u>
	62,704.49	88,137.54
<b>Net (Accretion)/Decretion</b>	<b><u>25,433.05</u></b>	<b><u>(21,287.06)</u></b>

**Note No. 2.24**

**EMPLOYEE BENEFITS EXPENSE**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Salaries and Wages	31,292.33	30,783.36
Contribution to Provident and Other Funds	5,551.85	5,228.91
Staff Welfare Expenses	2,321.44	2,221.06
<b>Total</b>	<b><u>39,165.62</u></b>	<b><u>38,233.33</u></b>

**Note No. 2.25**
**FINANCE COSTS**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Interest on :</b>		
Rupee Term Loans	3.23	15.49
Foreign Currency Short Term Loans	2,418.41	4,686.09
Cash Credit and Short Term Loans	16,511.99	17,197.58
Buyer's Credit	10,499.50	7,023.57
Deposits from Customers	60.00	22.83
Income Tax & Other Authorities	1.52	71.00
<b>Total</b>	<b><u>29,494.65</u></b>	<b><u>29,016.56</u></b>

**Note No. 2.26**
**OTHER EXPENSES OF MANUFACTURING, ADMINISTRATION, SELLING AND DISTRIBUTION**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Electricity and Water Charges	330.89	369.21
Rent	516.53	490.49
Rates and Taxes	383.13	510.28
Repairs and Maintenance		
Buildings	605.25	601.57
Plant, Machinery and Other Equipments*	3,357.30	2,481.64
Others	<u>721.90</u>	<u>743.09</u>
Insurance	1,864.75	951.34
Travelling Expenses	1,048.82	992.39
Printing and Stationery Expenses	91.79	65.08
Communication Expenses	141.60	186.80
Farmers Benefit and Publicity	777.14	713.78
Warehousing	1,926.10	2,050.90
Packing, Freight and Handling	98,324.16	89,387.36
Seed Multiplication Expenses	129.10	265.02
Directors' Sitting Fees	25.63	22.00
Vehicle Hire, Running and Maintenance Expenses	677.53	713.46
Legal and Professional Charges	540.53	268.28
Bank and Other Finance Charges	176.02	113.61

Continued...

Continued...

**Note No. 2.26**

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

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Payment to Auditors</b>		
Audit Fees ₹ 3.81 lakh for Branch Audit (Previous year ₹3.52 lakh))	27.81	31.52
Tax audit fee to one of the Joint Auditor	—	1.75
Other services to two Joint Auditors	4.20	6.15
Out of Pocket expenses	<u>24.13</u>	<u>14.06</u>
Foreign Currency Transaction and Translation	56.14	53.48
Amount Charged Off	3,310.65	—
Loss on Sale of Fixed Assets/Written Off (Net)	0.18	32.41
Provision for Surplus and Non-Moving Stores	36.24	132.21
Provision for diminution in value of investments	37.20	307.31
E.D.P. Expenses	491.90	—
Security Expenses	449.18	436.42
Donations	398.74	351.15
Miscellaneous Expenses	200.00	50.00
	1,061.43	936.65
<b>Total</b>	<b><u>1,17,679.83</u></b>	<b><u>1,03,225.93</u></b>

\*Repair and Maintenance includes cost of Stores & Spares Consumed ₹ 1,469.81 lakh (Previous year ₹ 952.69 lakh).

**Note No. 2.27**

**PRIOR PERIOD ITEMS (NET)**

(₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>INCOME</b>		
Depreciation and Amortisation	—	132.85
Others	1.72	—
	<u>1.72</u>	<u>132.85</u>
<b>EXPENDITURE</b>		
Others	<u>0.80</u>	<u>3.89</u>
	0.80	3.89
<b>Net Expenditure/(Income)</b>	<b><u>(0.92)</u></b>	<b><u>(128.96)</u></b>



## Other Notes

### 2.28 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 ₹ 2803.04 lakh (Previous Year ₹ 13,300.11 lakh).

### 2.29 CONTINGENT LIABILITIES:

(₹ in lakh)

		As At 31.03.2020	As At 31.03.2019
(i)	Claims against the Society not acknowledged as debts (disputed liability relating to various matters)		
	(a) Claims against Society/Disputed Liabilities	555.49	562.42
	(b) Disputed liability relating to Tax matters		
	(i) VAT/Sales Tax matters	3,206.18	2,934.92
	(ii) Excise / Custom / Service Tax matters	9,737.57	8,927.45
	(iii) Income Tax matters	15,673.19	13,380.52
	(iv) Cess matters	2,370.65	2,308.76
	(c) Disputed liability relating to Labour matters	64.04	118.15
	(d) Court cases/ Arbitration with Contractors/ Suppliers	1,356.71	1,465.41
	<b>Total</b>	<b>32,963.83</b>	<b>29,697.63</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).	2,42,126.00	2,38,156.00
(iii)	Guarantees/Counter Guarantees- Others	1,471.41	1,471.41

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.

### 2.30 EMPLOYEE BENEFITS

2.30.1 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:

		Year Ended 31.03.2020	Year Ended 31.03.2019
(i)	Method Used	<b>Projected Unit Credit Method</b>	
(ii)	Discount Rate	6.75%	7.65%
(iii)	Expected rate of return on Plan Assets-Gratuity Fund	7.15%	7.92%
(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 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Present Value of Obligations as at beginning of year	27,408.08	26,514.36	23,939.98	22,914.78
Interest Cost	2,102.46	2,028.35	1,836.43	1,752.98
Current Service Cost	1,112.85	1,056.75	1,125.54	1,060.18
Benefits Paid	(3,393.61)	(3,331.11)	(3,516.98)	(2,811.18)
Actuarial Loss on Obligations	2,472.40	1,139.73	1,888.40	1,023.22
Present Value of Obligations as at end of the year	29,702.18	27,408.08	25,273.37	23,939.98

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

(₹ in lakh)

	Gratuity		Leave Encashment/ Compensated Absences	
	(Funded)		(Unfunded)	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Fair Value of Plan Assets as at beginning of the year	24,952.76	22,056.33	-	-
Actual return on Plan Assets	1,890.15	1,976.59	-	-
Employers' Contribution	3,312.40	4,250.95	-	-
Benefits Paid	(3,393.61)	(3,331.11)	-	-
Fair Value of Plan Assets as at end of the year*	26,761.70	24,952.76	-	-

\*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 31.03.2020	As At 31.03.2019	As At 31.03.2020	As At 31.03.2019
Present Value of Obligations as at end of the year	29,702.19	27,408.08	25,273.37	23,939.98
Fair Value of Plan Assets as at end of the year	26,761.69	25,023.76	-	-
Net unfunded Liability / (Assets) recognized in Balance Sheet	2,940.50	2,384.32	25,273.37	23,939.98

(e) Expenses recognized in the Statement of Profit and Loss: (₹ in lakh)

	Gratuity		Leave Encashment/ Compensated Absences	
	(Funded)		(Unfunded)	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Current Service Cost	1,112.85	1,056.75	1,125.54	1,060.18
Interest Cost	2,102.46	2,028.35	1,836.43	1,752.98
Expected return on Plan Assets	(1,784.12)	(1,752.48)	-	-
Net Actuarial (Gain)/Loss recognized during the year	2,366.37	915.62	1,888.40	1,023.22
Total Expense recognized in the Statement of Profit and Loss	<b>3,797.56</b>	<b>2,248.24</b>	<b>4,850.37</b>	<b>3,836.38</b>

(f) Experience adjustments (₹ in lakh)

	Year Ended 31.03.2020	Year Ended 31.03.2019
Gratuity		
(i) Plan Assets- Loss/(Gain)	(106.03)	(224.11)
(ii) Obligations- Loss/(Gain)	(5,038.28)	1,139.73
Leave Encashment/ Compensated Absences (Obligations)-Loss/(Gain)	1,888.40	1,023.22

(g) The Society's best estimate of contribution towards gratuity for the financial year 2020-21 will be ₹ 1,433.75 lakh (Previous Year ₹1,353.75 lakh).

- 2.30.2 Provision for long service award, farewell gift and travel to home town on superannuation amounting to ₹ 243.08 lakh (Previous Year ₹ 148.13 lakh) have been made on the basis of actuarial valuation at the year end and expensed in Statement of Profit & Loss.
- 2.30.3 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 ₹ 2,194.20 lakh (Previous year ₹ 2,134.94 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.
- 2.30.4 Provision for additional monthly payments payable in subsequent periods to the employees opted for Voluntary Retirement Scheme 2011 amounting to ₹ 43.32 lakh (Previous Year ₹ 61.09 lakh) have been made on the basis of actuarial valuation at the year end and decrease in liability for the year is accounted for ₹ 17.77 lakh in the Statement of Profit & Loss (Previous Year ₹ 16.63 lakh).
- 2.30.5 During the year the Society has provided a sum of ₹ 90.00 lakh (Previous Year ₹ 459.00 lakh) towards Employees Superannuation Pension Scheme and the same has been charged to Statement of Profit and Loss.
- 2.30.6 During the year the Society has provided a sum of ₹ 100.00 lakh (Previous year ₹ 52.00 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.

### 2.31 BORROWING COST

Borrowing cost capitalised during the year is ₹ 22.65 (Previous Year ₹ Nil lakh).

### 2.32 SEGMENT INFORMATION

Disclosures as required under AS 17 - Segment Reporting:-

#### 2.32.1 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, 2020

### PRIMARY SEGMENT

(₹ in lakh)

	Business Segments						Total	
	Urea & Ammonia- Manufactured		Imported Fertilisers		Other Products			
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Revenue :</b>								
- Sales	1,32,910.15	1,33,336.03	2,64,513.77	2,05,606.29	16,946.50	19,731.83	4,14,370.42	3,58,674.15
- Concession/Remuneration from GOI	3,78,075.42	4,48,043.05	1,41,218.87	1,01,710.22	1,109.22	1,586.05	5,20,403.51	5,51,339.32
Other Revenue	2,554.96	2,444.28	380.02	360.04	7,313.41	7,210.82	10,248.39	10,015.14
<b>Total Revenue</b>	<b>5,13,540.53</b>	<b>5,83,823.36</b>	<b>4,06,112.66</b>	<b>3,07,676.55</b>	<b>25,369.13</b>	<b>28,528.70</b>	<b>9,45,022.32</b>	<b>9,20,028.61</b>
<b>Expenditure</b>								
- Operating and Other Expenses	5,56,867.48	5,63,994.03	386,742.91	2,99,941.32	15,631.32	19,010.66	9,59,241.71	8,82,946.01
<b>Total Expenditure</b>	<b>5,56,867.48</b>	<b>5,63,994.03</b>	<b>3,86,742.91</b>	<b>2,99,941.32</b>	<b>15,631.32</b>	<b>19,010.66</b>	<b>9,59,241.71</b>	<b>8,82,946.01</b>
<b>Segment Operating Result</b>	<b>(43,326.95)</b>	<b>19,829.33</b>	<b>19,369.75</b>	<b>7,735.23</b>	<b>9,737.81</b>	<b>9,518.04</b>	<b>(14,219.39)</b>	<b>37,082.60</b>
<b>Unallocated Expenses</b>								
- Interest and Financial charges							29,494.65	29,016.56
- Other Unallocated							490.62	-
<b>Total Unallocated</b>							<b>29,985.27</b>	<b>29,016.56</b>
- Other Revenue including Dividend							9,735.81	12,035.53
- Interest Income							1,242.05	452.90
<b>Profit Before Tax</b>							<b>(33,226.80)</b>	<b>20,554.47</b>
- Income Tax (Net)							(15,224.08)	3,798.49
<b>Net Profit after Tax</b>							<b>(18,002.72)</b>	<b>16,755.98</b>
<b>Capital Employed</b>								
- Segment Assets	5,71,976.02	5,92,333.85	1,94,265.05	1,81,394.24	11,358.27	10,034.78	7,77,599.34	7,83,762.87
- Unallocated Corporate Assets							1,87,679.99	1,81,243.54
- Capital Work-in-Progress							2,953.58	4,652.86
<b>Total Assets</b>	<b>5,71,976.02</b>	<b>5,92,333.85</b>	<b>1,94,265.05</b>	<b>1,81,394.24</b>	<b>11,358.27</b>	<b>10,034.78</b>	<b>9,68,232.91</b>	<b>9,69,659.27</b>
- Segment Liabilities	96,458.95	69,170.84	38,271.54	47,151.25	3,188.57	3,716.70	1,37,919.06	1,20,038.79
- Unallocated Corporate Liabilities							5,05,309.66	4,98,832.33
<b>Total Liabilities</b>	<b>96,458.95</b>	<b>69,170.84</b>	<b>38,271.54</b>	<b>47,151.25</b>	<b>3,188.57</b>	<b>3,716.70</b>	<b>6,43,228.72</b>	<b>6,18,871.12</b>
<b>Other Information</b>								
- Capital Expenditure incurred during the year (including CWIP)	24,696.72	4,632.29	-	-	-	-	24,696.72	4,632.29
- Depreciation	7,678.38	7,591.36	461.37	447.12	2,636.39	2,521.71	10,776.14	10,560.19
- Unallocated								
- Non Cash Expenditure (other than depreciation)	75.06	235.60	12.47	110.45	522.27	20.01	609.80	366.06

### 2.32.2 SECONDARY SEGMENT

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

## 2.33 RELATED PARTY DISCLOSURES:

### 2.33.1 Related parties:

#### 2.33.1.1 Key Management Personnel:

- |                            |                          |
|----------------------------|--------------------------|
| (i) Mr. Rajan Chowdhry*    | Managing Director        |
| (ii) Mr. N.Sambasiva Rao** | Ex - Managing Director   |
| (iii) Mr. V. S. Sirohi     | Marketing Director       |
| (iv) Mr. M. R. Sharma      | Operations Director      |
| (v) Mr. S. S. Yadav***     | Director (HR)            |
| (vi) Mr. R. S. Mathur **** | Executive Director (F&A) |

#### 2.33.1.2 Subsidiary Companies:

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

#### 2.33.1.3 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]

#### 2.33.1.4 Associates:

- (i) Gramin Vikas Trust (GVT)

### 2.33.2 Transactions with the related parties at (2.33.1) above are as follows:

(₹ in lakh)

Nature of Transaction	Related Party	2019-20	2018-19
Dividend Received	OMIFCO	9,733.41	12,035.38
	GSEG	-	-
	<b>Total</b>	<b>9,733.41</b>	<b>12,035.38</b>
Receipts for Fee/ Services	KRIL	429.60	410.76
	KFL	1,189.88	1,260.00
	OMIFCO	2,537.95	2,228.93
	GSEG	135.95	125.54
	<b>Total</b>	<b>4,293.38</b>	<b>4,025.23</b>
Purchase of Assets	KFL	-	5.69
	<b>Total</b>	<b>-</b>	<b>5.69</b>
Payment of Fee for Management & Erection Services for Railway Siding	KRIL	-	8.15
	<b>Total</b>	<b>-</b>	<b>8.15</b>

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Continued...

(₹ in lakh)

Nature of Transaction	Related Party	2019-20	2018-19
Rental Income	KFL	22.88	17.12
	KRIL	65.36	49.43
	APFPL	3.65	3.72
	GVT	14.21	16.42
	GSEG	8.80	8.80
	<b>Total</b>	<b>114.90</b>	<b>95.49</b>
Interest Income	APFPL	2.88	4.12
	GVT	10.80	6.23
	<b>Total</b>	<b>13.68</b>	<b>10.35</b>
Purchases of Traded Products/ Other Material	KFL	1,145.97	2,673.58
	APFPL	2,801.97	3,130.89
	<b>Total</b>	<b>3,947.94</b>	<b>5,804.47</b>
Grants/ Contribution /Donations	GVT	-	50.00
	<b>Total</b>	<b>-</b>	<b>50.00</b>
Recovery towards expenses incurred	KRIL	51.41	62.58
	KFL	10.76	14.84
	GSEG	179.73	129.48
	OMIFCO	17.76	9.16
	APFPL	0.80	-
	GVT	6.93	8.73
	<b>Total</b>	<b>267.39</b>	<b>224.79</b>
Amount Payable	KRIL	-	2.16
	GSEG	39.23	52.03
	GVT	-	-
	APFPL	36.88	97.05
	KFL	30.82	47.15
	<b>Total</b>	<b>106.93</b>	<b>198.39</b>

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Continued...

(₹ in lakh)

Nature of Transaction	Related Party	2019-20	2018-19
Deposit Received	KFL	2.66	2.66
	GSEG	42.00	42.00
	APFPL	8.58	57.60
	GVT	1.00	1.00
	<b>Total</b>	<b>54.24</b>	<b>103.26</b>
Amount Recoverable	KRIL	0.66	0.35
	KFL	-	0.45
	GVT	11.15	0.35
	APFPL	68.25	64.44
	<b>Total</b>	<b>80.06</b>	<b>65.59</b>
Trade Receivable	KFL	704.61	159.82
	OMIFCO	595.68	489.27
	GVT	35.21	54.61
	KRIL	211.12	26.82
	GSEG	40.45	12.99
	APFPL	6.00	6.16
	<b>Total</b>	<b>1,593.07</b>	<b>749.67</b>
Amount recoverable towards Loan	GVT	170.00	170.00
	<b>Total</b>	<b>170.00</b>	<b>170.00</b>
Corporate/ Other Guarantees given for	KRIL	37,884.00	36,336.00
	KFL	2,04,242.00	2,01,820.00
	<b>Total</b>	<b>2,42,126.00</b>	<b>2,38,156.00</b>

Continued...



Continued...  
 (₹ in lakh)

Nature of Transaction	Related Party	2019-20	2018-19
Managerial Remuneration*****			
Mr. Rajan Chowdhry	Managing Director	58.77	56.13
Mr. N. Sambasiva Rao	Ex-Managing Director	101.49	65.56
Mr. V. S. Sirohi	Marketing Director	56.61	50.38
Mr. M. R. Sharma	Operations Director	45.53	23.05
Mr. S. S. Yadav	Director (HR)	14.22	-
Mr. R. S. Mathur	Executive Director (F&A)	8.53	-
	<b>Total</b>	<b>285.15</b>	<b>195.12</b>

\* Finance Director upto 31.12.2019 and Managing Director w.e.f. 01.01.2020

\*\* Superannuated on 31.12.2019, \*\*\* w.e.f. 30.12.2019, \*\*\*\* w.e.f. 03.02.2020

\*\*\*\*\* 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 Society basis and hence not ascertainable separately.

## 2.34 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 2.26 of 'Other Expenses of Manufacturing, Administration, Selling and Distribution.'

## 2.35 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, 2020.

(₹ in lakh)

Name of the Company	Country of Residence	Contribution towards Equity		Percentage of holding of KRIBHCO	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
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	19.16	19.16
iii) Urvarak Videsh Ltd. (UVL)**	India	18.00	18.00	33.33	33.33

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The Society's share in the Assets, Liabilities, Capital Commitments and Contingent Liabilities as at 31.03.2020 and Income and Expenses for the year ended 31.03.2020 in respect of jointly controlled entities are given below:

(₹ in lakh)

	As at 31.03.2020	As at 31.03.2019
<b>Liabilities:</b>		
Non-current Liabilities	14,034.07	12,302.48
Current Liabilities	19,650.86	16,619.72
<b>Total Liabilities</b>	<b>33,684.93</b>	<b>28,922.20</b>
<b>Assets:</b>		
Non-Current Assets	93,089.66	88,838.40
Current Assets	28,817.05	20,930.85
<b>Total Assets</b>	<b>1,21,906.71</b>	<b>1,09,769.25</b>

	Year Ended 31.03.2020	Year Ended 31.03.2019
Total Revenue	75,699.98	72,657.10
Total Expenses	63,304.74	57,028.13
Profit Before Tax	12,395.24	15,628.97
Tax Expense	1,799.58	2,561.24
Profit After Tax	10,595.66	13,067.73
Other Comprehensive Income	179.70	(54.75)
Total Comprehensive Income for the Year	10,775.36	13,012.98
Capital Commitments	803.80	802.21
Contingent Liabilities	-	11.94

\* 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.

## 2.36 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.

## 2.37 FOREIGN CURRENCY EXPOSURE

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

Sl. No.	Particulars	Amount of Foreign Currency		Amount ₹ in lakh	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(i)	Borrowings, including interest accrued but not due thereon				
		US \$ 3,47,59,918.18	US \$ 8,84,663.20	26,204.14	611.93
(ii)	Trade Payables/ deposits and retention money /Advance from Customers				
		US \$16,436,553.54	US \$19,75,883.55	12,390.16	1,366.06
		EURO 2,09,749.97	-	174.20	-
		YEN 4,53,11,885.00	-	315.60	-
		RO 7,777.00	RO 1,950.00	15.23	3.50
(iii)	Trade Receivable Debtors and Bank Balances / Advance to Suppliers				
		US \$ 1,38,76,063.86	US \$ 31,28,151.11	10,442.40	2,163.79
		EURO 28,017.33	-	23.27	-
		GBP 7,084.00	-	6.59	-
		RO 8,276.26	RO 2,803.76	16.21	5.04

2.37.2 Particulars of hedged foreign currency exposure:

Sl. No.	Particulars	Amount of Foreign Currency		Amount ₹ in lakh	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(i)	Import Credit including interest	US \$ 20,64,44,533.80	US \$ 23,10,53,028.00	1,55,255.21	1,59,822.38
(ii)	Dividend from Omifco	-	US \$ 94,96,300.00	-	6,568.71

**2.38 INFORMATION IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 AS AT 31.03.2020**

(₹ in lakh)

2.38.1

Sr. No.	Particulars	2019-20	2018-19
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.



**2.38.2** Trade Payable includes ₹115.56 lakh (previous year ₹86.18 lakh) towards outstanding to MSME Vendors.

**2.39 VALUE OF IMPORTS CALCULATED ON C.I.F.:** (₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
2.39.1 Components and Spare parts	53.68	551.44
2.39.2 Capital Goods	13,943.17	2,207.28
<b>Total</b>	<b>13,996.85</b>	<b>2,758.72</b>

**2.40 EXPENDITURE IN FOREIGN CURRENCY:** (₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
2.40.1 Legal & professional Charges	70.75	-
2.40.2 Purchase of Imported Fertilisers	2,08,590.70	1,91,886.25
2.40.3 Purchase of Raw Material (Gas Supply)	5,803.69	6,746.37
2.40.4 Others	406.18	362.74
<b>Total</b>	<b>2,14,871.32</b>	<b>1,98,995.36</b>

**2.41 EARNINGS IN FOREIGN EXCHANGE:** (₹ in lakh)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>2.41.1 Dividend</b>	<b>9,733.41</b>	<b>12,035.38</b>
2.41.2 Other Income		
Urea Sales Fee	2,537.95	2,228.93
Others	195.61	17.03
<b>Total</b>	<b>2,733.56</b>	<b>2,245.96</b>

**2.42** Department of Fertilisers (DoF), Government of India vide its letter dated 30.03.2020 has retrospectively amended modified NPS-III notified on 02.04.2014 by deleting the clause no. 3.2 pertaining to minimum fixed cost. Accordingly, ₹558.85 Crore, which had accrued and was recognized based on earlier notified policy during the period 02.04.2014 to 31.03.2019, has been reversed in the current financial year and disclosed under the head "Exceptional Items" in the Accounts.

**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** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Nationwide total lockdown announced from 25<sup>th</sup> March, 2020 due to COVID-19 pandemic was gradually lifted based on the impact of outbreak. The agriculture and fertilizer sector remain relatively unaffected on demand side, the Society's operation have not been affected significantly on account of COVID-19 despite some issues relating to non-availability of labour and supply chain disruptions. The proactive support and relaxations extended by the Central and respective State Governments helped Society's production, distribution and sale of fertilizers. The Society has been able to operate its plants at normal levels by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard.
- Further, the Society has also assessed the impact of this pandemic on recoverability of carrying value of financial and non-financial assets as at the balance sheet date using various internal and external information up to the date of approval of these financial results and based on the present estimates, the management believes that the carrying amount is considered to be recoverable and accordingly no further adjustments are required in the financial results.
- However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and the Society will continue to monitor any material changes to future economic conditions.
- 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**



(R. S. Mathur)  
Executive Director (F&A)



(Rajan Chowdhry)  
Managing Director

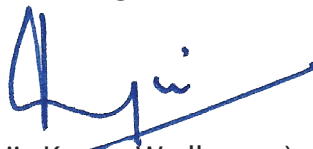
**As per our report of even date**

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



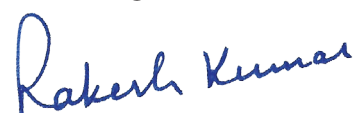
(Sandip A. Parikh)  
Partner  
M.No. 040727

For G. S. Mathur & Co.  
Chartered Accountants  
(Firm Reg. No. 08744N)



(Rajiv Kumar Wadhawan)  
Partner  
M.No. 091007

For Dhawan & Co.  
Chartered Accountants  
(Firm Reg. No. 002864N)



(Rakesh Kumar)  
Partner  
M.No. 085244

Place: **New Delhi**

Dated: **24<sup>th</sup> Nov., 2020**





**KRIBHCO**  
Cooperative and beyond...

**KRISHAK BHARATI COOPERATIVE LIMITED**

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website : [www.kribhco.net](http://www.kribhco.net)

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